South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

A G E N D A

HYBRID GOVERNING BOARD MEETING
DECEMBER 4, 2026

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, December 4, 2026 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California 91765, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Teleconference Location

Bordwell Park – Community Room
2008 Martin Luther King Blvd.
Riverside, CA 92507

The public may attend at the locations listed above.

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

Electronic Participation Information (Instructions provided at the bottom of the agenda)	**Join Zoom Meeting - from PC, Laptop or Phone** https://aqmd.zoomgov.com/j/1600528849 Meeting ID: **160 052 8849** (applies to all) Teleconference Dial In +1 669 254 5252, 160 052 8849 One tap mobile: +1 669 254 5252, 160 052 8849# **Spanish Language Only Audience (telephone)** Número Telefónico para la Audiencia que Habla Español Teleconference Dial In/Numero para llamar: +1 669 254 5252 Meeting ID/Identificación de la reunión: **161 104 2947** One tap mobile: +1 669 254 5252, 161 104 2947#
Public Comment Will Still Be Taken	**Audience will be allowed to provide public comment in person and through Zoom connection or telephone.** Comments are limited to three (3) minutes per person for all items on the Consent and Board Calendars and may be further limited by the Chair to ensure all can be heard. Phone controls for participants: The following commands can be used on your phone's dial pad while in meeting: *6 (Toggle mute/unmute); *9 - Raise hand

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

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

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

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

Reasonable Accommodations for Remote Participation by Members of this Brown Act Body
All public meetings held pursuant to the Brown Act must adhere to certain procedures to assist in processing requests for reasonable accommodations for remote participation by Board and Committee Members, and Members of other Brown Act bodies, consistent with the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and Government Code section 54953.8. Specifically, Board and Committee Members, or other Members of a Brown Act body, who have a disability within the meaning of the ADA, may request a reasonable accommodation to participate remotely in a public meeting in lieu of in-person attendance. Such requests must be made pursuant to the procedure set forth in South Coast AQMD Administrative Code Section 30.17 (Policy for Reasonable Accommodation and Remote Participation) and must be submitted in writing to the Chair of the Board or Committee, or Chair of the other Brown Act Body, copying the Clerk of the Boards and the Deputy Executive Officer of Administrative and Human Resources. In the event that the Chair requests an accommodation, that request must also be submitted to the Vice Chair for approval.

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

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Opening Comments: Michael A. Cacciotti, Chair
  Other Board Members
  Wayne Nastri, Executive Officer
- Recognize Employees with 20, 25, 30, 35, and 40 Years of Service

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Staff/Phone (909) 396-

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

CONSENT AND BOARD CALENDAR (Items 1 and 21)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. 22.

1. Approve Minutes of November 6, 2026 Board Meeting **Thomas/3268**

2. Set Public Hearings January 8, 2027 to Consider Amendments to South Coast AQMD Rules and Regulations: **Nastri/3131**

   A. Determine That Proposed Amended Rule 401 – Visible Emissions, Is Exempt from CEQA; and Amend Rule 401 **Krause/2706**

   Proposed Amended Rule 401 will establish specific requirements for smoke tests conducted at petroleum refineries and facilities with related operations to petroleum refineries, exempt smoke tests required by South Coast AQMD from visible emissions requirements, and exempt fog generating equipment, that meets specific criteria, from visible emissions requirements. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 401 – Visible Emissions, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 401. (Reviewed: Stationary Source Committee, November 20, 2026)

   B. Determine That Proposed Amendments to Regulation XXX – Title V Permits, Are Exempt from CEQA; Amend Regulation XXX; and Submit as Program Revision to Title V Program **Krause/2706**

   Regulation XXX – Title V Permits, establishes provisions for Title V facilities including obtaining a Title V permit and complying with the conditions of the permit. To be consistent with a decision made in 2025 by the U.S. Court of Appeals for the District of Columbia Circuit to reverse U.S. EPA's

2023 Affirmative Defense Rule, Proposed Amended Regulation XXX will restore the emergency affirmative defense provisions and associated rule references. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Regulation XXX – Title V Permits, which includes Proposed Amended Rule 3002 – Requirements and Proposed Amended Rule 3004 – Permit Types and Content, are exempt from the requirements of the California Environmental Quality Act; 2) Amending Regulation XXX – Title V Permits, which includes Proposed Amended Rules 3002 and 3004; and 3) Directing staff to submit the proposed amendments to Regulation XXX – Title V Permits, which includes Proposed Amended Rules 3002 and 3004, to CARB and U.S. EPA as a program revision to the Title V program. (Reviewed: Stationary Source Committee, November 20, 2026)

Items 3 through 6 – Budget/Fiscal Impact

3. Execute Contract to Demonstrate Advanced Combustion Technology for Heavy-Duty Diesel Engines **Katzenstein/2219**

South Coast AQMD is partnering with the CARB and Sandia National Laboratories (Sandia) to develop and demonstrate ducted fuel injection (DFI) technology to reduce NOx and PM emissions from heavy-duty-diesel engines while improving engine efficiency. Previous Sandia research showed emission reductions using DFI in a heavy-duty on-road diesel engine. This action is to execute a contract with Sandia for up to $100,000 from the Clean Fuels Program Fund (31) to develop and demonstrate DFI technology for heavy-duty diesel engine applications. (Reviewed: Technology Committee, November 20, 2026; Recommended for Approval)

4. Recognize Revenue, Transfer and Appropriate Funds, Issue Purchase Orders and Solicitation for Community Air Monitoring Near Refineries and Related Facilities **Low/2269**

In January 2024, the Board amended Rule 1180 and adopted Rule 1180.1, which require petroleum refineries, other refineries, and related facilities to fund the installation and operation of community air monitoring systems. In October 2024, the Board recognized revenue of up to $5,227,692 and up to $2,309,469 for Rules 1180 and 1180.1, respectively, into the Rule 1180 Special Revenue Fund (78) to establish community monitoring systems. Additionally, refineries and facilities pay the annual operating and maintenance fees for the community air monitoring systems totaling $7,961,250 for FY 2026-27. These actions are to (1) recognize revenue of up to $2,121,316 into the FY 2026-27 General Fund Budget, (2) appropriate up to $2,121,316 from the General Fund Undesignated Fund Balance to the Monitoring and Analysis FY 2026-27 and/or FY 2027-28 Budgets, (3) appropriate up to $372,000 from the General Fund Undesignated Fund

Balance, (4) transfer and appropriate up to $180,000 from the Rule 1180 Special Revenue Fund (78) to the Monitoring and Analysis FY 2026-27 and/or FY 2027-28 Budgets, (5) issue sole source purchase orders for air monitoring and supporting equipment and services to meet the needs of operating the community air monitoring systems, and (6) issue purchase orders based upon results from a solicitation for office essentials for additional Rules 1180 and 1180.1 staff. (Reviewed: Administrative Committee, November 13, 2026; Recommended for Approval)

5. Establish List of Prequalified Vendors for Automotive Mechanical Repair and Service and for Mailing Services, Amend Purchase Order for Lease and Maintenance of Mailing System Equipment **Olvera/2309**

On August 7, 2026, the Board approved release of RFQs to prequalify vendors for automotive mechanical repair and service, and for mailing services. This action is to establish prequalified lists for automotive mechanical repair and service and mailing services that can be used for three years. This action is also to add $25,600 to a previously Board-approved five-year purchase order with Pitney Bowes, Inc. to cover taxes for the lease and maintenance of mailing system equipment. Funds for these services have been included in the FY 2026-27 Budget and will be requested in successive fiscal years. (Reviewed: Administrative Committee, November 13, 2026; Recommended for Approval)

6. Execute Contract for Janitorial Services at Diamond Bar Headquarters **Olvera/2309**

On August 7, 2026, the Board approved release of an RFP to solicit proposals from firms interested in providing janitorial services at Diamond Bar headquarters. The current contract for these services expires on December 31, 2026. This action is to execute a 42-month contract with Santa Fe Janitorial Maintenance Services Inc. for a total amount not to exceed $2,854,212. Funding has been included in the FY 2026-27 Budget and will be requested in successive fiscal years. (Reviewed: Administrative Committee, November 13, 2026; Recommended for Approval)

Items 7 through 15 – Information Only/Receive and File

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

This report highlights the October 2026 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center,

Small Business Assistance, Media Relations, and Outreach to Community Groups and Governments. (No Committee Review)

8. Hearing Board Report **Ali**

This reports the actions taken by the Hearing Board during the period of October 1 through October 31, 2026. (No Committee Review)

9. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from October 1, 2026 through October 31, 2026. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, November 20, 2026)

10. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects **Krause/2706**

This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between October 1, 2026 and October 31, 2026, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, November 20, 2026)

11. Rule and Control Measure Forecast **Rees/2856**

This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2027. (No Committee Review)

12. Report to Legislature and CARB on South Coast AQMD's Regulatory Activities for Calendar Year 2025 **Tanaka/3327**

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

13. Annual Audited Financial Statements for FY Ended June 30 2026 **Jain/2804**

This item transmits the annual audited financial statements of South Coast AQMD. South Coast AQMD has received an unmodified opinion (the highest obtainable) on its financial statements. (Reviewed: Administrative Committee, November 13, 2026)

14. Receive and File Annual Report on South Coast AQMD's Deferred Compensation Plans **Olvera/2309**

South Coast AQMD sponsors IRS-approved 457(b), 401(a) and Omnibus Budget Reconciliation Act of 1990 (OBRA) Deferred Compensation Plans for its employees. The Board is responsible for monitoring the activities of the Deferred Compensation Plan Committee and for ensuring the Committee carries out its fiduciary duties under the Committee Charter. In accordance with the Board's responsibilities, this action is to receive and file the Deferred Compensation Plan Annual Report for Plan Year Ending June 2026. (Reviewed: Administrative Committee, November 13, 2026; Recommended for Approval)

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

Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, November 13, 2026)

Items 16 through 21 – Reports for Committees, MSRC, and CARB

Note: The CARB Board did not meet in November.

16. Administrative Committee (Receive & File) Chair: Cacciotti **Nastri/3131**

17. Legislative Committee Chair: Perez **Tanaka/3327**

Receive & file; and take the following action as recommended:

Agenda Item	Recommendation/Action
Proposed South Coast AQMD sponsored 2027 state legislation that would create the AIR Program	APPROVE

18. Mobile Source Committee (Receive & File) Chair: Delgado **Rees/2856**

19. Stationary Source Committee (Receive & File) Chair: McCallon **Aspell/2491**

20. Technology Committee (Receive & File) Chair: Rodriguez **Katzenstein/2219**

21. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Rep.: Cacciotti **Katzenstein/2219**

22. Items Deferred from Consent and Board Calendar

PUBLIC HEARING

23. Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications; Amend Rule 1168; and Submit for Inclusion Into State Implementation Plan **Krause/2706**

Rule 1168 establishes VOC limits for adhesives and sealants. The California Office of Environmental Health Hazard Assessment has determined that para-Chlorobenzotrifluoride (pCBtF) and tert-Butyl Acetate (t-BAc), which are used in certain adhesives and sealants, have carcinogenic health effects. This amendment is the result of the technology check-in included in the 2022 Rule 1168 amendment to evaluate progress on the pCBtF and t-BAc phase out. Proposed amendments to Rule 1168 provide additional time for manufacturers to reformulate certain adhesive and sealant categories to phase out of pCBtF. The amendments also clarify and update reporting and recordkeeping requirements for manufacturers and distributors, and sunset the existing 55-gallon exemption that allows the use of high VOC products. This action is to adopt the Resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications; 2) Amending Rule 1168 – Adhesive and Sealant Applications; and 3) Directing staff to submit PAR 1168 – Adhesive and Sealant Applications, to CARB and U.S. EPA for Inclusion into the State Implementation Plan. (Reviewed: Stationary Source Committee, October 16, 2026)

BOARD MEMBER TRAVEL – (*No Written Material*)

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

CLOSED SESSION -- (*No Written Material*) **Gilchrist/3459**

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

- South Coast Air Quality Management District, et al. v. NHTSA, EPA, et al., United States Court of Appeals, D.C. Circuit, Case No. 20-1173 (consolidated with Competitive Enterprise Institute, et al. v. NHTSA, No. 20-1145); challenge to federal efficiency standards for automobiles and claim that they preempt ZEV rules;

- Natural Resources Defense Council, et al. v. City of Los Angeles, et al., San Diego Superior Court, Case No. 37-2021-00023385-CU-TT-CTL (China Shipping Case) (transferred from Los Angeles Superior Court, Case No. 20STCP02985); Fourth District Court of Appeal, Division One, No. D080902;

- Western States Trucking Association, Inc. v. EPA, et al., United States Court of Appeals, D.C. Circuit, Case No. 23-1143 (amicus brief);

- Rinnai America Corp. et al. v. South Coast Air Quality Management District, United States Court of Appeals, Ninth Circuit, Case No. 25-5129 (appealing U.S. District Court, Central District of California, Case No. 2:24-cv-10482); challenge to Rule 1146.2 requiring transition to zero-emission boilers and process heaters;

- Communities for a Better Arvin, et al., v. U.S. Environmental Protection Agency, et al., United States Court of Appeals, Ninth Circuit, Case No. 24-7270 (amicus brief); regarding feasibility of contingency measures;

- Jason Konopisos and Tara Norris v. South Coast Air Quality Management District, et al., United States Court of Appeals, Ninth Circuit, Case No. 26-2117 (appealing U.S. District Court for the Central District of California, Case No. 2:25-cv-05683); appeal of order dismissing case with prejudice;

- American Public Health Association v. EPA, United States Court of Appeals, D.C. Circuit, Case No. 26-1037 (and consolidated cases) (amicus brief); regarding repeal of all greenhouse gas standards for motor vehicles;

- People ex rel. San Joaquin Valley Unified Air Pollution Control District v. Setton Pistachio of Terra Bella, Inc., Fifth District Court of Appeal No. F089820 (amicus brief); and

- People ex rel. South Coast Air Quality Management District v. Chiquita Canyon, LLC et al., Los Angeles Superior Court, Case No. 26STCV15409; regarding enforcement of public nuisance and related violations at Chiquita Canyon Landfill.

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION
It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (three cases):

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

CONFERENCE WITH LABOR NEGOTIATORS
It Is also necessary to recess to closed session pursuant to Government Code section 54957.6 to confer with labor negotiators:
Agency Designated Representative: A. John Olvera, Deputy Executive Officer – Administrative & Human Resources;

- Employee Organization(s): Teamsters Local 986, and South Coast AQMD Professional Employees Association; and
- Unrepresented Employees: Executive Officer, General Counsel, Designated Deputies and Management and Confidential employees.

ADJOURNMENT

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

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

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

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

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

Please note that under the California Public Records Act (Gov. Code Sections 7920.000 et seq.) your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email) become part of the public record and can be released to the public on request or posted on the South Coast AQMD website.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center
AQMP = Air Quality Management Plan
Cal/EPA = California Environmental Protection Agency
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
CO = Carbon Monoxide
EV = Electric Vehicle
FY = Fiscal Year
GHG = Greenhouse Gas
MATES = Multiple Air Toxics Exposure Study
MOU = Memorandum of Understanding
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
NOx = Oxides of Nitrogen
PM10 = Particulate Matter ≤ 10 microns
PM2.5 = Particulate Matter < 2.5 microns
RECLAIM = Regional Clean Air Incentives Market
RFP = Request for Proposals
RFQ = Request for Quotations
RFQQ = Request for Qualifications and Quotations
SCAG = Southern California Association of Governments
SIP = State Implementation Plan
SOx = Oxides of Sulfur
U.S. EPA = United States Environmental Protection Agency
VOC = Volatile Organic Compound

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee
As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

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

For language interpretation:
Click the interpretation Globe icon at the bottom of the screen
Select the language you want to hear (either English or Spanish)
Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:
Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla
Seleccione el idioma que desea escuchar (inglés o español)
Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

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

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

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

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

If interpretation is needed, more time will be allotted.

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

Click on the "Raise Hand" feature at the bottom of the screen.
This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions to provide public comment via TELEPHONE:

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

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same (+1 669 254 5252)
- The meeting ID number is 161 104 2947
- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:
- El número de llamada es el mismo (+1 669 254 5252)
- El número de identificación de la reunión es 161 104 2947
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the November 6, 2026 Meeting

RECOMMENDED ACTION:
Approve the November 6, 2026 Board Meeting Minutes.

Faye Thomas
Clerk of the Boards

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FRIDAY, NOVEMBER 6, 2026

Notice having been duly given, the meeting of the South Coast Air Quality Management District Board was conducted in a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California 91765, and remotely via videoconferencing and telephone.

Members Present:

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

Councilmember Larry McCallon, Vice Chair
Cities of San Bernadino County

Mayor Patricia Lock Dawson
Cities of Riverside County

Senator Vanessa Delgado (Ret.)
Senate Rules Committee Appointee

Supervisor Curt Hagman
County of San Bernardino

Supervisor Holly J. Mitchell
County of Los Angeles

Supervisor Janet Nguyen
County of Orange

Mayor Brenda Olmos
Cities of Los Angeles County – Western Region

Mayor Carlos Rodriguez (Arrived at 9:06)
Cities of Orange County

Absent: Councilmember Adrin Nazarian
City of Los Angeles

Board Member Veronica Padilla-Campos
Speaker of the Assembly Appointee

Supervisor V. Manuel Perez
County of Riverside

Cedric Jamie Rutland, MD FCCP
Governor's Appointee

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

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

- Pledge of Allegiance: Led by Vice Chair McCallon
- Roll Call

  Mayor Rodriguez arrived after roll call.

- Opening Comments

Mayor Olmos shared photos of the City of Hidden Hills Fiesta Parade in October that she participated in, thanked the Cities of Hidden Hills and Lawndale for inviting her to their respective community events, and emphasized the value of building relationships with constituents.

Chair Cacciotti shared photos of eVTOL (electric vertical takeoff and landing) aircraft to highlight emerging aviation technology that may help to reduce air pollution.

Executive Officer Wayne Nastri shared photos and reported on the 3rd Annual AB 617 All Community Steering Committee (CSC) Event, and provided an update on the Go Zero rebate programs for single-family and multi-family homes.

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

The General Public Comment Period for matters not on the agenda was opened. The following individuals addressed the Board.

Jon G. Dickason, Quantum Environmental Testing, Inc., expressed concern with how rule interpretation changes are communicated to regulated parties, which impacts the costs they incur. For additional details, please refer to the Webcast beginning at 12:28.

Adrian Martinez, Earthjustice, commented on the ribbon cutting event he attended for the first Megawatt Charging System at a port in the United States and recognized the South Coast AQMD's role in advancing zero-emission truck technology. He expressed support for incentive programs that promote zero-emission technologies and commented on the need for rulemaking that addresses emissions from commercial space heating equipment. For additional details, please refer to the Webcast beginning at 15:30.

Shehla Chowdhury, Natural Resources Defense Council
Theral Golden, West Long Beach Association
Nathan Carbajal, East Yard Communities for Environmental Justice
Whitney Amaya, West Long Beach resident

The above speakers identified areas for strengthening Proposed Rule 1495, which applies to use of methyl bromide for commercial fumigation, including requiring

the installation of capture and control technologies, using BACT standards, expanding the community notification requirements, and enhancing community protections to protect impacted communities from methyl bromide emissions. For additional details, please refer to the Webcast beginning at 18:12.

Ranji George, a member of the public, discussed the challenges facing hydrogen development and urged to allow natural gas-based hydrogen production as a transitional approach to accelerate hydrogen adoption until renewable hydrogen becomes more affordable. For additional details, please refer to the Webcast beginning at 21:45.

There being no further requests to speak, the General Public Comment Period for matters not on the agenda was closed.

Written Comments Submitted Regarding Rule 1403 Enforcement Concerns

- Jon G. Dickason, Quantum Environmental Testing, Inc.

Written Comments Submitted Regarding the Need to Regulate Uncontrolled Space Heating

- One letter signed by the following organizations: Adrian Martinez, Earthjustice; David Diaz, Active SGV; Duke Choi, Asian Pacific Islander Forward Movement; Cheryl Auger, Ban SUP (Single Use Plastic); Jane Williams, California Communities Against Toxics; Robina Suwol, California Safe Schools; Jennifer De Tejada, Center for Community Action and Environmental Justice; Christopher Chavez, Coalition for Clean Air; Tony Sirna, Evergreen Action; Ruth Ann Norton, Green & Healthy Homes Initiative; Teresa Cheng, Industrious Labs; Kimberly Orbe and Dylan Plummer, Sierra Club

CONSENT AND BOARD CALENDAR

1. Approve Minutes of October 2, 2026 Board Meeting
2. Set Public Hearing December 4, 2026 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

   Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications; Amend Rule 1168; and Submit for Inclusion Into State Implementation Plan

Items 3 and 4 – Action Items/No Fiscal Impact

3. Establish Board Meeting Schedule for Calendar Year 2027
4. Renewal Resolution to Authorize an Additional Six Months of Teleconferencing by South Coast AQMD's Eligible Subsidiary Bodies

Items 5 through 14 – Budget/Fiscal Impact

5. Issue Program Announcement for Emergency Generator Replacement Incentive Program and Transfer Funds for Development of Grant Management System
6. Issue Solicitation and Purchase Order for Air Monitoring Shelter

7. Issue Program Announcement and Execute Agreements for AB 617 Regional Road Paving Program
8. Authorize Purchase of CrowdStrike Protection Services
9. Authorize Network Switch Purchase and Transfer and Appropriate Funds
10. Execute Lease Agreement with City of Diamond Bar for Continued Use of South Coast AQMD Headquarters Facility
11. Approve Increases to Employer Contribution for Health Insurance Premiums for Represented Employees in South Coast AQMD Professional Employees Association Bargaining Unit and Appropriate Funds from Undesignated (Unassigned) Fund Balance
12. Amend Contracts for Legislative Representation in Washington, D.C.
13. Issue RFP for Legislative Representation in Washington, D.C.
14. Issue RFP, and Approve New and Modified Awards as Approved by MSRC

Items 15 through 22 – Information Only/Receive and File

15. Legislative, Public Affairs and Media Report
16. Hearing Board Report
17. Civil Filings and Civil Penalties Report
18. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects
19. Rule and Control Measure Forecast
20. 2026 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans
21. Report of RFQs/RFPs Scheduled for Release in November
22. Status Report on Major Ongoing and Upcoming Projects for Information Management

Items 23 through 29 – Reports for Committees, MSRC, and CARB

23. Administrative Committee
24. Legislative Committee
25. Mobile Source Committee
26. Stationary Source Committee
27. Technology Committee
28. Mobile Source Air Pollution Reduction Review Committee
29. California Air Resources Board Monthly Report
30. Items Deferred from Consent and Board Calendar

Agenda Item No. 14 was pulled for a separate vote.

Disclosures

Board Members' Cacciotti, Lock Dawson, Hagman, McCallon, and Mitchell reported that they had no financial interest in Agenda Item No. 14 but are required to identify for the record their official positions with the following agencies, which are involved in this item: Chair Cacciotti – Board Member, MSRC; Mayor Lock Dawson – Mayor, City of Riverside;

Supervisor Hagman – Commissioner, Ontario International Airport Authority; Vice Chair McCallon, Chair of MSRC; and Supervisor Mitchell – Board Member, L.A. County Metropolitan Authority.

Supervisor Hagman noted that he would be abstaining from this item out of an abundance of caution.

The public comment period was opened for Agenda Item Nos. 1-29. The following individuals addressed the Board.

Agenda Item No. 19

Marven Norman, Center for Community Action and Environmental Justice, encouraged renewed regulatory efforts related to Rules 1111 and 1121 and the Railyard ISR. For additional details, please refer to the Webcast beginning at 34:09.

Agenda Item No. 27

Ranji George expressed concerns that the environmental impacts of battery recycling facilities in environmental justice communities have not been adequately addressed. He urged staff to study and mitigate potential environmental impacts as demand for battery recycling increases. For additional details, please refer to the Webcast beginning at 35:23.

There being no further requests to speak, the public comment period was closed for Agenda Item Nos. 1-29.

Board Action (Items 1-29, except Item 14)

MOVED BY HAGMAN AND SECONDED BY MITCHELL TO APPROVE AGENDA ITEM NOS. 1 THROUGH 29, EXCEPT AGENDA ITEM NO. 14, AS RECOMMENDED INCLUDING TO:

RECEIVE AND FILE THE REPORTS FOR THE BOARD COMMITTEES, MSRC AND CARB; ADOPT THE POSITION ON LEGISLATION AS SET FORTH BELOW; AND

ADOPT RESOLUTION NO. 26-24 ESTABLISHING THE 2027 BOARD MEETING SCHEDULE

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Hagman, McCallon, Mitchell, Nguyen, Olmos, and Rodriguez

NOES: None

ABSENT: Nazarian, Padilla-Campos, Perez, and Rutland

Legislative Committee Position on Legislation

Agenda Item	Recommendation/Action
2027 State and Federal Legislative Guiding Principles	Approve

26. Items Deferred from Consent and Board Calendar

14. Issue RFP, and Approve New and Modified Awards as Approved by MSRC

Board Action (Item 14)

MOVED BY MCCALLON AND SECONDED BY OLMOS TO APPROVE AGENDA ITEM NO. 14 AS RECOMMENDED.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, McCallon, Mitchell, Nguyen, Olmos, and Rodriguez

NOES: None

ABSTAIN: Hagman

ABSENT: Nazarian, Padilla-Campos, Perez, and Rutland

Supervisor Hagman abstained and left the room.

PUBLIC HEARINGS

31. Determine That Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings, Is Exempt from CEQA; Amend Rule 1106; and Submit for Inclusion Into State Implementation Plan

Heather Farr, Planning & Rules Manager/Planning, Rule Development and Implementation, gave the staff presentation on Agenda Item No. 31. For additional details, please refer to the Webcast beginning at 4:32.

The public comment period was opened for Agenda Item No. 31. The following individuals addressed the Board.

Bill Pearce, The Boeing Company
Curt Coleman, Southern California Air Quality Alliance
Bill Quinn, California Council for Environmental and Economic Balance

The above speakers expressed support for the proposal and thanked staff for working collaboratively to address concerns. For additional details, please refer to the Webcast beginning at 45:27, 46:11, & 46:39.

Rita Loof, RadTech International, opposed the proposed amendments to Rule 1106 and commented on the UV/EB/LED industry's concerns regarding the deletion of the definition of energy-curable products and the test methods provision. She requested

that the Board postpone adoption or direct staff to report back in six months. For additional details, please refer to the Webcast beginning at 47:22.

Staff clarified that South Coast AQMD rules and regulations are technology neutral and that PAR 1106 does not preclude the use of UV curing or the coatings. Staff also explained the basis for excluding energy curable thin films, and the need for test methods to be approved by U.S. EPA for inclusion in the rule. For additional details, please refer to the Webcast beginning at 50:12.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 31.

Board Action (Item 31)

MOVED BY MCCALLON AND SECONDED BY HAGMAN TO APPROVE AGENDA ITEM NO. 31 AS RECOMMENDED AND ADOPT RESOLUTION NO. 26-25:

1. DETERMINING THAT PAR 1106 – MARINE AND PLEASURE CRAFT COATINGS IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT;
2. AMENDING RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS; AND
3. DIRECTING STAFF TO SUBMIT PROPOSED AMENDED RULE 1106 TO CARB AND U.S. EPA FOR INCLUSION INTO THE STATE IMPLEMENTATION PLAN.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Hagman, McCallon, Mitchell, Nguyen, Olmos, and Rodriguez

NOES: None

ABSENT: Nazarian, Padilla-Campos, Perez, and Rutland

Supervisor Nguyen recused herself from Agenda Item No. 32 and left the room because of a financial interest in Kinder Morgan, which is materially affected by this item.

32. Determine That Proposed Amended Rule 1180 – Fenceline and Community Air Monitoring for Petroleum Refineries and Related Facilities and Proposed Amended Rule 1180.1 – Fenceline and Community Air Monitoring for Other Refineries, Are Exempt from CEQA; Amend Rule 1180; and Amend Rule 1180.1

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, gave the staff presentation on Agenda Item No. 32. For additional details, please refer to the Webcast beginning at 51:45.

In response to Chair Cacciotti's inquiry regarding facilities that are ceasing their operations, Mr. Krause confirmed that the facilities are required to coordinate with multiple regulatory agencies, including the South Coast AQMD. For additional details, please refer to the Webcast beginning at 56:20.

The public comment period was opened for Agenda Item No. 28. There being no requests to speak, the public comment period was closed.

Board Action (Item 32)

MOVED BY MCCALLON AND SECONDED BY HAGMAN TO APPROVE AGENDA ITEM NO. 32 AS RECOMMENDED AND ADOPT RESOLUTION NO. 26-26:

1. DETERMINING THAT PROPOSED AMENDED RULE 1180 – FENCELINE AND COMMUNITY AIR MONITORING FOR PETROLEUM REFINERIES AND RELATED FACILITIES AND PROPOSED AMENDED RULE 1180.1 – FENCELINE AND COMMUNITY AIR MONITORING FOR OTHER REFINERIES, ARE EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND
2. AMENDING RULE 1180 – FENCELINE AND COMMUNITY AIR MONITORING FOR PETROLEUM REFINERIES AND RELATED FACILITIES AND RULE 1180.1 – FENCELINE AND COMMUNITY AIR MONITORING FOR OTHER REFINERIES.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Hagman, McCallon, Mitchell, Olmos, and Rodriguez

NOES: None

RECUSED: Nguyen

ABSENT: Nazarian, Padilla-Campos, Perez, and Rutland

33. Determine That Proposed Amendments to BACT Guidelines Are Exempt from CEQA and Amend BACT Guidelines

Jason Aspell, Deputy Executive Officer/Engineering & Permitting, gave the staff presentation on Agenda Item No. 33. For additional details, please refer to the Webcast beginning at 57:57.

Chair Cacciotti inquired about current alternatives to diesel backup generators. Mr. Aspell described the alternative technologies increasingly being used at facilities and their intended uses. For additional details, please refer to the Webcast beginning at 1:06:26.

The public comment period was opened for Agenda Item No. 33. The following individuals addressed the Board.

Warisa Niizawa, Los Angeles County Sanitation District, thanked staff for their collaboration and commitment to working with stakeholders and expressed support for continued discussions on the BACT guidelines and related processes. For additional details, please refer to the Webcast beginning at 1:08:18.

Rita Loof, RadTech International, thanked staff for updating the BACT guidelines, including the addition of UV printing technology for lithographic printing in the BACT Determinations listing, and encouraged further inclusion of UV/EB/LED technologies in future updates. For additional details, please refer to the Webcast beginning at 1:09:13.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 33.

Mayor Rodriguez requested clarification regarding the joint letter submitted on behalf of the Quad County Landfills. Mr. Aspell explained that staff is evaluating multiple aspects related to landfill gas emissions, responding to stakeholder comments, and will then return to the BACT Scientific Review Committee for further discussion. For additional details, please refer to the Webcast beginning at 1:10:47.

Board Action (Item 33)

MOVED BY HAGMAN AND SECONDED BY MCCALLON TO APPROVE AGENDA ITEM NO. 33 AS RECOMMENDED TO:

1. DETERMINE THE PROPOSED AMENDMENTS TO THE BACT GUIDELINES ARE EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND
2. AMEND THE BACT GUIDELINES.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Hagman, McCallon, Mitchell, Nguyen, Olmos, and Rodriguez

NOES: None

ABSENT: Nazarian, Padilla-Campos, Perez, and Rutland

CLOSED SESSION

The Board recessed to closed session at 10:11 a.m. to discuss the following items.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION, Pursuant to Government Code § 54956.9(a) and § 54956.9(d)(1) to consider pending litigation:

- Center for Biological Diversity v. South Coast Air Quality Management District, Governing Board of the South Coast Air Quality Management District and Does 1 through 10, inclusive, Defendants; Harbor Commission of the Port of Los Angeles;

Harbor Commission of the Port of Long Beach; Does 11-20, inclusive, Real Parties in Interest, Los Angeles Superior Court, Case No. 25STCP04685; challenge to Ports Cooperative Agreement; and

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION, It is also necessary to recess to closed session pursuant to Government Code § 54956.9(a) and § 54956.9(d)(4) to consider initiation of litigation.

Following closed session, General Counsel Bayron Gilchrist announced that there were no reportable actions taken in closed session.

ADJOURNMENT

There being no further business, Mr. Gilchrist adjourned the meeting at 10:43 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on November 6, 2026.

Respectfully Submitted,

Faye Thomas
Clerk of the Boards

Date Minutes Approved: _____

_____
Michael A. Cacciotti, Chair

ACRONYMS

BACT = Best Available Control Technology
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
FY = Fiscal Year
MSRC = Mobile Source Air Pollution Reduction Review Committee
PAR = Proposed Amended Rule
UV/EB/LED = Ultraviolet/Electron Beam/Light Emitting Diode

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 2

PROPOSAL: Set Public Hearings January 8, 2027 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

A. Determine That Proposed Amended Rule 401 – Visible Emissions, Is Exempt from CEQA; and Amend Rule 401

Proposed Amended Rule 401 will establish specific requirements for smoke tests conducted at petroleum refineries and facilities with related operations to petroleum refineries, exempt smoke tests required by South Coast AQMD from visible emissions requirements, and exempt fog generating equipment, that meets specific criteria, from visible emissions requirements. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 401 – Visible Emissions, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 401. (Reviewed: Stationary Source Committee, November 20, 2026)

B. Determine That Proposed Amendments to Regulation XXX – Title V Permits, Are Exempt from CEQA; Amend Regulation XXX; and Submit as Program Revision to Title V Program

Regulation XXX – Title V Permits, establishes provisions for Title V facilities including obtaining a Title V permit and complying with the conditions of the permit. To be consistent with a decision made in 2025 by the U.S. Court of Appeals for the District of Columbia Circuit to reverse U.S. EPA's 2023 Affirmative Defense Rule, Proposed Amended Regulation XXX will restore the emergency affirmative defense provisions and associated rule references. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Regulation XXX – Title V Permits, which includes Proposed Amended Rule 3002 – Requirements and Proposed Amended Rule 3004 – Permit Types and Content, are exempt from the requirements of the California Environmental Quality Act; 2) Amending Regulation XXX – Title V Permits, which includes Proposed Amended Rules 3002 and 3004; and 3) Directing staff to submit the proposed amendments to Regulation XXX – Title V Permits, which

includes Proposed Amended Rules 3002 and 3004, to CARB and U.S. EPA as a program revision to the Title V program. (Reviewed: Stationary Source Committee, November 20, 2026)

The complete text of the proposed amended rules, and other supporting documents will be made available from the South Coast AQMD's Public Information Center at (909) 396-2001, or Lisa Tanaka – Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-3327, publicadvisor@aqmd.gov and on the Internet (www.aqmd.gov) as of December 8, 2026.

RECOMMENDED ACTIONS:
Set Public Hearings January 8, 2027 to: 1) Determine that Proposed Amended Rule 401 is exempt from CEQA and amend Rule 401; and 2) Determine that proposed amendments to Regulation XXX are exempt from CEQA, amend Regulation XXX, and submit as a program revision to the Title V Program.

Wayne Nastri
Executive Officer

FT

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 3

PROPOSAL: Execute Contract to Demonstrate Advanced Combustion Technology for Heavy-Duty Diesel Engines

SYNOPSIS: South Coast AQMD is partnering with the CARB and Sandia National Laboratories (Sandia) to develop and demonstrate ducted fuel injection (DFI) technology to reduce NOx and PM emissions from heavy-duty-diesel engines while improving engine efficiency. Previous Sandia research showed emission reductions using DFI in a heavy-duty on-road diesel engine. This action is to execute a contract with Sandia for up to $100,000 from the Clean Fuels Program Fund (31) to develop and demonstrate DFI technology for heavy-duty diesel engine applications.

COMMITTEE: Technology; November 20, 2026; Recommended for Approval

RECOMMENDED ACTION:
Authorize the Executive Officer to execute a contract with Sandia National Laboratories (Sandia) for an amount not to exceed $100,000 from the Clean Fuels Program Fund (31) to further develop and demonstrate ducted fuel injection (DFI) technology for heavy-duty diesel engines.

Wayne Nastri
Executive Officer

AK:MW:SC

Background
Heavy-duty diesel engines remain a significant source of NOx and PM emissions in the South Coast Air Basin. Although zero-emission technologies continue to be deployed, certain heavy-duty applications still face challenges related to cost, infrastructure availability, and demanding duty cycles, making them hard to electrify. Thus, developing other cost-effective technologies to reduce emissions from existing diesel engines is needed as an interim measure while zero-emission technologies continue to be developed for the heavy-duty applications.

Sandia developed DFI technology that uses small ducts below the fuel injectors within the engine combustion chamber to improve fuel-air mixing, reduce emissions, and improve engine efficiency. Previous research has demonstrated reductions up to 80 percent in PM2.5 emissions and up to 40 percent in NOx emissions from on-road vehicles. These results indicate potential for DFI technology as a cost-effective pathway across heavy duty diesel platforms, including in use on-road trucks, off-road equipment, locomotives, and marine vessels and other difficult-to-electrify applications.

Proposal
Sandia proposes to further develop and demonstrate DFI technology for larger diesel engines commonly used in freight locomotives and marine applications. Under the project co-sponsored by CARB, Sandia will conduct the project in three phases. Phase 1 will focus on developing and integrating DFI hardware into a locomotive engine, followed by Phase 2 testing on a single cylinder to evaluate emissions reductions, performance, and compatibility with different types of fuel. CARB will provide $500,000 to cover Phase 1 costs as well as part of the costs of Phase 2. South Coast AQMD proposes contributing an additional $100,000 to complete Phase 2 testing. The results from the first two phases will inform the feasibility of Phase 3, which would involve full-scale engine demonstration. Sandia anticipates Phase 3 to begin in approximately two years, pending successful completion of the initial phases; no Phase 3 funding is currently requested.

Sole Source Justification
Section VIII.B.2. of the Procurement Policy and Procedure identifies provisions under which a sole source award may be justified. This request for a sole source award is made under provision B.2.d. Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of South Coast AQMD. Specifically, these circumstances are B.2.d.(l): Projects involving cost-sharing by multiple sponsors. CARB is also contributing financially to the Sandia DFI Research project. In addition, this request is also supported by B.2.c(1): the unique experience and capabilities of the proposed contractor or contractor team; and B.2.c(2): project involves the use of proprietary technology. Sandia developed the DFI technology proposed for this project and has specialized experience in its design and testing. The proposal also builds on Sandia's existing DFI research and technology for application to a larger diesel locomotive engine.

Benefits to South Coast AQMD
The South Coast Air Basin is classified as an “extreme” nonattainment area for ozone and a nonattainment area for PM2.5 under the Federal Clean Air Act. Projects supporting reduction of diesel heavy-duty engine emissions via advanced ducted fuel injection demonstration is in the Technology Advancement Office Clean Fuel Program 2026 Plan Update under the category “Emissions Control Technologies.” Successful demonstration of this project helps reduce ozone and PM2.5 air pollution, as well as

diesel particulate matter, a known carcinogen, while reducing emissions in overburdened communities and along major freight corridors and railyards. The Sandia project is intended to establish a practical and cost-effective retrofit pathway for reducing emissions from existing large diesel engines without requiring complete equipment replacement. Successful demonstration has the potential to support broader adoption of DFI technology across difficult-to-electrify applications.

Resource Impacts
The proposed contract with Sandia will not exceed $100,000 from the Clean Fuels Program Fund (31). The total project cost is $600,000, with funding sources as shown below.

Funding Source	Funding Amount	Percent
CARB	$500,000	83
South Coast AQMD (requested)	$100,000	17
Total	**$600,000**	**100**

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

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 4

PROPOSAL: Recognize Revenue, Transfer and Appropriate Funds, Issue Purchase Orders and Solicitation for Community Air Monitoring Near Refineries and Related Facilities

SYNOPSIS: In January 2024, the Board amended Rule 1180 and adopted Rule 1180.1, which require petroleum refineries, other refineries, and related facilities to fund the installation and operation of community air monitoring systems. In October 2024, the Board recognized revenue of up to $5,227,692 and up to $2,309,469 for Rules 1180 and 1180.1, respectively, into the Rule 1180 Special Revenue Fund (78) to establish community monitoring systems. Additionally, refineries and facilities pay the annual operating and maintenance fees for the community air monitoring systems totaling $7,961,250 for FY 2026-27. These actions are to (1) recognize revenue of up to $2,121,316 into the FY 2026-27 General Fund Budget, (2) appropriate up to $2,121,316 from the General Fund Undesignated Fund Balance to the Monitoring and Analysis FY 2026-27 and/or FY 2027-28 Budgets, (3) appropriate up to $372,000 from the General Fund Undesignated Fund Balance, (4) transfer and appropriate up to $180,000 from the Rule 1180 Special Revenue Fund (78) to the Monitoring and Analysis FY 2026-27 and/or FY 2027-28 Budgets, (5) issue sole source purchase orders for air monitoring and supporting equipment and services to meet the needs of operating the community air monitoring systems, and (6) issue purchase orders based upon results from a solicitation for office essentials for additional Rules 1180 and 1180.1 staff.

COMMITTEE: Administrative, November 13, 2026; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue of up to $2,121,316 into the FY 2026-27 General Fund (01) Budget;
2. Appropriate up to $2,121,316 from the General Fund Undesignated Fund Balance into the MAD FY 2026-27 and/or 2027-28 Budgets (Org 42) Services and Supplies Major Object;

3. Appropriate up to $372,000 from the General Fund Undesignated Fund Balance for Rule 1180 activities to the MAD FY 2026-27 and/or 2027-28 Budgets (Org 42), Capital Outlays Major Object (up to $190,000) and Services and Supplies (up to $182,000), as indicated in Tables 1 and 2;
4. Transfer and appropriate up to $180,000 from the Rule 1180 Special Revenue Fund (78) to the MAD FY 2026-27 and/or 2027-28 Budgets (Org 42), Capital Outlays Major Object, as shown in Table 1;
5. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders for the equipment and services listed in Tables 1 and 2; and
6. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue purchase orders based on the results of a solicitation for office essentials for Rule 1180 and 1180.1 staff, as listed in Table 1.

Wayne Nastri
Executive Officer

JCL:SD:OP:ld:ir:kdl:rb

Background

Rule 1180 - Refinery Fenceline and Community Air Monitoring was adopted by the Board in December 2017 and requires all seven major petroleum refineries in the Basin to measure the ambient levels of various air pollutants at their fenceline and notify the public if the concentration of any measured pollutant is above predetermined threshold levels. Rule 1180 also establishes a fee schedule for refineries to fund the installation, operation, and maintenance of community air monitoring stations that are operated by South Coast AQMD, and to provide air quality information and notifications to the public. The requirements of Rule 1180 apply to the seven refineries listed in Appendix A.

The Rule 1180 refinery fenceline and community air monitoring network has been in operation since January 2020. Novel optical remote sensing (ORS), automated gas chromatography, and traditional analyzers have been installed at multiple fenceline and community air monitoring sites, making this network the first of its kind in terms of complexity and technology deployed.

In January 2024, the Board approved amendments to Rule 1180, which include additional air monitoring requirements for air toxic metals and particulate matter at the fenceline of the original seven Rule 1180 facilities. The amended rule also requires the development and installation of new fenceline air monitoring systems at the five

refinery-related facilities (related facilities) listed in Appendix A. Also, in January 2024, the Board adopted Rule 1180.1, which requires fenceline air monitoring for three other refineries in the Basin, as listed in Appendix A.

Rule 1180 establishes a one-time fee schedule to fund the addition of air toxic metals and particulate matter monitoring at community sites near the original seven Rule 1180 refineries, and the planning and implementation of community air monitoring stations near new facilities that were added in recent amendments to Rule 1180. Rule 1180 payments totaling $3,765,960 from the seven major petroleum refineries for the implementation of metals and particulate matter monitoring were received in January 2025. Rule 1180 payments totaling $1,461,732 from related facilities for the planning and implementation of community air monitoring stations were due in two installments (the first installment totaling $438,518 in January 2025, and the second installment totaling $1,023,214 in January 2026).

Rule 1180.1 payments totaling $2,309,469 from other refineries for the planning and implementation of community air monitoring stations were due in two installments (the first installment totaling $692,841 in January 2025, and the second installment totaling $1,616,628 in January 2026).

The facilities subject to Rules 1180 and 1180.1 also fund ongoing Operation and Maintenance (O&M) of community air monitoring through Rule 301 – Fees, totaling $7,961,250 for FY 2026-27, with $5,839,934 included in MAD's FY 2026-27 adopted budget.

Proposal

These actions are to (1) recognize up to $2,121,316 from O&M Fees for Rules 1180 and 1180.1 into the FY 2026-27 General Fund (01) Budget, (2) appropriate up to $2,121,316 from the General Fund Undesignated Fund Balance into the MAD FY 2026-27 and/or 2027-28 Budgets (Org 42), (3) appropriate $372,000 from the General Fund Undesignated Fund Balance to the MAD FY 2026-27 and/or 2027-28 Budgets, and (4) transfer and appropriate up to $180,000 from the Rule 1180 Special Revenue Fund (78) for Rule 1180 and 1180.1, subject to the availability of funds, to the MAD FY 2026-27 and/or 2027-28 Budgets. These actions are also to authorize the Procurement Manager to (5) issue sole source purchase orders for equipment and services listed in Tables 1 and 2 and (6) issue purchase orders based upon results from a solicitation for office essentials for Rules 1180 and 1180.1 staff, as described below and as listed in Table 1.

<u>Proposed Purchase Through Sole Source</u>

Air monitoring and supporting equipment at the ten existing Rule 1180 community air monitoring stations have been in operation since 2019, and key instruments and components require replacement within the next three years to ensure consistent operations and quality data. A replacement plan will be implemented to replace selected

units each year, ensuring uninterrupted measurements and community notifications. Below are the air monitoring equipment and instrument components, and air monitoring container needed to supply the replacement plan.

H2S Analyzers
H2S analyzers will be used for continuous real-time monitoring of H2S. This data is also used to issue community air quality notifications. The purchase of one H2S analyzer from Teledyne API (Teledyne) will not exceed $30,000 as listed in Table 1.

Air Conditioning Systems
The air conditioning system replacement will ensure stable temperature conditions inside the Rule 1180 community air monitoring stations. KLM HVAC & Refrigeration (KLM HVAC) is a local business in Long Beach that has extensive expertise in the installation, service, and repair of air conditioning systems in South Coast AQMD air monitoring stations. KLM HVAC has an in-depth understanding of controlled-environment requirements to operate air monitoring instrumentation and is uniquely qualified to select and install the appropriate air conditioning equipment. The cost to purchase and install up to two air conditioning systems will not exceed $40,000, as listed in Table 1.

Air Monitoring Container
The air monitoring container will be used to replace an aging air monitoring trailer which houses air monitoring equipment at the Guenser Park Rule 1180 Community Air Monitoring Station. Martin Container LLC (Martin Container) is a small business that has extensive experience in manufacturing shelters outfitted with specialized features for the purpose of air monitoring stations such as inlet ports, electrical wiring, and environmental controls required for advanced air monitoring equipment. All existing South Coast AQMD Rule 1180 community air monitoring containers are manufactured by this vendor, who is uniquely qualified to provide specialized containers that fully satisfy Rule 1180 requirements for community air monitoring. The cost to purchase the air monitoring container will not exceed $50,000, as listed in Table 1.

Annual Consumable Supplies, Quality Assurance Service, and Software License
Optical multi-pollutant analyzers manufactured by FluxSense, Inc. (FluxSense) are deployed at all Rules 1180 and 1180.1 community air monitoring sites for measuring a comprehensive array of VOCs and other air toxics, and for providing real-time community air quality notifications. The consumables, consisting of specialized light sources, are required to ensure routine uninterrupted performance of the optical multi-pollutant analyzers. Quality assurance services and software licenses are also required to ensure timely review and verification of real-time data and community air quality notifications provided to the communities near the refineries and facilities subject to Rules 1180 and 1180.1. FluxSense is the sole source provider of these items due to the use of proprietary technology and their unique qualifications. The cost of annual

consumable supplies including installation, quality assurance services, and the software license purchased from FluxSense will not exceed $95,200, $112,500, and $71,800, respectively, as listed in Table 2.

Proposed Purchase Through Solicitation

Office Essentials

The workspace occupied by Rules 1180 and 1180.1 air monitoring team in South Coast AQMD's Long Beach Office was configured in 2019 based on the initial staffing levels. Since then, several modifications have been made to the team's staffing in order to optimize the team's efficiency and meet operational needs. Furthermore, additional positions were added for implementation of more community air monitoring requirements introduced by the January 2024 amendment of Rule 1180, and adoption of Rule 1180.1. As a result, a reconfiguration plan will be developed to accommodate the new group structure and to increase the team's efficiency and productivity. This action is to issue a solicitation for quotations from vendors to provide modular furniture systems, other essential office furnishings, and furniture moving and installation services at the South Coast AQMD's Long Beach Office. This action is also to execute purchase orders based on the result of the solicitation. The cost to purchase these office essentials will not exceed $250,000, as listed in Table 1.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. The request for sole source purchases from Teledyne and FluxSense are made under Sections VIII.B.2.c (1): The unique experience and capabilities of the proposed contractor; VIII.B.2.c (2): The project involves the use of proprietary technology; and VIII.B.2.d (6): Projects requiring compatibility with existing specialized equipment. There are no other vendors who can provide the equipment, supplies, software, and services that fully meet all required specifications to satisfy Rule 1180 air monitoring requirements, and that are compatible with existing specialized equipment already in operation. The request for sole source purchases from KLM HVAC and Martin Container are made under Section VIII.B.2.d (6): Projects requiring compatibility with existing specialized equipment. KLM HVAC and Martin Container are small local businesses that are established vendors with South Coast AQMD, have supplied air conditioning services and air monitoring containers, respectively, compatible with existing air monitoring stations and equipment, and have provided reliable services to support air monitoring efforts for the last decade.

Benefits to South Coast AQMD

Maintaining and updating air monitoring equipment will allow for uninterrupted, continuous operation of the Rule 1180 community air monitoring network and ensure that reliable and timely air monitoring data is provided to communities near refineries. The expansion of community air monitoring stations will allow South Coast AQMD to fulfill the new requirements in the amended Rule 1180 and newly adopted Rule 1180.1.

This will result in benefits to the people that live and work near refineries and related facilities.

Resource Impacts

Initial and final payments are required from petroleum and other refineries, and related facilities under Rule 1180 and Rule 1180.1 to provide sufficient funding for additional community air monitoring in properly implementing these rules. Amendments to Rule 301 will provide resources for ongoing community air monitoring O&M near facilities subject to Rules 1180 and 1180.1. The most recent Rule 301 amendment for O&M fees was approved by the Board in October 2025. California Health and Safety Code §42705.6 requires petroleum refineries to fund the costs of refinery-related community air monitoring.

Attachments

Table 1: Proposed Capital Outlays Expenditures for Rules 1180 and 1180.1 for FY 2026-27 and/or 2027-28

Table 2: Proposed Services & Supplies Expenditures for Rules 1180 and 1180.1 for FY 2026-27 and/or 2027-28

Appendix A: List of Refineries, Related Facilities and Other Refineries Subject to Rules 1180 and 1180.1

Table 1
Proposed Capital Outlays Expenditures for Rules 1180 and 1180.1
for FY 2026-27 and/or 2027-28

Description	Qty	Appropriation from Rule 1180 Special Revenue Fund (78)	Appropriation from General Fund Undesignated Fund Balance for Rule 1180*	Rule	Procurement Method
H2S Analyzer	1		$30,000	1180: refineries	Sole Source
Air Conditioning Systems**	2		$40,000	1180: refineries	Sole Source
Air Monitoring Container	1		$50,000	1180: refineries	Sole Source
Office Essentials**	1		$70,000	1180: refineries	Solicitation
Office Essentials**	1	$90,000		1180: related facilities	Solicitation
Office Essentials**	1	$90,000		1180.1	Solicitation
Total		**Up to $180,000**	**Up to $190,000**		

*Savings from prior Fiscal Years
**Expenditures may be appropriated to Services & Supplies or Capital Outlays Major Object, as warranted

Table 2
Proposed Services & Supplies Expenditures for Rules 1180 and 1180.1
for FY 2026-27 and/or 2027-28

Description	Appropriation from General Fund Undesignated Fund Balance for Rule 1180 – Major Refineries*	Appropriation from FY 2026-27 Annual O&M Fees	Total for Each Expenditure
Services and Supplies, Various Categories		$2,023,816	**$2,023,816**
Annual Consumable Supplies for Optical Multi-Pollutant Analyzers**	$63,500	$31,700	**$95,200**
Annual Quality Assurance Services for Optical Multi-Pollutant Analyzers **	$75,000	$37,500	**$112,500**
Annual Software License Renewal for Optical Multi-Pollutant Analyzers**	$43,500	$28,300	**$71,800**
Total for Each Funding Source	**Up to $182,000**	**Up to $2,121,316**	

*Savings from prior Fiscal Years
**Sole Source Procurement

Appendix A

List of Refineries, Related Facilities and Other Refineries Subject to Rules 1180 and 1180.1

List of Refineries Subject to Rule 1180

- Tesoro Refining & Marketing Company, LLC, Carson;
- Tesoro Refining & Marketing Company, LLC, Wilmington;
- Torrance Refining Company, LLC, Torrance;
- Chevron Products Company, El Segundo;
- Phillips 66 Company, Los Angeles Refinery, Carson;
- Phillips 66 Company, Los Angeles Refinery, Wilmington; and
- Valero Wilmington Refinery (permitted as Ultramar, Inc.), Wilmington.

List of Related Facilities Subject to Rule 1180

- Air Products and Chemicals, Inc., Carson;
- Air Products and Chemicals, Inc., Wilmington;
- Tesoro Refining and Marketing Co., LLC (Sulfur Recovery Plant);
- Kinder Morgan Liquids Terminals, LLC; and
- Tesoro Logistics, Carson Crude Terminal.

List of Other Refineries Subject to Rule 1180.1

- Air Products Manufacturing, LLC (formerly AltAir Paramount, LLC);
- LTR dba World Oil Refining; and
- Valero Wilmington Asphalt Plant.

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 5

PROPOSAL: Establish List of Prequalified Vendors for Automotive Mechanical Repair and Service and for Mailing Services, Amend Purchase Order for Lease and Maintenance of Mailing System Equipment

SYNOPSIS: On August 7, 2026, the Board approved release of RFQs to prequalify vendors for automotive mechanical repair and service, and for mailing services. This action is to establish prequalified lists for automotive mechanical repair and service and mailing services that can be used for three years. This action is also to add $25,600 to a previously Board-approved five-year purchase order with Pitney Bowes, Inc. to cover taxes for the lease and maintenance of mailing system equipment. Funds for these services have been included in the FY 2026-27 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, November 13, 2026; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve vendors listed in Attachment I as prequalified vendors to provide South Coast AQMD with automotive mechanical repair and service for a three-year period ending December 31, 2029;
2. Approve vendors listed in Attachment II as prequalified vendors to provide South Coast AQMD with mailing services for a 3-year period ending December 31, 2029; and
3. Authorize the Procurement Manager to amend a previously Board-approved purchase order with Pitney Bowes, Inc. to add $25,600, to cover the annual cost of taxes, for a total not-to-exceed amount of $271,100 for the five-year purchase order.

Wayne Nastri
Executive Officer

AJO:VL:mc

Background
South Coast AQMD works with vendors for automotive repair and maintenance of fleet vehicles and for mailing services for large mailing distributions. On August 7, 2026, the Board approved the release of two RFQs: (1) Q2027-01, to solicit proposals to establish a list of prequalified vendors for automotive mechanical repair and service for a three-year period; and (2) Q2027-02, to solicit proposals to establish a list of prequalified vendors for mailing services, such as folding, inserting, and sealing mail, for a 3-year period.

In addition, on December 5, 2025, the Board approved the issuance of a five-year lease and maintenance purchase order with Pitney Bowes, Inc. in the amount of $245,500 from January 1, 2026, through December 31, 2030. However, the cost for taxes for each year of the purchase order was inadvertently left out of the final cost for Board approval.

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

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFQ has been mailed to the Legislative Caucuses and various minority chambers of commerce and business associations, the State of California Contracts Register website, and placed on the Internet at South Coast AQMD's website (http://www.aqmd.gov). Information was also available on South Coast AQMD's bidder's 24-hour telephone message line (909) 396-2724.

Bid Evaluation
For Automotive Mechanical Repair and Service vendors (RFQ #Q2027-01), five proposals were received when final bidding closed at 2:00 p.m. on September 8, 2026. The proposals were evaluated by a three-member panel consisting of a Business Services Manager and two Fleet Services Worker IIs. All five proposals were deemed complete and met RFQ requirements.

For mailing services (RFQ #Q2027-02), two proposals were received when final bidding closed at 2:00 p.m. on September 8, 2026. The proposals were evaluated by a three-member panel consisting of a Mail and Subscription Services Supervisor, a Mail and Subscription Services Clerk, and a Print Shop Supervisor. Both proposals were deemed complete and met RFQ requirements.

Proposal
Staff recommends establishing prequalified vendors lists as follows: five Automotive Mechanical Repair and Service providers, as set forth in Attachment I, and two mailing services, as set forth in Attachment II.

Staff also recommends authorizing the Procurement Manager to amend the multi-year purchase order with Pitney Bowes, Inc. for an additional total not to exceed $25,600 to cover tax costs.

Resource Impacts
Sufficient funds have been appropriated for vendors for both the automotive repair and maintenance and mailing services in the FY 2026-27 Budget and will be requested in subsequent fiscal year budgets.

For the multi-year lease and maintenance purchase order agreement with Pitney Bowes, sufficient funds in the amount of $7,200 are available in the approved FY 2026-27 Budget for the remainder of this fiscal year. Subsequent funding will be requested in the budgets for each of the remaining fiscal years of the purchase order. Annual costs to cover taxes are $7,200 for FY 2026-27; $5,200 for FY 2027-28; $5,200 for FY 2028-29; $5,300 for FY 2029-30; and $2,700 for FY 2030-31.

Attachments
Attachment I – Prequalified Vendor List for RFQ #Q2027-01
Attachment II – Prequalified Vendor List for RFQ #Q2027-02

ATTACHMENT I

Prequalified Vendor List for RFQ #Q2027-01
Automotive Mechanical Repair and Service

Name	Qualifying Score	Additional Points*	Total Points
Diamond Bar Mobil	100	15	115
ENA Enterprises, Inc. DBA Cerritos Auto Repair Center	98	15	114
Imp Auto, Inc. DBA Imperial Auto Repair and Transmission	97	15	112
Car Dr. Mobile	96	15	111
Fleetworks, Inc.	91	5	96

*Max 15 pts. (Small Business, DVBE, Local Business, Off-Peak Hours, Low-Emission Vehicle). Max 17 pts. applicable for Most Favorable Customer.

ATTACHMENT II

Prequalified Vendor List for RFQ #Q2027-02
Mailing Services

Name	Qualifying Score	Additional Points*	Total Points
Hodgman Enterprises, Inc. DBA Direct Connection	87	15	102
The Dot Printer, Inc.	94	0	94

* Max 15 pts. (Small Business, DVBE, Local Business, Off-Peak Hours, Low-Emission Vehicle). Max 17 pts. applicable for Most Favorable Customer.

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 6

PROPOSAL: Execute Contract for Janitorial Services at Diamond Bar Headquarters

SYNOPSIS: On August 7, 2026, the Board approved release of an RFP to solicit proposals from firms interested in providing janitorial services at Diamond Bar headquarters. The current contract for these services expires on December 31, 2026. This action is to execute a 42-month contract with Santa Fe Janitorial Maintenance Services Inc. for a total amount not to exceed $2,854,212. Funding has been included in the FY 2026-27 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, November 13, 2026; Recommended for Approval

RECOMMENDED ACTION:
Authorize the Executive Officer to execute a 42-month contract with Santa Fe Janitorial Maintenance Services Inc. for janitorial services at Diamond Bar headquarters for the period of December 31, 2026 through June 30, 2030, for a total amount not to exceed $2,854,212, with an option to extend the contract for up to two additional years.

Wayne Nastri
Executive Officer

AJO:VL:mc

Background
South Coast AQMD contracts with a firm to provide routine janitorial services and supplies at its Diamond Bar headquarters. The contract term with the current contractor, Santa Fe Janitorial Maintenance Services Inc., expires December 31, 2026. On August 7, 2026, South Coast AQMD released RFP #2027-01 to solicit proposals from janitorial services providers interested in contracting with South Coast AQMD for a 42-month period.

In accordance with RFP #2027-01 requirements, the selected firm must use janitorial products that have received South Coast AQMD's Clean Air Choices cleaner certification. Where no products have received South Coast AQMD certification, the firm must use products that have received Green Seal certification or equivalent.

In addition to routine janitorial services and additional work, South Coast AQMD may require occasional, special and/or emergency cleanup services that would not be covered under this contract. While it is difficult to anticipate special services, past experience indicates they typically increase costs by approximately five percent. Accordingly, the costs listed in this Board letter include an additional five percent above the costs submitted in the proposals.

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

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP was emailed to Legislative Caucuses and various chambers of commerce and business associations and placed on the Internet at South Coast AQMD's website (http://www.aqmd.gov).

Bid Evaluation
Seventeen vendors attended the mandatory bidders conference held on September 8, 2026. Nine proposals were received when final bidding closed at 2:00 p.m. on September 22, 2026. Of the nine proposals received, four were complete and met RFP requirements and five were deemed not qualified. The proposals were evaluated by a three-member panel consisting of a Business Services Manager, a Building Maintenance Manager, and a Senior Public Affairs Manager.

The panel evaluated the proposals based on criteria specified in the RFP, which included completeness and responsiveness of the proposal, cost, understanding of the required janitorial services, contractor qualifications, and past experience. The attached Bid Evaluation Summary summarizes the scores of the qualified bids.

Proposal
Staff recommends authorizing the Executive Officer to execute a 42-month contract with Santa Fe Janitorial Maintenance Services Inc. The company received the highest overall evaluation score, with the highest technical score. Their proposal also included excellent references for comparable public sector janitorial services. Santa Fe Janitorial

Maintenance Services Inc. has been providing janitorial services at South Coast AQMD headquarters since 2013.

Resource Impacts
Sufficient funds in the amount of $369,426 are available in the approved FY 2026-27 Budget for the remainder of this fiscal year. Subsequent funding will be requested in the budgets for each of the remaining fiscal years of the contract. Annual costs are $787,690 for FY 2027-28; $828,916 for FY 2028-29; and $868,180 for FY 2029-2030.

Attachment
RFP 2027-01 Bid Evaluation Summary

ATTACHMENT I

Bid Evaluation Summary for RFP #P2027-01
Janitorial Services at South Coast AQMD Headquarters

Name	42-month Janitorial Services Contract*	Cost of Extra Work Requested (not included on point scale)	Total Cost	Subtotal Points (Work Requirement, Contractor Qualifications, Cost, Experience)	Additional Points**	Total Points
Santa Fe Janitorial Maintenance Services Inc.	$2,658,011.64	$196,200	$2,854,211.64	90.3	17	107.3
Merchants Building Maintenance	$2,409,641.90	$196,217	$2,605,858.90	93.3	4	97.3
3H & 3H Inc.	$2,495,289.51	$196,225	$2,691,514.51	91.6	2	93.6
Guaranteed Janitorial Service	$3,023,337.37	$196,209	$3,219,546.37	81.9	5	86.9

* Proposal Cost listed includes a 5% contingency amount.
** Max 15 pts. (Small Business, DVBE, Local Business, Off-Peak Hours, Low-Emission Vehicle). Max 17pts applicable for Most Favorable Customer.

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 7

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the October 2026 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

LT:CG:AL:VD:fc

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

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

Rendezvous Back to Route 66
On October 10, South Coast AQMD sponsored the San Bernardino Area Chamber of Commerce's 13th Annual Rendezvous Back to Route 66. Staff hosted a resource table to provide information on the INVEST CLEAN and ELECTRIC incentive programs for medium- and heavy-duty vehicles and equipment, GO ZERO, and Commercial Electric Lawn & Garden Equipment (eL&G) programs.

Working with Communities
On October 10, South Coast AQMD's Working with Communities program partnered with Habitat for Humanity of Coachella Valley to sponsor "A Brush with Kindness" project in Indio to refurbish a family's home.

Taste of Soul
On October 17, South Coast AQMD sponsored the Los Angeles Sentinel's Taste of Soul Festival, a free, family-friendly street festival on Crenshaw Boulevard in Los Angeles, celebrating music, food, culture, and community with over 300,000 attendees each year. Staff hosted a resource table to provide information on Check Before You Burn (CBYB), Residential eL&G program, GO ZERO, how to file an air quality complaint, and the Mobile App.

Whittier Spooktacular 5K Run/Walk
On October 31, South Coast AQMD sponsored the 17th Annual Whittier Spooktacular 5K Run/Walk, a family-friendly community race, organized by the Whittier Community Foundation, with proceeds benefiting the local community. Staff hosted a resource table to provide information on Check Before You Burn (CBYB), Residential eL&G program, the Residential EV Charging Incentive Program, Clean Air Program for Elementary School Students (CAPES), Why Healthy Air Matters Program (WHAM), what to do before, during, and after a wildfire, how to file an air quality complaint, and the Mobile App.

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

- Tips on reducing their exposure to smog and its negative health effects;
- How to file an air quality complaint;
- Clean air technologies and their deployment;
- Invitations to or notices of conferences, seminars, workshops, and other public events;
- South Coast AQMD incentive programs;

- Funding/grant opportunities by South Coast AQMD and partner agencies;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

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

San Bernardino Area Chamber of Commerce
On October 1, staff participated in the San Bernardino Area Chamber of Commerce's meeting to provide information on INVEST CLEAN, ELECTRIC, and GO ZERO.

San Bernardino County Transportation Authority
On October 1, staff participated in the San Bernardino County Transportation Authority's City/County Manager's Technical Advisory Committee to provide information on INVEST CLEAN, GO ZERO, and Warehouse Actions and Investments to Reduce Emissions (WAIRE) Mitigation Program.

Palm Desert National Night Out
On October 3, staff hosted a resource table at Palm Desert National Night Out to provide information on South Coast AQMD and air quality issues, the Mobile App, how to file an air quality complaint, and Commercial eL&G program.

Annual Clean Air Sustainability Rideshare Fair
On October 6, staff participated in the Annual Clean Air Sustainability Rideshare Fair in Los Angeles to provide information on the Residential EV Charging Incentive Program, how to file an air quality complaint, and the Mobile App.

Fall for Lung Health Community Resource Fair
On October 9, staff hosted a resource table at Los Angeles Council District 2's Fall for Lung Health Community Resource Fair in Sun Valley to provide information on CBYB, GO ZERO, Commercial and Residential eL&G, how to file an air quality complaint, and the Mobile App.

Housing Forum and Clean Air Day Celebration
On October 10, staff hosted a resource table at Paramount's Housing Forum and Clean Air Day Celebration to provide information on Residential eL&G, the Residential EV Charging Incentive Program, how to file an air quality complaint, and the Mobile App.

Santa Ana Chamber of Commerce
On October 13, staff participated in the Santa Ana Chamber of Commerce Government Affairs Council to provide information on GO ZERO and INVEST CLEAN.

Harbor Association of Industry & Commerce
On October 15, staff participated in the Harbor Association of Industry & Commerce meeting to provide information on WAIRE Mitigation Program, INVEST CLEAN, and GO ZERO.

College Career Fair
On October 17, staff hosted a resource table at the 56th Assembly District's Annual College Career Fair in La Puente to provide information on South Coast AQMD job opportunities, Residential and Commercial eL&G, how to file an air quality complaint, and the Mobile App.

Hidden Hills Fiesta
On October 17, staff hosted a resource table at the Hidden Hills Fiesta to provide information on CBYB, Residential eL&G program, how to file an air quality complaint, and the Mobile App.

Vernon City Council
On October 20, staff participated in the Vernon City Council meeting to provide information on WAIRE Mitigation Program, INVEST CLEAN, and GO ZERO.

Whittier Area Chamber of Commerce
On October 22, staff participated in the Whittier Area Chamber of Commerce's event to provide information on GO ZERO and the Mobile App.

EV Spooktacular Showcase
On October 25, staff hosted a resource table at Breathe Southern California's EV Spooktacular Showcase, sharing information on CAPES, WHAM, INVEST CLEAN, GO ZERO, WAIRE Mitigation Program, and Commercial eL&G. Staff also showcased the hydrogen-powered Toyota Mirai.

San Gabriel Valley Council of Governments
On October 28, staff participated in the San Gabriel Valley Economic Partnership Legislative Action Committee Meeting to provide information on the WAIRE Mitigation Program, HVIP, and GO ZERO.

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

Centinela Valley Union High School
On October 1, staff participated in Centinela Valley Union High School District's 10th Annual Industry Partner Breakfast in Lawndale to learn about their academic and meet students and staff.

Salton Sea Summit
On October 16, staff hosted a resource table at the Salton Sea Summit to provide information on the Small Business Assistance program, CBYB, Commercial eL&G program, the Residential EV Charging Incentive Program, INVEST CLEAN, ELECTRIC, GO ZERO, how to file an air quality complaint, and the Mobile App.

Community Health Fair Trunk or Treat
On October 16, staff hosted a resource table at the YMCA's East Los Angeles Trunk or Treat Health Fair to provide information on CAPES and WHAM, how to file an air quality complaint and the Mobile App.

Los Angeles County Public Works Meeting
On October 24, staff hosted a resource table at the Los Angeles County Public Works meeting regarding the East Los Angeles Oil Spill. Staff shared information on the AQI, CBYB, Residential and Commercial eL&G programs, what to do before, during, and after a wildfire, GO ZERO, ELECTRIC, INVEST CLEAN, WAIRE Mitigation Program, AB 617 Residential Air Filtration Program, how to file an air quality complaint, and the Mobile App.

Bridge to Health Fair
On October 24, staff hosted a resource table at the Galilee Center's Bridge to Health Fair in Mecca to provide information on the AQI, CBYB, Residential and Commercial eL&G, GO ZERO, ELECTRIC, INVEST CLEAN, AB 617 Residential Air Filtration Program, how to file an air quality complaint, and the Mobile App.

Business Connect
On October 29, staff attended Hemet's Business Connect meeting to present a brief overview of the agency and to provide information on Commercial eL&G, GO ZERO, and Small Business Assistance programs.

Staff visited the following schools to provide information on South Coast AQMD, air quality issues, and how they can participate in the WHAM program and/or CAPES. Staff also inform schools on the Mobile App and how to file an air quality complaint.

- Alliance Morgan McKinzie High School, Los Angeles
- Bell Gardens Intermediate School
- Coachella Valley Unified School District

- Coral Mountain Academy, Coachella
- Elizabeth Learning Center, Cudahy
- Montebello High School, Montebello
- Palm View Elementary School, Coachella
- Sato Academy of Mathematics and Science, Long Beach
- Saul Martinez Elementary School, Mecca

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

American Lung Association
On October 29, staff participated on American Lung Association's Panel on LA 2025 Fires. Topics discussed were the role air monitoring, coordination and communications plays in protecting health, and any challenges that our advocates should be aware of going forward.

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

Calls to South Coast AQMD's Main Line and 1-800-CUT-SMOG®	2,546
Calls to South Coast AQMD's Spanish Line	28
Clean Air Connections	3
Total Calls	2,577

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

Calls Received by PIC	7
Calls to Automated System	100
Total Calls	107
Visitor Transactions	53
Email Advisories Sent	11,535

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

- Provided permit application assistance to 221 companies, and
- Processed 138 Air Quality Permit Checklists.

Types of businesses assisted:

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

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

Major Media Interactions	80
Press Releases	8
News Carousel	14

Major Media Topics:
- **Red Flag Warning**: Participated in an interview with ABC discussing air quality impacts and recommended precautions related to the current Red Flag Warning.
- **Norte Fire**: CBS requested information on our smoke advisory for the Norte Fire, how the air quality is impacted, and any precautions for residents. Sent advisory, but unable to accommodate interview.
- **Tire and Break Emissions**: Russian Television International requested information on the California regulators' approved restrictions for replacement

car tires. CalMatters inquired about the UCI study regarding Tire and Brake Emission. Responses were provided.

- **Asbestos**: KNX inquired about a demolition project in Pasadena and concern for asbestos. Response was provided.
- **Refineries**: San Francisco Chronicle inquired about refinery maintenance schedules of four refineries in LA County. Response was provided.
- **Parachlorobenzotrifluoride and Tertiary-Butyl Acetate (PCBTF/tBAC) Phaseout**: Chemical Watch inquired about rules pertaining to the phaseout of PCBTF/tBAC. Reporter had follow up questions and responses were provided.
- **Data Center**: LA Public Press inquired about a potential data center in Vernon. Response was provided
- **Paramount Air Monitoring**: Patch inquired about the Paramount press release regarding elevated hexavalent chromium readings and air quality information relating to North Long Beach. Response was provided.
- **Paramount Press Release**: Pitched to media outlets resulting in media coverage.
- **GO ZERO Press Release**: Pitched to media outlets.
- **Smoke Advisory**: Pitched to media outlets resulting in media coverage.

News Releases:

- **Press Release**:
  - South Coast AQMD Expands Popular GO ZERO Program with $60 Million in New Funding. To view, click the following: 10/2.
  - South Coast AQMD Re-Initiates Air Monitoring and Investigation in Paramount. To view, click the following: 10/28.
- **Air Quality Advisory**: South Coast AQMD Issues Wildfire Smoke Advisory. To view, click the following: 10/3 & 10/16.

Social Media Posts:

Bouquet Fire Smoke Advisory (10/3): 675 Instagram Views
YLAC (10/9): 1,484 Instagram Views
Wildfire Ash Precautions (10/16): 2,108 Instagram Views
YLAC (10/22): 1,830 Instagram Views

News Carousel:

- **Contractors/installers: Learn about heat pumps and electrification! Join the GO ZERO Incentive Program for a free training session on Oct. 6 (10/1) –** Linked to GO ZERO webpage.
- **INVEST CLEAN Funding Update: The application deadline for Last Mile Freight Program to support battery-electric Class 4–8 commercial vehicles has been extended to Jan. 11, 2027 (10/6) –** Linked to INVEST CLEAN webpage**.**

- **It's California Clean Air Day and National Energy Efficiency Day! Take action for cleaner air and a healthier future by conserving energy, choosing cleaner transportation and making sustainable choices. (10/7) –** Linked to Clean Air Day webpage.
- **Contractors/installers: Learn about heat pumps and electrification! Join the GO ZERO Incentive Program for a free training session on Oct. 8 or 9 (10/7) –** Linked to GO ZERO webpage.
- **Small businesses and nonprofits: Apply for the GO ZERO Incentive Program and get rebates for zero-emission heat pumps while funds last. (10/9) –** Linked to GO ZERO webpage.
- **The latest issue of The Advisor is here! Explore the October-November-December issue today (10/13) –** Linked to the Advisor webpage.
- **The application period for the $73 million WAIRE Mitigation Program is now open! Apply for zero-emission trucks and infrastructure funding by Dec. 15 (10/13) –** Linked to WAIRE Mitigation Program webpage.
- **Small businesses can still apply for GO ZERO rebates for qualifying zero-emission heat pump space and water heating systems! (10/16) –** Linked to GO ZERO webpage.
- **It's National Chemistry Week! Check out our Air Quality laboratory and see how our scientists use chemistry to help protect the air we breathe (10/20) –** Linked to Lab Tour video.
- **Help accelerate zero-emission goods movement with INVEST CLEAN's Charging Infrastructure Incentive Program. Eligible applicants should apply by Jan.13, 2027 (10/20) –** Linked to INVEST CLEAN Funding Opportunities.
- **Did you know? $73 million is available for zero-emission trucks and charging and fueling infrastructure involved in warehousing activities through the WAIRE Mitigation Program. Apply by Dec. 15 (10/22) –** Linked to WAIRE Mitigation Program webpage.
- **GO ZERO helps eligible properties replace gas appliances with energy efficient, zero-emission heat pumps for space and water heating. Learn more here! (10/23) –** Linked to GO ZERO webpage.
- **Attention Young Leaders! If you're between the ages of 18-35 and are passionate about air quality, the South Coast AQMD's Young Leaders Advisory Council is for you! Join us in advancing clean air solutions. Apply today! (10/27) –** Linked to Young Leaders Advisory Council webpage.
- **Turn eligible diesel or gasoline freight vehicles into battery-electric with INVEST CLEAN Last Mile Freight Program rebates. Apply now until Jan. 11, 2027 (10/29) –** Linked to INVEST CLEAN Funding Opportunities webpage.

Outreach to Community Groups and Federal, State and Local Governments
Communication was conducted in October with elected officials and/or staff from the following state and federal offices:

- U.S. Senator Alex Padilla
- U.S. Senator Adam Schiff
- U.S. Representative Pete Aguilar
- U.S. Representative Nanette Diaz Barragán
- U.S. Representative Julia Brownley
- U.S. Representative Ken Calvert
- U.S. Representative Judy Chu
- U.S. Representative Gil Cisneros
- U.S. Representative Lou Correa
- U.S. Representative Laura Friedman
- U.S. Representative Robert Garcia
- U.S. Representative Jimmy Gomez
- U.S. Representative Sydney Kamlager-Dove
- U.S. Representative Young Kim
- U.S. Representative Ted Lieu
- U.S. Representative Dave Min
- U.S. Representative Jay Obernolte
- U.S. Representative Luz Rivas
- U.S. Representative Dr. Raul Ruiz
- U.S. Representative Linda Sánchez
- U.S. Representative Brad Sherman
- U.S. Representative Mark Takano
- U.S. Representative Norma Torres
- U.S. Representative Derek Tran
- U.S. Representative Maxine Waters
- U.S. Representative George Whitesides
- Senator Ben Allen
- Senator Bob Archuleta
- Senator Catherine S. Blakespear
- Senator Sabrina Cervantes
- Senator Dr. Steven Choi
- Senator María Elena Durazo
- Senator Lena A. Gonzalez
- Senator Caroline Menjivar
- Senator Rosilicie Ochoa Bogh
- Senator Sasha Renée Pérez
- Senator Eloise Gómez Reyes
- Senator Laura Richardson
- Senator Susan Rubio
- Senator Kelly Seyarto
- Senator Lola Smallwood-Cuevas
- Senator Henry Stern
- Senator Tony Strickland
- Senator Tom Umberg
- Senator Suzette Martinez Valladares
- Assembly Speaker Robert Rivas
- Assemblymember Mia Bonta
- Assemblymember Isaac G. Bryan
- Assemblymember Lisa Calderon
- Assemblymember Jessica M. Caloza
- Assemblymember Juan Carrillo
- Assemblymember Leticia Castillo
- Assemblymember Phillip Chen
- Assemblymember Laurie Davies
- Assemblymember Diane B. Dixon
- Assemblymember Sade Elhawary
- Assemblymember Mike Fong
- Assemblymember Jesse Gabriel
- Assemblymember Robert Garcia
- Assemblymember Mike A. Gipson
- Assemblymember Jeff Gonzalez
- Assemblymember Mark González
- Assemblymember John Harabedian
- Assemblymember Dr. Corey A. Jackson
- Assemblymember Tom Lackey
- Assemblymember Josh Lowenthal
- Assemblymember Tina S. McKinnor
- Assemblymember Al Muratsuchi

- Assemblymember Blanca Pacheco
- Assemblymember Cottie Petrie-Norris
- Assemblymember Sharon Quirk-Silva
- Assemblymember James C. Ramos
- Assemblymember Celeste Rodriguez
- Assemblymember Michelle Rodriguez
- Assemblymember Blanca E. Rubio
- Assemblymember Kate Sanchez
- Assemblymember Pilar Schiavo
- Assemblymember Nick Schultz
- Assemblymember José Luis Solache Jr.
- Assemblymember Tri Ta
- Assemblymember Avelino Valencia
- Assemblymember Greg Wallis
- Assemblymember Rick Chavez Zbur

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

Alhambra
Anaheim
Arcadia
Artesia
Azusa
Baldwin Park
Bell
Bell Gardens
Bellflower
Big Bear Lake
Bradbury
Brea
Cathedral City
Cerritos
Chino
Chino Hills
Claremont
Coachella
Colton
Commerce
Compton
Costa Mesa
Covina
Cudahy
Dana Point
Desert Hot Springs
Diamond Bar
Downey
Duarte
El Monte
Fontana
Fountain Valley
Fullerton
Garden Grove
Glendora
Grand Terrace
Hawaiian Gardens
Hemet
Hidden Hills
Highland
Huntington Beach
Huntington Park
Indian Wells
Indio
City of Industry
Irvine
Irwindale
La Cañada Flintridge
La Habra
La Habra Heights
La Mirada
La Puente
La Verne
Lake Forest
Lakewood
Loma Linda
Long Beach
Los Alamitos
Los Angeles
Lynwood
Maywood
Mission Viejo
Monrovia
Montclair
Montebello
Monterey Park
Newport Beach
Norwalk
Ontario
Orange
Palm Desert
Palm Springs
Paramount
Pasadena
Pico Rivera
Pomona
Rancho Cucamonga
Rancho Mirage
Redlands
Rialto
Riverside
Rolling Hills Estates
Rosemead
San Bernardino
San Dimas
San Gabriel
San Juan Capistrano

San Marino
Santa Ana
Santa Fe Springs
Seal Beach
Sierra Madre
Signal Hill
South El Monte
South Gate
South Pasadena
Stanton
Temple City
Upland
Vernon
Walnut
West Covina
Westminster
Whittier
Yorba Linda
Yucaipa

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

American Green Zone Alliance
Bellflower Chamber of Commerce
California Department of Transportation
CARB
Coachella Valley Association of Governments
Compton Chamber of Commerce
Costa Mesa Chamber of Commerce
Dana Point Chamber of Commerce
Desert Eco Tours
Desert Recreation District
Downey Chamber of Commerce
East Valley Water District
El Monte/South El Monte Chamber of Commerce
Fairplex
Foothill Transit
Gateway Cities Council of Governments
Grand Terrace Chamber of Commerce
Greater Ontario Business Council
Greater Riverside Chambers of Commerce
Harbor Association of Industry and Commerce
Highland Area Chamber of Commerce
Holliday Rock
Huntington Park Area Chamber of Commerce
InCharge Energy
Inland Empire Resource Conservation District
Inland Empire Utilities Agency
Inland Regional Energy Network
Irvine Chamber of Commerce
Kaiser Permanente
La Habra Area Chamber of Commerce
La Mirada Chamber of Commerce

Lakewood Chamber of Commerce
League of California Cities – Orange County Division
Long Beach Area Chamber of Commerce
Los Angeles County
Los Angeles County Metropolitan Transportation Authority
Los Angeles County Sanitation Districts
Los Angeles County Sheriff's Department
March Joint Powers Authority
Maywood Chamber of Commerce
Metropolitan Water District
Mountain Transit
Omnitrans
Ontario Economic Development Agency
Ontario International Airport Authority
Orange County Business Council
Orange County Council of Governments
Orange County Fire Authority
Orange County Transportation Authority
Paramount Chamber of Commerce
Pico Rivera Chamber of Commerce
Port of Long Beach
Port of Los Angeles
Rancho Cucamonga Chamber of Commerce
Riverside County Office of Economic Development
Riverside Public Utilities
San Bernardino Area Chamber of Commerce
San Bernardino County
San Bernardino County Transportation Authority
San Bernardino's Economic Development Department
San Bernardino International Airport Authority
San Gabriel Basin Water Quality Authority
San Gabriel Valley Council of Governments
San Gabriel Valley Economic Partnership
San Juan Capistrano Chamber of Commerce
Santa Ana Chamber of Commerce
Santa Fe Springs Chamber of Commerce
South Pasadena Chamber of Commerce
Southern California Edison
Southern California Gas Company
Southern California Logistics Airport
Upland Chamber of Commerce
Upper San Gabriel Valley Municipal Water District
U.S. Chamber of Commerce

Vernon Chamber of Commerce
Western Riverside Council of Governments
Whittier Area Chamber of Commerce

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

ActiveSGV
American Red Cross
Arminta Street Elementary School
Breathe Southern California
California State University, San Bernardino – Palm Desert
Center for Community Action and Environmental Justice
Center for Environmental Research & Technology
Chaffey College
CicLAvia
Citrus College
City of Hope
Coachella Valley Disaster Preparedness Network
Coachella Valley Unified School District
College of the Desert
Colton Joint Unified School District
Desert Sands Unified School District
Habitat for Humanity International
Habitat for Humanity of the Coachella Valley
Leadership Long Beach
Loma Linda University
Long Beach Alliance for Children with Asthma
Los Angeles Unified School District
Mt. San Antonio College
National CORE
Options for Learning (West Covina)
Palm Springs Unified School District
People's Collective for Environmental Justice
Pomona Community Foundation
Pomona Unified School District
Rialto Unified School District
Riverside City College
Salton Sea Authority
San Antonio Regional Hospital
San Bernardino City Unified School District
San Bernardino County Superintendent of Schools
San Bernardino Valley College

San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
San Gabriel Valley City Manager's Association
San Gabriel Valley Mosquito & Vector Control District
South Bay Social Network
Union Rescue Mission
University of California, Riverside – Palm Desert
University of California Riverside – Salton Sea Task Force
University of California, Irvine
U.S. Green Building Council

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 8

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of October 1 through October 31, 2026.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Micah Ali
Hearing Board Chair

ft

Attached are the following summaries: **October 2026 Hearing Board Cases,** and **Rules From Which Variances and Orders for Abatement Were Requested from October 1, 2026 through October 31, 2026**. A **Rule Index** with the applicable South Coast AQMD Rules and Regulations for **October 2026** are also attached.

There were no appeals filed during the period of October 1, 2026 to October 31, 2026.

Report of October 2026 Hearing Board Cases

Case Name and Case No. (South Coast AQMD Attorney	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Anheuser-Busch, LLC. Case No. 5960-2 (K. Manwaring)	203(b) 2004(f)(1) 2012 (c)(3)(A) 3002(c)(1)	The petitioner requested an ex parte variance because two digesters and natural gas boilers at its Van Nuys facility could not meet standard operating and emissions monitoring requirements.	Not Opposed/Granted	Ex parte variance granted commencing 10/09/2026 and continuing through 11/08/2026 or until the IV hearing scheduled for 11/5/2026, whichever comes first.	None
2. Enery Holdings LLC Case No. 6248-4 (J. Jones)	2012(c)(3)(A)	After thieves severed its copper line and left AT&T unable to restore required emissions monitoring service, the petitioner requested a Modification and Extension of an existing variance.	Not Opposed/Granted	MFCD/EXT granted commencing 10/27/2026 and continuing through 10/29/2027.	None
3. South Coast AQMD vs. C&O Manufacturing, Inc. Case No. 6298-1 (M. Reichert)	203(a)	South Coast AQMD requested an Order for Abatement because the respondent ran three laser cutters without permits.	Not Stipulated/Issued	O/A issued. Respondent ordered to cease operating laser cutters immediately or in the alternative, submit permit applications and required application fees no later than 10/15/2026.	N/A
4. South Coast AQMD vs. Chiquita Canyon, LLC Case No. 6177-4 (K. Roberts, M. Reichert, R Mansell)	203 402 431.1 1150 3002 HS §41700	Following South Coast AQMD's original petition for an Order for Abatement, both parties convened to modify the active order concerning ongoing public nuisance odors and air quality issues at the respondent's landfill. SR/Mod. O/A scheduled for 3/17/2027.	Stipulated/Issued	Mod O/A issued commencing 10/28/2026. The Hearing Board shall retain jurisdiction for over this matter until 10/31/2027.	N/A

5. South Coast AQMD vs. County of San Bernardino Case No. 6174-1 (Consent Calendar)	1196(d)(1) 1196(f)(8)(a) 1196(f)(10)	The proceeding addressed a scheduled status report and a proposed modification to the Order for Abatement governing the respondent's non-compliant heavy-duty fleet.	Stipulated/Issued	Mod O/A issued commencing 10/07/2026. The Hearing Board shall retrain jurisdiction over this matter until 01/31/2028.	N/A
6. South Coast AQMD vs. Los Angeles City Sanitation Bureau, Hyperion Water Reclamation Plant Case No. 1212-39 (Consent Calendar)	3002(c)(1)	A status report review took place regarding an active Order for Abatement covering flare equipment compliance at the respondent's treatment facility. SR/Mod. O/A scheduled for 10/13/2027.	No Action	The Stipulated Mod. O/A issued on 6/1/2023 shall remain in effect; no further modifications required. The Hearing Board shall retain jurisdiction over this matter until and including 30 days after Respondent has achieved final compliance.	N/A
7. STERIS, Inc. Case No. 6297-1 (Consent Calendar)	203(b) 1405(d)(1)(C) 1405(d)(1)(E)(iii)	Following a failed source test for ethylene oxide removal efficiency on its catalytic oxidizer, the petitioner applied for an RV.	Not Opposed/Granted	RV granted commencing 10/20/2026 and continuing through 03/31/2027 or until Petitioner comes into compliance with South Coast AQMD Rules, whichever comes first.	TBD
8. USA Waste of California – El Sobrante Landfill Case No. 5139-8 (Consent Calendar)	203(b) 431.1(c)(2) 3002(c)	The petitioner requested an IV because high dimethyl sulfide levels in its landfill gas prevented Flare #3 and Flare #4 from meeting the 150 parts per million by volume sulfur limit while a new sulfur treatment system awaits permitting and installation.	Not Stipulated/Granted	IV granted commencing 10/01/2026 and continuing for 90 days or until the RV hearing scheduled for 12/17/2026.	TBD

Report of October 2026 Hearing Board Cases

Acronyms

IV: Interim Variance
MFCD/EXT: Modification and Extension
Mod. O/A: Modification of Order for Abatement
N/A: Not Applicable
O/A: Order for Abatement
RV: Regular Variance
SR: Status Report
TBD: To be determined

Rules from which Variances and Orders for Abatement were Requested in 2026

Rules	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Actions
109(c)(1)								1					1
201								1					1
202(a)				1			1	1					3
203	1					1				1			3
203(a)					2		1	2		1			6
203(b)	4	3	4	4	6	5	8	1	3	3			41
204									1				1
218.1(b)(4)(C)			1										1
219(d)(5)(H)					1								1
401(b)(1)							1	1					2
401(b)(2)				1									1
402	1			1		1		1		1			5
407(a)				1			1	1					3
415(e)									1				1
430				1									1
431.1	1					1				1			3
431.1(c)(2)										1			1
1110.2(c)(19)					1								1
1135(d)(1)(B)		1											1
1147(d)					1								1
1147(d)(5)				1									1
1147(d)(7)				1									1
1147(e)(2)(A)(i)				1									1
1147(h13)(A)				1									1
1150	1					1				1			3
1153.1	1												1
1155(d)(3)									1				1
1155(d)(10)									1				1
1189(e)(1)					1								1
1196(d)									1				1
1196(d)(1)			1				1			1			3
1196(e)									1				1
1196(f)(8)(a)										1			1
1196(f)(10)										1			1
1303(a)(1)			1										1
1303(a)(2)			1										1
1304(a)(4)						1							1
1402(d)(2)				1									1
1405(d)(1)(C)										1			1
1405(d)(1)(E)(iii)										1			1
1407.1(d)(1)				1									1
1407.1(d)(5)(C)													0
1420	1												1
1469(k)(2)(C)						1							1
1469(w)(2)(B)						1							1

Rules from which Variances and Orders for Abatement were Requested in 2026													
Rules	**Jan**	**Feb**	**Mar**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Total Actions**
1469(x)(1)						1							1
1470(c)(4)(A)					1								1
1703(a)(2)			1										1
2004(f)(1)	1	1	3	1	2	2	3	1	1	1			16
2005(b)(1)(A)			1										1
2012(c)(3)(A)										2			2
3002	1					1				1			3
3002(c)										1			1
3002(c)(1)	1	2	2	1	1	3	3	1		2			16
CA H&S §41700				1		1		1		1			4
CA H&S §41701	1			1									2

SOUTH COAST AQMD RULES AND REGULATIONS INDEX
FOR 2026 HEARING BOARD CASES AS OF OCTOBER 31, 2026

REGULATION I – GENERAL PROVISION

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II – PERMITS

Rule 201 Permit to Construct

Rule 202 Temporary Permit to Operate

Ruel 204 Permit Conditions

Rule 203 Permit to Operate

Rule 219 Equipment Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions

Rule 402 Nuisance

Rule 407 Liquid and Gaseous Air Contaminants

Rule 415 Odors from Rendering Facilities

Rule 431.1 Sulfur Content of Gaseous Fuels

REGULATION XI – SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous - and Liquid-Fueled Engines

Rule 1135 Emissions of Oxides of Nitrogen from Electricity Generating Facilities

Rule 1147 NOx Reductions from Miscellaneous Sources

Rule 1150 Excavation of Landfill Sites

Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

Rule 1155 Particulate Matter (PM) Control Devices

Rule 1189 Emission from Hydrogen Plant Process Vents

Rule 1196 Clean On-Road Heavy-Duty Public Fleet Vehicles

SOUTH COAST AQMD RULES AND REGULATIONS INDEX
FOR 2026 HEARING BOARD CASES AS OF SEPTEMBER 30, 2026

REGULATION XIII – NEW SOURCE REVIEW

Rule 1303 Requirements

Rule 1304 Exemptions

REGULATION XIV - TOXICS AND OTHER NON-CRITERIA POLLUTANTS

Rule 1402 Control of Toxic Air Contaminants from Existing Sources

Rule 1405 Control of Ethylene Oxide Emissions from Sterilization and Related Operations

Rule 1407.1 Control of Toxic Air Contaminant Emissions from Chromium Allow Melting Operations

Rule 1420 Emissions Standard for Lead

Rule 1469 Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

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

REGULATION XVII – PREVENTION OF SIGNIFICANT DETERIORATION (PSD)

Rule 1703 PSD Analysis

REGULATION XX – REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

Rule 2005 New Source Review for RECLAIM

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

REGULATION XXX – TITLE V PERMITS

Rule 3002 Requirements

CALIFORNIA HEALTH & SAFETY CODE

§41700 Prohibited Discharges

§41701 Restricted Discharges

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 9

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from October 1 through October 31, 2026. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, November 20, 2026, Reviewed

RECOMMENDED ACTION:
Receive and file.

Bayron T. Gilchrist
General Counsel

BTG:sh

	CIVIL FILINGS	NOTICES OF VIOLATION
1.	Chitta Channin Inc. County of Los Angeles Superior Court – Small Claims Case No.: 26PDSC02620; Filed 10.15.26 (CL) NOV No.: P79072 Rule 461 - Gasoline Transfer and Dispensing California Health and Safety Code § 42402	1
2.	Glendale Shell, Inc. County of Los Angeles Superior Court – Small Claims Case No.: 26 PDSC02619; Filed 10.15.26 (CL) NOV No.: P79070 Rule 461 – Gasoline Transfer and Dispensing California Health and Safety Code § 42402	1
		2 Violations

Attachments
October 2026 Penalty Report
Index of South Coast AQMD Rules and Regulations

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office

Settlement Penalty Report (10/01/2026 - 10/31/2026)

Total Penalties

Civil Settlement: $359,589.50
Hearing Board Settlement: $483,454.72
MSPAP Settlement: $170,729.45

Total Cash Settlements: $1,013,773.67
Total SEP Value: $0.00

Fiscal Year through 10/31/2026 Cash Total: $4,166,358.40
Fiscal Year through 10/31/2026 SEP Value Only Total: $0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
800088	3M COMPANY	2004, 3002	10/09/2026	JL	P75882, P75892	$20,700.00
115394	AES ALAMITOS, LLC	2004, 3002	10/23/2026	SH	P80679	$10,000.00
206763	AMCOR	2305	10/06/2026	GML	O15406	$22,880.00
177658	BURNS ENVIRONMENTAL SERVICES	1403	10/06/2026	MR	P80817	$10,000.00
800003	HONEYWELL INTERNATIONAL INC	2004, 2012, 3002	10/02/2026	SH	P75913	$42,500.00
3513	IRVINE RANCH WATER DIST	3002	10/09/2026	JL	P77867	$31,700.00
181188	JJ & S ASBESTOS REMOVAL, INC	221, 1401, 1403, 40 CFR 61.145	10/09/2026	ND	P69846, P75782, P75797, P78501, P78646, P79173	$15,610.50
208715	LASER INDUSTRIES, INC.	203	10/02/2026	GML	P64195	$80,000.00
206783	MASCOT	2305	10/06/2026	DH	O15439	$37,000.00
176823	RIALTO BIOENERGY FACILITY, LLC	203, 430, 1110.2	10/06/2026	KER	P74799, P75768, P75872, P76135, P79534, P79535, P79540	$49,999.00
206368	SOUTHWIND FOODS	2305	10/01/2026	GML	O15534	$25,000.00

800026	ULTRAMAR INC	468, 1173, 3002	10/09/2026	JL	P78827, P78828, P78833, P78834, P78835	$14,200.00
Total Civil Settlements: $359,589.50						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	10/22/2026	KER/MR	6143-4	$2,600.00
119219	CHIQUITA CANYON LLC	431.1, 3002	10/22/2026	KER/MR	6177-4	$480,854.72
Total Hearing Board Settlements: $483,454.72						
MSPAP						
153367	ARCO AM/PM, KARNAIL CHAND	461, H&S 41960.2	10/16/2026	VB	P82494	$2,917.00
210824	BEYOND FOOD MART INC	461, H&S 41960.2	10/13/2026	VB	P75369	$2,789.00
193243	BMW OF PALM SPRINGS	203, 461	10/13/2026	CR	P78927, P78931	$4,996.00
210406	BRAND SURGICAL INSTITUTE	203	10/01/2026	LT	P82261	$1,094.00
201052	CLASSIC BEVERAGE OF SOUTHERN CALIFORNIA	2305	10/22/2026	LT	O15694	$3,375.00
194247	DRINKPAK, LLC	203	10/06/2026	CL	P81870	$2,098.00
209880	EARTH TEK	403	10/22/2026	CR	P82555	$3,111.00
13854	EAST LOS ANGELES COLLEGE	1415, 3002	10/20/2026	CL	P83158	$4,776.00
208113	ESAAM LIMITED, INC.	1403, 40 CFR 61.145	10/16/2026	CR	P81123	$1,941.00
201557	FIRE STATION 178	203	10/01/2026	LT	P82556	$1,094.00
202051	FORTUNE DYNAMIC INC.	2305	10/01/2026	VB	O15681	$14,200.00
122744	HELO CHEVRON	461	10/20/2026	CL	P79068	$1,990.00
76254	INDUSTRY CONVALESCENT HOSP, EL ENCANTO	222, 1415	10/06/2026	CL	P67129	$3,627.00
203960	LIST LOGISTICS, LLC	2305	10/16/2026	LT	O15610	$11,000.00
209651	LPJ CAPITAL, LLC	1403, 40 CFR 61.145	10/06/2026	CR	P82047	$1,941.00
3029	MATCHMASTER DYEING & FINISHING INC	2004	10/01/2026	CL	P81816	$1,873.00
202820	MAXZONE VEHICLE LIGHTING	2305	10/22/2026	LT	O15616	$11,000.00
176952	MERCEDES-BENZ WEST COAST CAMPUS	203, 461	10/06/2026	CL	P66328	$522.00
209889	MORENO BATH	2305	10/06/2026	LT	P73733	$19,800.00
179847	NEPTUNE LAND LLC	203	10/06/2026	SW	P82483	$1,294.00
208435	NEXT PHASE CONSTRUCTION, INC	403	10/06/2026	CR	P63281	$5,646.50
201553	QVC	2305	10/13/2026	CR	O15598	$10,224.00
137111	RASHID & SONS INC	201	10/16/2026	VB	P82476	$2,059.00
199988	RB OIL INC	203, 461	10/06/2026	LT	P82208	$2,789.00
199141	REDLANDS # 2	2305	10/16/2026	LT	P79241	$16,000.00

33177	RIV CO FLOOD CONTROL DIST	461	10/16/2026	VB	P81390	$7,455.00
89710	ROYAL CABINETS	3002	10/22/2026	CL	P78369	$1,791.00
119403	SAN CLEMENTE CARWASH	461	10/16/2026	SW	P80981	$624.00
209643	STR8 ABOVE ROOFING	1403, 40 CFR 61.145	10/16/2026	CR	P82045	$1,545.95
201606	STURGEON SERVICES INT.	221, 1166	10/01/2026	CL	P81160, P81301	$8,192.00
188941	TEN THREE FOUR FIVE OWNER, LLC	203	10/22/2026	CR	P82407	$1,294.00
159731	COUNTY OF RIVERSIDE (LESSEE)	203	10/22/2026	CR	P81378	$1,294.00
193960	THE JANKOVICH COMPANY, LLC	461, H&S 41960.2	10/22/2026	CR	P75379	$2,588.00
195964	VAN NUYS AMSTAR INC	461, H&S 41960.2	10/06/2026	LT	P75377	$2,789.00
201823	WCC PHASE II REALTY HOLDING COMPANY, LLC	2305	10/06/2026	LT	O15688	$11,000.00

Total MSPAP Settlements: $170,729.45

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 2026 PENALTY REPORT

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 203	Permit to Operate
Rule 221	Plans
Rule 222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

Rule 403	Fugitive Dust
Rule 430	Breakdown Provisions
Rule 431.1	Sulfur Content of Gaseous Fuels
Rule 461	Gasoline Transfer and Dispensing
Rule 468	Sulfur Recovery Units

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2	Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
Rule 1166	Volatile Organic Compound Emissions from Decontamination of Soil
Rule 1173	Fugitive Emissions of Volatile Organic Compounds

REGULATION XIV - TOXICS

Rule 1401	New Source Review of Toxic Air Contaminants
Rule 1403	Asbestos Emissions from Demolition/Renovation Activities
Rule 1415	Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

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

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

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

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 2026 PENALTY REPORT

REGULATION XXX - TITLE V PERMITS
Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS
40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE
H&S § 41960.2 Gasoline Vapor Recovery
H&S § 42404 Violation of Emission Limitations; Civil Penalty

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 10

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

SYNOPSIS: This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between October 1, 2026 and October 31, 2026, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, November 20, 2026, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

SR:MK:BR:SW:AS

Background

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

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

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

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

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

Attachment A contains a list of all environmental documents prepared by other public agencies seeking review by South Coast AQMD that were received pursuant to CEQA or other regulatory requirements. Attachment B provides a list of active projects, which were identified in previous months' reports, and which South Coast AQMD staff is continuing to evaluate or prepare comments relative to the environmental documents prepared by other public agencies. The following table provides statistics on the status of review[1] of environmental documents for the current reporting period for Attachments A and B combined[2]:

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

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

Statistics for Reporting Period from October 1, 2026 to October 31, 2026	
Attachment A: Environmental Documents Prepared by Other Public Agencies and Status of Review	81
Attachment B: Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies (which were previously identified in the August & September 2026 report)	9
Total Environmental Documents Listed in Attachments A & B	**90**
Comment letters sent	*21*
Environmental documents reviewed, but no comments were made	*57*
Environmental documents currently undergoing review	*12*

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

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

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

measures-and-control-efficiencies. Staff will continue compiling tables of mitigation measures for other emission sources such as ground support equipment.

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

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

Attachment C of this report summarizes the proposed air permit projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation pursuant to CEQA. As noted in Attachment C, South Coast AQMD is lead agency for two air permit projects during October 2026.

Attachments

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

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Goods Movement **LAC261001-03** SA Recycling Facility Demolition and Restoration Project#	The project consists of demolishing an existing recycling facility which is comprised of an operations and administration building, parking lot, weigh station, truck scales, two railroad spurs, stockpile yard, loading areas, maintenance facilities, utilities, an aboveground storage tank, stormwater conveyance system, concrete, flood lighting, boundary wall, and perimeter fencing. Upon completion of demolition, the site will be covered with crushed rock and gravel, and perimeter fencing will be installed. The project is located in the Port of Long Beach at 482 Pier T Avenue which is within the designated AB 617 Wilmington, Carson, and West Long Beach community. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac261001-03-mnd-sa-recycling-facility-demolition-and-restoration-project.pdf Comment Period: 10/1/2026 - 10/30/2026 Public Hearing: N/A	Initial Study/Draft Mitigated Negative Declaration	Port of Long Beach	Comment letter sent on 10/30/2026
Goods Movement **LAC261022-10** Pier B On-Dock Rail Support Facility Project#	The project consists of demolishing the transit shed at Berths D52-54, extending an existing sewer line, relocating the Control Point Foote Wye (a rail junction with signals and switches), installing a rail signal conduit, closing Grant Street and Southern Pacific Drive, constructing water and sewer lines, designating temporary construction staging and laydown areas, and removing and abandoning a sewer main line. The project is located at Pier B in the Port of Long Beach, located west of Dominguez Channel, east of Interstate 710, south of Ocean Boulevard and Pier E, and north of West 15th Street and within the designated AB 617 Wilmington, Carson, and West Long Beach community. Staff previously provided comments on the Draft Supplemental Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2025/october-2025/lac250903-03-draft-sup-eir-pier-b-on-deck-rail-support-facility-project.pdf References: LAC250903-03 and LAC250325-01 Comment Period: 10/23/2026 - 12/9/2026 Public Hearing: N/A	Recirculated Draft Supplemental Environmental Impact Report	Port of Long Beach	Under review, may submit comments

Key:
# = Project has potential environmental justice concerns due to the nature and/or location of the project.
LAC = Los Angeles County, ORC = Orange County, RVC = Riverside County, SBC = San Bernardino County, ALL = All counties within the South Coast AQMD jurisdiction, and ODP = Project located outside of South Coast AQMD jurisdiction
Project Notes:
1. Disposition may change prior to Governing Board Meeting
2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers **LAC261001-04** 3800 Via Oro Project#	The project consists of demolishing existing on-site structures and redeveloping the site with a concrete tilt-up industrial building (332,090 square feet, height of 49 feet) for a mix of manufacturing, warehousing, and office uses. The project is located at 3800 Via Oro Avenue in Long Beach which is within the designated AB 617 Wilmington, Carson, and West Long Beach community. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/lac261001-04-deir-3800-via-oro-project.pdf Comment Period: 10/1/2026 - 11/13/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Long Beach	Comment letter sent on 11/13/2026
Warehouse & Distribution Centers **LAC261022-02** 15825 Roxford Street - Draft Remedial Action Plan	The project consists of remediating a 28-acre former industrial defense and aerospace facility by installing a vapor intrusion mitigation system with subsurface piping connectable to an active soil vapor extraction system, conducting groundwater monitoring, and recording a land use restriction to limit uses for commercial and industrial purposes. The project is located at 15825 Roxford Street in Sylmar. Staff previously provided comments on the Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/september/LAC220819-02.pdf Reference: LAC220819-02 https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/lac261022-02-draft-rap-15827-roxford-street.pdf Comment Period: 10/22/2026 - 11/20/2026 Public Hearing: N/A	Other	City of Los Angeles	Comment letter sent on 11/18/2026

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers **RVC261028-05** Renaissance Ranch Commerce Center / GPA200004, SP00333A01, and CZ2000016	The project consists of a Tentative Parcel Map and Plot Plan seeking to subdivide 157.03 gross acres into 14 parcels including three commercial, two light industrial, and nine open space and drainage parcels, and to construct two industrial buildings and five commercial buildings (1,070,240 square feet total) on 63.61 acres. The project is located at 26741 Valley Breeze Way in Temescal Valley. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2021/april/RVC210310-01.pdf References: RVC260108-03; RVC251105-12; RVC220609-08; and RVC210310-01 Comment Period: N/A Public Hearing: 11/18/2026	Addendum to Final Environmental Impact Report	County of Riverside	Document reviewed - No comments sent
Airports **RVC261028-04** Hemet-Ryan Air Attack Base Replacement Project	The project consists of replacing existing facilities and constructing a new air attack base on 15.25 acres which will include: 1) a two-story air operations building with control room; 2) landing pads and retardant loading pits; 3) 32-bed barracks and mess hall; 4) a combined helicopter and OV-10 hangar; 5) two aircraft storage canopies; 6) a helicopter training tower; 7) a fire retardant mixing station; 8) a vehicle storage building; and 9) a generator yard and electrical building. The project is located at Hemet-Ryan Airport, 4710 Walden Weaver Road in Hemet. Staff previously provided comments on the Draft Focused Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/june-2026/rvc260421-03-draft-focused-eir-hemet-ryan-air-attack-base-replacement-project.pdf Reference: RVC260421-03 and RVC251125-07 Comment Period: N/A Public Hearing: N/A	Final Focused Environmental Impact Report	California Department of Forestry and Fire Protection (CAL FIRE)	Under review, may submit comments

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial **LAC261014-04** Coca-Cola Bottling Plant Dock Expansion and Quad Generation Project	The project consists of a Site Plan Review and Variance seeking to construct a new industrial tilt-up dock expansion building (89,889 square feet, 42.6 feet in height), a new ingredients cooler (3,275 square feet), and a quad generation facility with combined heat and power units supplying electricity, chilled water, and beverage-grade carbon dioxide to the existing bottling plant, with associated circulation, parking, landscaping, and off-site street improvements. The project is located at 8729 Cleta Street in Downey. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac261014-04-draft-is-mnd-coca-cola-bottling-plant-dock-expansion-and-quad-generation-project.pdf Comment Period: 10/9/2026 - 10/29/2026 Public Hearing: 11/18/2026	Draft Mitigated Negative Declaration	City of Downey	Comment letter sent on 10/29/2026
Industrial and Commercial **ORC261014-10** Western Realco Enterprise Way Industrial Project	The project consists of demolishing existing office buildings and constructing three new tilt-up concrete industrial buildings on two sites: 1) Site 1 (8.41 acres with two buildings (156,800 square feet total, 35 feet in height) including manufacturing, warehouse, and office space with 291 parking spaces; and 2) Site 2 (4.77 acres) with one building (77,000 square feet, 35 feet in height) including office and warehouse space with 107 parking spaces, with off-site intersection improvements at five locations. The project is located in Lake Forest with Site 1 at 26110-26160 Enterprise Way and Site 2 at 26250 Enterprise Way. Reference: ORC241217-05 Comment Period: 10/13/2026 - 11/27/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Lake Forest	Under review, may submit comments
Industrial and Commercial **RVC261007-04** Veterinary Hospital (PLAN2026-0199)	The project consists of constructing a one-story building (6,221 square feet) to accommodate a veterinary hospital (4,371 square feet) with examination, treatment, surgery, pharmacy, and overnight animal care area, and a retail tenant space (1,850 square feet). The project is located at 57 Beaumont Avenue in Beaumont. Comment Period: 10/8/2026 - 10/15/2026 Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial **RVC261014-16** Cannabis Cultivation and Distribution Facility (DA190037 and CUP190046)	The project consists of a Development Agreement, Conditional Use Permit, and Tentative Parcel Map seeking to subdivide a property into two parcels and develop a cannabis cultivation and distribution facility on 4.52 acres with three buildings (3,472 square feet each) comprised of grow rooms and storage, one logistics building (1,542 square feet), and two covered patios (1,853 square feet each) with storage containers. The project is located at 38455 East Benton Road in unincorporated Riverside County. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261014-16-mnd-cannabis-cultivation-and-distribution-facility-(da190037-and-cup190046).pdf Comment Period: 10/19/2026 - 11/18/2026 Public Hearing: N/A	Draft Negative Declaration	County of Riverside	Comment letter sent on 11/18/2026
Industrial and Commercial **RVC261022-11** Beaumont Commerce Center	The project consists of an Annexation, General Plan Amendment, Zone Change, and Specific Plan seeking to annex 14 Riverside County parcels into the City of Beaumont and establish land use designations of Neighborhood Commercial, Industrial, and Open Space with associated development standards. The project is located to the south of State Route 60 and Interstate 10 and to the west of State Route 79 within Beaumont. Comment Period: 10/23/2026 - 11/5/2026 Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
Waste and Water-related **ALL261006-06** Small and Medium Composting Facilities and Operations#	The project consists of a statewide Program Environmental Impact Report (EIR) to assist in the approval, siting, and development of small and medium composting facilities and operations throughout California as required by Senate Bill (SB) 1046, providing a first-tier analysis for subsequent site-specific environmental reviews. The statewide program would be applicable to all counties within the South Coast AQMD jurisdiction and within six designated AB 617 communities: 1) East Los Angeles, Boyle Heights, and West Commerce; 2) Eastern Coachella Valley; 3) San Bernardino and Muscoy; 4) Southeast Los Angeles; 5) South Los Angeles; and 6) Wilmington, Carson, and West Long Beach. Comment Period: 10/2/2026 - 11/13/2026 Public Hearing: N/A	Draft Program Environmental Impact Report	California Department of Resources Recycling and Recovery	Document reviewed - No comments sent

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related **LAC261001-07** DTSC Exide Cleanup Project Community Meeting#	The project consists of a community meeting to discuss the ongoing lead cleanup project related to the former Exide Battery Recycling facility. The project is located at 2700 South Indiana Street on the northeast corner of Bandini Boulevard and South Indiana Street in the City of Vernon. The cleanup area includes portions of the cities of Vernon, Bell, Huntington Park, Commerce, Maywood, and Los Angeles, and East Los Angeles in the County of Los Angeles and within two designated AB 617 communities: 1) Southeast Los Angeles and 2) East Los Angeles, Boyle Heights, and West Commerce. References: LAC240724-12; LAC240207-12; LAC221108-12; LAC170912-08; and LAC170706-04 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Waste and Water-related **LAC261014-01** Soil Vapor Extraction System Upgrade Project	The project consists of replacing an existing soil vapor extraction treatment system with a smaller, more efficient system to reduce concentrations of volatile organic compounds at two source areas within a portion of the former Lockheed Martin Plant B-1 Site. The project is located at 1234 North Victory Place in Burbank. Reference: LAC250312-02 Comment Period: 10/12/2026 - 11/27/2026 Public Hearing: N/A	Draft Supplemental Environmental Impact Report	City of Burbank	Under review, may submit comments
Waste and Water-related **LAC261014-08** World Oil Recycling (formerly Demenno-Kerdoon) Hazardous Waste Facility Permit Renewal#	The project seeks to renew the hazardous waste permit for a used-oil recycling facility, which stores and treats used oil, oily wastewater, fuels, antifreeze, and used oil filters. The project is located at 2000 North Alameda Street in Compton which is within the designated AB 617 Southeast Los Angeles community. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related **LAC261022-03** Avenue 34 Project	The project consists of conducting ongoing cleanup and monitoring at a former industrial site and off-property investigations at neighboring residential and commercial properties involving soil vapor extraction system operations, vapor intrusion mitigation systems for new buildings, and groundwater monitoring of volatile organic compounds, total petroleum hydrocarbons, and metals. The project is located at 131 Avenue 34, 3411 Pasadena Avenue, and 3433 Pasadena Avenue in Los Angeles. References: LAC230621-03; LAC211109-09; LAC210901-09; and LAC170216-01 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Waste and Water-related **LAC261027-01** Ballona Wetlands Restoration Project	The project consists of restoring, enhancing, and establishing native coastal wetland and upland habitats (566 acres) within the Ballona Wetlands Ecological Reserve, including restoring wetland functions, improving public access, and maintaining existing flood risk management provided by the Ballona Creek channel and levee system. The project is located at 13488 Fiji Way in Marina del Rey. Reference: LAC191227-11 Comment Period: 10/23/2026 - 12/4/2026 Public Hearing: N/A	Draft Revised Environmental Impact Report	California Department of Fish and Wildlife	Document reviewed - No comments sent
Waste and Water-related **LAC261028-02** Raytheon Former Canoga Park Facility - Class II Permit Modification	The project consists of a Class II Permit Modification to the Closure Plan for the former research facility, including waiving the Post Closure Plan requirement for Tank T3 and using a risk-based approach to evaluate residual hexavalent chromium in soil beneath the former Hazardous Waste Storage Area. The project is located at 8433 Fallbrook Avenue in Canoga Park. Comment Period: 10/21/2026 - 12/18/2026 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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Waste and Water-related **LAC261029-01** North County Solid Waste Collection Services Project	The project consists of executing contracts with selected waste haulers seeking to establish new solid waste collection services, including 13 collection trucks, seven support vehicles, and 20 employee commute vehicle trips at buildout in 2045, within the unincorporated North County service areas (1,419 square miles). The project is located in the unincorporated North County area of Los Angeles County. Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/september-2024/lac240724-11-draft-eir-north-county-solid-waste-collection-services-project.pdf Staff previously provided comments on the Notice of Preparation for a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/march-2023/LAC230207-11.pdf References: LAC240724-11 and LAC230207-11 Comment Period: N/A Public Hearing: N/A	Final Environmental Impact Report	County of Los Angeles	Under review, may submit comments

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Waste and Water-related **ODP261028-08** Santa Susana Field Laboratory - Boeing Groundwater and Bedrock Vadose Zone Remediation	The project consists of a Draft Groundwater Statement of Basis seeking to establish proposed cleanup levels and a proposed remedy for contaminated groundwater and saturated and unsaturated bedrock in the Boeing areas of responsibility (Areas I, III, and parts of Area IV) at the Santa Susana Field Laboratory (2,850 acres). The project is located in unincorporated Ventura County. Staff previously provided comments on the Draft Program Environmental Impact Report for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2017/dpeir-santasusana-112817.pdf Staff previously provided comments on the Draft Environmental Impact Statement for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2017/deis-santasusana-041217.pdf References: ODP260917-02; ODP260204-14; ODP250910-07; ODP250220-02; ODP250122-06; ODP241101-10; ODP240201-08; ODP240103-06; ODP230608-01; ODP200724-03; ODP191113-01; ODP181221-07; ODP180904-15; ODP180814-10; ODP170926-03; ODP170915-02; ODP170908-05; ODP170420-07; ODP170405-01; ODP140116-02; ODP131121-02; LAC131018-05; LAC130918-13; LAC110510-12; and ODP100930-02 Comment Period: 11/3/2026 - 12/18/2026 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Under review, may submit comments
Waste and Water-related **ORC261022-06** Plaza By The Sea	The project consists of installing four soil vapor extraction (SVE) wells adjacent to a sewer line to remediate tetrachloroethene soil vapor contamination, operating and testing the SVE system, maintaining existing protective building slabs as a vapor intrusion barrier, and recording a land use restriction prohibiting schools, residences, hospitals, and daycare centers at a shopping center. The project is located at 616 Camino De Los Mares in San Clemente. Comment Period: 10/26/2026 - 12/4/2026 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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Waste and Water-related **RVC261001-09** Alessandro Ponds Optimization Phase II Project	The project consists of increasing the water storage capacity of the recycled water facility from 172 acre-feet to 369 acre-feet by expanding three ponds through soil excavation, raising surrounding berms (three to five feet), deepening pond bottoms (one to nine feet), stabilizing berms with soil-cement, and exporting 120,400 cubic yards of soils off-site. The project is located at 22264 Ramona Expressway in San Jacinto and unincorporated Riverside County. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc261001-09-draft-is-mnd-alessandro-ponds-optimization-phase-ii-project.pdf Comment Period: 9/30/2026 - 10/30/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Eastern Municipal Water District (EMWD)	Comment letter sent on 10/29/2026
Waste and Water-related **RVC261001-10** Riverside Facilities Master Plan	The project consists of adopting an integrated master plan which seeks to evaluate and improve the potable water, recycled water, and wastewater systems within the Riverside Retail Service Area (104 square miles) of the Western Municipal Water District (WMWD) with priority and near-term projects occurring before 2030 and long-term projects occurring from 2030 to 2050, including upsizing existing pipelines, installing new pipelines, constructing new storage tanks and new booster pump stations, making capacity upgrades at existing lift stations, and potentially expanding the Western Water Recycling Facility. The project is located in the City of Riverside and unincorporated Riverside County within the WMWD Riverside Retail Service Area. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261001-10-peir-riverside-facilities-master-plan.pdf Comment Period: 9/28/2026 - 11/12/2026 Public Hearing: N/A	Draft Program Environmental Impact Report	Western Municipal Water District	Comment letter sent on 11/12/2026
Waste and Water-related **RVC261014-13** Mission Creek Groundwater Replenishment Facility	The project consists of amending an exchange agreement to facilitate the continued operation and maintenance of the Mission Creek Groundwater Replenishment Facility (MCGRF) and increase the annual State Water Project (SWP) Table A allocation shared between Desert Water Agency and Coachella Valley Water District from 194,100 acre-feet to 244,100 acre-feet per year, potentially increasing Colorado River Aqueduct water deliveries to the MCGRF by up to 5,000 acre-feet per year. The project is located adjacent to Mission Creek at Worsley Road near the Colorado River Aqueduct in Desert Hot Springs. Comment Period: 10/8/2026 - 11/6/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Desert Water Agency	Document reviewed - No comments sent

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Waste and Water-related **RVC261021-04** Scott Road Regional Lift Station Sewer Conveyance Project	The project consists of constructing a new expandable lift station (Scott Road Regional Lift Station), decommissioning the existing Wickerd Road Lift Station, and constructing a gravity sewer (12,775 linear feet) and force main sewer (9,000 linear feet) along Scott Road, Leon Road, Wickerd Road, Beeler Road, and Eucalyptus Road on 1.76 acres at the southeastern corner of Scott Road and Leon Road. The project is located at 33024 Leon Road in unincorporated Winchester in Riverside County. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261021-04-draft-is-mnd-scott-road-regional-lift-station-sewer-conveyance-project.pdf Comment Period: 10/20/2026 - 11/19/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Eastern Municipal Water District (EMWD)	Comment letter sent on 11/19/2026
Waste and Water-related **RVC261028-06** Stringfellow Superfund Site - Community Update October 2026	The project consists of conducting ongoing groundwater cleanup and monitoring activities of over 600 monitoring wells, 90 remediation extraction wells, and two groundwater treatment facilities at the former Stringfellow liquid hazardous waste disposal facility including operation and installing new extraction wells along Pyrite Street to improve groundwater cleanup of perchlorate and other contaminants. The project is located at 3400 Pyrite Street in Jurupa Valley. References: RVC251015-05; RVC241023-07; RVC231025-12; RVC221025-07; RVC210204-07; RVC191010-06; RVC181023-09; RVC171025-06; RVC150814-02; and RVC140319-01 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Waste and Water-related **SBC261021-08** 3.0 MG La Loma No. 2 Reservoir	The project consists of: 1) constructing and operating a new welded steel potable water storage tank (3,000,000 gallons) at the site of the existing La Loma No. 1 Reservoir; 2) resurfacing of an existing access road; 3) constructing an on-site stormwater retention basin; and 4) making other related site improvements. The project is located at 310 Tropicana Ranch Road in Colton. Comment Period: 10/16/2026 - 11/13/2026 Public Hearing: 12/15/2026	Draft Mitigated Negative Declaration	City of Colton	Document reviewed - No comments sent

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Utilities **ODP261001-16** Southern California Edison San Onofre Nuclear Generating Station - Class 1 Permit Modification Request	The project consists of a Class 1 Permit Modification seeking to extend the closure schedule by 142 days to March 31, 2027 to complete closure activities of Sections A and B of the South Yard Facility Hazardous Waste Storage Pads at the San Onofre Nuclear Generating Station, a decommissioned nuclear power generating facility. The project is located at the San Onofre Nuclear Generating Station in San Clemente. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Utilities **RVC261021-05** CS Line Upgrade Project	The project consists of upgrading 6.5 miles of an existing 92-kilovolt transmission line from the Avenue 58 Substation to the Avenue 48 Substation, including replacing 164 wood-pole structures, installing nine new steel-pole structures, replacing the transmission conductor with a higher-capacity conductor, and completing minor electrical upgrades at both substations. The project is located at 81135 Giacomo Way in La Quinta. Comment Period: 10/19/2026 - 11/18/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Imperial Irrigation District (IID)	Document reviewed - No comments sent

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Transportation **ALL261022-01** California High-Speed Rail - Los Angeles to Anaheim Project Section#	The project consists of constructing a 30-mile high-speed rail corridor with electrified tracks, grade separations, stations, and a 26th Street maintenance facility for 24 trainsets between Los Angeles Union Station and the Anaheim Regional Transportation Intermodal Center. The project is located between Los Angeles and Anaheim, which is within the designated AB 617 East Los Angeles, Boyle Heights, and West Commerce community. Staff previously provided comments on the Draft Environmental Impact Report/Environmental Impact Statement for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/february-2026/all251209-01-deir-eis-california-high--speed-rail-los-angeles-to-anaheim-section.pdf Staff previously provided comments on the revised Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/September/LAC200825-06.pdf References: ALL251209-01; ALL251016-01; ALL250207-02; LAC200825-06; and LAC080229-07 Comment Period: N/A Public Hearing: 10/28/2026	Final Environmental Impact Report/ Environmental Impact Statement	California High-Speed Rail Authority	Under review, may submit comments
Transportation **RVC261014-12** I-15 Nichols Road Interchange Project	The project consists of improving the interchange at Interstate 15 and Nichols Road from Post Mile 22.8 to Post Mile 24.5 by widening the Nichols Road Overcrossing and ramps, adding a northbound auxiliary lane, realigning Nichols Road with a new bridge over Temescal Creek, and adding complete street elements including sidewalks, crosswalks, bicycle lanes, and Americans with Disabilities Act (ADA)-compliant curb ramps along portions of Collier Avenue. The project is located along Interstate 15 at the Nichols Road interchange in Lake Elsinore. Comment Period: 10/13/2026 - 11/12/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	California Department of Transportation (Caltrans)	Under review, may submit comments

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Transportation **SBC261014-18** Reche Canyon Road Extension Project	The project consists of constructing a new four-lane roadway segment (1,750 feet in length, 72 feet in width within an 88-foot right-of-way) with two travel lanes, sidewalks, and bicycle lanes in each direction separated by a center two-way left-turn lane between Reche Canyon Road and the intersection of Hunts Lane and Washington Street. The project is located at 1350 Reche Canyon Road in Colton. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: 12/15/2026	Draft Mitigated Negative Declaration	City of Colton	Document reviewed - No comments sent
Transportation **SBC261028-07** SR-138 Culverts Repair Project	The project consists of repairing or replacing 39 culverts along State Route 138 to restore the culverts to a state of good condition and extend their service life. The project is located along State Route 138 from Post Mile 19.8 (0.34 mile west of Summit Post Office Road) to Post Mile 36.6 (0.13 mile west of Lake Drive) in Hesperia and unincorporated San Bernardino County. Comment Period: N/A Public Hearing: N/A	Final Mitigated Negative Declaration	California Department of Transportation (Caltrans)	Document reviewed - No comments sent
Institutional (schools, government, etc.) **LAC261007-01** Conditional Use Permit Case No. 861 - Legacy Sports Complex	The project consists of a Conditional Use Permit seeking to establish, operate, and maintain an indoor sports facility within an existing industrial building. The project is located at 10251 Santa Fe Springs Road in Santa Fe Springs. Comment Period: N/A Public Hearing: 10/12/2026	Other	City of Santa Fe Springs	Document reviewed - No comments sent

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Institutional (schools, government, etc.) **LAC261014-03** Lincoln Park Neighborhood Green Street Network#	The project consists of three components: 1) removing sediment, stabilizing the shoreline, upgrading the pump house and circulation and aeration system, and installing passive bioswales at the lake within the 45-acre park; 2) installing 37 to 50 drywells with associated storm drain infrastructure along Humboldt Street and adjoining streets to capture, treat, and infiltrate runoff from a 125-acre drainage area; and 3) installing 172 street trees along selected public streets in Lincoln Heights. The project is located in Lincoln Park and portions of public rights-of-way in the Lincoln Heights neighborhood in Los Angeles which is within the designated AB 617 East Los Angeles, Boyle Heights, and West Commerce community. Comment Period: 10/8/2026 - 11/27/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	City of Los Angeles	Under review, may submit comments
Institutional (schools, government, etc.) **ORC261014-09** 10th and Flower Park Project	The project consists of a General Plan Amendment from Professional and Administrative Office to Open Space seeking to facilitate the construction of a new public park on eight parcels which include portions of West 10th Street and North Garnsey Street. The project is located at 915, 921, and 925 North Flower Street and 841, 842, 843, 848, and 852 North Garnsey Street in Santa Ana. References: ORC260902-04 and ORC240911-07 Comment Period: N/A Public Hearing: 10/20/2026	Other	City of Santa Ana	Document reviewed - No comments sent
Institutional (schools, government, etc.) **ORC261021-03** IBC Multi-use Trail Barranca Segment Project	The project consists of constructing a 0.36-mile off-street paved Class I shared-use path along the eastern edge of the Barranca Channel from Main Street to 400 feet north of Jamboree Road, including a two-foot paved shoulder nearest the channel, an eight-foot paved path for pedestrians and cyclists, a three-foot paved shoulder on the opposite side, and a pedestrian bridge over Jamboree Road comprised of retaining walls, a concrete slab bridge, and a prefabricated truss bridge with chain link fence. The project is located at 2677 Main Street in Irvine. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Irvine	Document reviewed - No comments sent

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Institutional (schools, government, etc.) **RVC261015-02** New Border Patrol Station - El Centro Sector, Indio	The project consists of constructing, operating, and maintaining a new Border Patrol Station (85,000 square feet) comprised of a main administration building, vehicle maintenance facility, ancillary support facilities, and parking area (121,000 square feet) on 35 acres of Bureau of Reclamation property to support up to 200 personnel in the El Centro Sector. The project is located in northeast Indio south of the All-American Canal adjacent to the Terra Lago community. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Other	U.S. Customs and Border Protection (CBP)	Under review, may submit comments
Medical Facility **LAC261008-01** Los Angeles County General Hospital Campus Master Plan#	The project consists of implementing a new Master Plan with Use and Development Standards to guide long-term redevelopment of the General Hospital Campus, including adaptive reuse of the General Hospital Building, demolition of existing buildings and structures, and the development of new uses (8,100,000 square feet) comprising residential, general office, medical office, retail, patient and caregiver lodging, community facilities, education, warehouse, clean tech and light industrial, and hospital uses with related infrastructure, circulation, parking, and open space improvements. The project is located at 1200 State Street in Los Angeles which is within the designated AB 617 East Los Angeles, Boyle Heights, and West Commerce community. Staff previously provided comments on the Draft Subsequent Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/june-2026/lac260519-01-dseir-los-angeles-county-general-hospital-campus-master-plan.pdf Staff previously provided comments on the Revised Notice of Preparation of a Draft Subsequent Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2025/november-2025/lac251029-03-nop-los-angeles-county-general-hospital-plan.pdf References: LAC260519-01; LAC251029-03; LAC251001-01; and LAC140909-08 Comment Period: N/A Public Hearing: 10/20/2026	Final Supplemental Environmental Impact Report	County of Los Angeles	Document reviewed - No comments sent

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Medical Facility **RVC261006-05** Jurupa Hills Post Acute Care Facility Project - Master Application (MA) No. 24229	The project consists of a Change of Zone from Rural Residential to General Residential seeking to develop a skilled nursing facility (42,000 square feet) and a medical office facility (9,100 square feet) on two parcels (4.55 acres) with a Tentative Tract Map subdividing 14.61 acres into three parcels and a lot, with the existing Jurupa Hills Acute Care Facility remaining on a separate parcel (3.16 acres). The project is located at 6401 33rd Street in Jurupa Valley. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc261006-05-mnd-jurupa-hills-post-acute-care-facility-project---master-application-(ma)-no-24229.pdf Comment Period: 10/7/2026 - 10/27/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Jurupa Valley	Comment letter sent on 10/27/2026
Medical Facility **RVC261022-09** Bradley Gardens Skilled Nursing Facility Expansion Project	The project consists of expanding an existing skilled nursing facility from 44 to 103 beds with an emergency backup generator and associated site improvements. The project is located at 625 South Pico Avenue in San Jacinto. Staff previously provided comments on the Draft Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260916-08-mnd-bradley-gardens-skilled-nursing-facility-expansion-project.pdf Reference: RVC260916-08 Comment Period: N/A Public Hearing: 10/27/2026	Final Mitigated Negative Declaration	City of San Jacinto	Under review, may submit comments
Medical Facility **SBC261021-07** Arrowhead Medical Center Parking Structure	The project consists of replacing an existing surface parking lot with a new multi-story parking structure for additional employee parking within the existing paved surface lot footprint on the Arrowhead Regional Medical Center campus. The project is located at 400 North Pepper Avenue in Colton. Comment Period: N/A Public Hearing: N/A	Addendum to Initial Study/Mitigated Negative Declaration	County of San Bernardino	Document reviewed - No comments sent

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Retail **LAC261001-05** Calgrove Self Storage Project	The project consists of constructing a four-story self-service storage facility (94,668 square feet) including self-storage floor area (92,676 square feet), office space (1,200 square feet), and an on-site manager's residence (792 square feet), with an Oak Tree Permit authorizing the removal of seven oak trees including three retroactive removals and encroachment within the protected zone of eight oak trees including two heritage oak trees. The project is located at 24000 The Old Road in Los Angeles. Comment Period: 9/28/2026 - 10/28/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	County of Los Angeles	Document reviewed - No comments sent
Retail **ORC261006-02** French Hotel Project	The project consists of rehabilitating and implementing an adaptive reuse of the Casa Manuel Garcia Adobe and Domingo Yorba Adobe by constructing a 70-room boutique hotel on a 1.68-acre site to be comprised of: 1) two existing historic adobe buildings; 2) new buildings for a car lift structure, a kitchen and dining building, a barn-style event building, and a three-story lobby and guest room building; and 3) a gym and a pool with outdoor patio and public gathering area. The project is located at 31861-31871 Camino Capistrano in San Juan Capistrano. References: ORC260714-04 and ORC260325-04 Comment Period: N/A Public Hearing: N/A	Final Environmental Impact Report	City of San Juan Capistrano	Document reviewed - No comments sent
Retail **ORC261006-03** Costco Wholesale Facility and Fueling Station Project	The project consists of demolishing three existing industrial buildings (246,981 square feet) and constructing a Costco Wholesale facility (159,889 square feet) with a fueling station featuring 20 fuel islands, 40 fueling pumps, three underground storage tanks, and 943 parking stalls on an 18.65-acre site. The project is located at 200 South Kraemer Boulevard in Brea. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/orc261006-03-nop-costco-wholesale-facility-and-fueling-station-project.pdf Comment Period: 10/2/2026 - 11/5/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	City of Brea	Comment letter sent on 11/5/2026

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Retail **RVC261001-11** Woodcrest Retail Center Project	The project consists of a General Plan Amendment and Change of Zone from Rural Community Very Low Density Residential and Light Agriculture to Community Development General Retail and Scenic Highway Commercial seeking to construct a shopping center (62,443 square feet) including a grocery store, multi-tenant retail, two drive-through restaurants, and a convenience store and gas station on a 9.42-acre site, with demolition of an existing gas station and strip mall. The project is located at 16960 Van Buren Boulevard in unincorporated Woodcrest in Riverside County. Reference: RVC250617-07 https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261001-11-deir-woodcrest-retail-center-project.pdf Comment Period: 9/25/2026 - 11/6/2026 Public Hearing: N/A	Draft Environmental Impact Report	County of Riverside	Comment letter sent on 11/5/2026
Retail **RVC261001-12** Conditional Use Permit PEN26-0064 - Butterfield Valley Village Cannabis Dispensary	The project consists of a Conditional Use Permit seeking to operate a commercial cannabis dispensary in an existing tenant suite (2,498 square feet) within the Butterfield Valley Village shopping center. The project is located at 25125 Sunnymead Boulevard in Moreno Valley. Comment Period: N/A Public Hearing: 10/8/2026	Other	City of Moreno Valley	Document reviewed - No comments sent
Retail **RVC261006-04** Washington Plaza Project	The project consists of a Development Plan and Conditional Use Permits seeking to construct a gas station with eight Multiple Product Dispensers (MPDs), a convenience store (4,000 square feet) with beer and wine sales, a drive-through restaurant (4,456 square feet), and an express car wash facility (4,150 square feet) on a 3.4-acre site. The project is located at 41908 Magnolia Street in Murrieta. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261006-04-draft-is-mnd-washington-plaza-project.pdf Comment Period: 10/6/2026 - 11/5/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Murrieta	Comment letter sent on 11/5/2026

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Retail **RVC261014-14** A&D Golf Carts (CUP2026-0013)	The project consists of a Conditional Use Permit seeking to operate a golf cart sales, minor maintenance, and repair business within an existing building (3,200 square feet) on a 0.32-acre lot in the Commercial Neighborhood zone. The project is located at 498 West 6th Street in Beaumont. Comment Period: 10/15/2026 - 10/29/2026 Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
Retail **RVC261014-15** The Gyro Factory Drive-Through (CUP2026-0012)	The project consists of a Conditional Use Permit seeking to construct a single-story modular drive-through restaurant (960 square feet) with an outdoor seating area, trash enclosure, landscaping, site lighting, and grading and drainage improvements. The project is located at 399 East 1st Street in Beaumont. Comment Period: N/A Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
Retail **RVC261021-06** Plot Plan No 26225, Revised Permit No. 1, (PP26225R01)	The project consists of a Plot Plan modification seeking to expand an existing Class V Winery with a building addition (12,035 square feet) for a total building area of 16,886 square feet to accommodate additional wine production and storage, a restaurant, wine tasting bars, a reception hall, offices, outdoor patio areas, ten freestanding patio covers, and indoor and outdoor special events including weddings on a 19.34-acre site. The project is located at 39730 Calle Contento in unincorporated Riverside County. Comment Period: 10/15/2026 - 11/3/2026 Public Hearing: 11/4/2026	Draft Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent
Retail **RVC261022-08** Gas Station and Convenience Store	The project consists of a General Plan Amendment, Zone Change, and Conditional Use Permit seeking to construct a vehicle fueling station and convenience store (4,650 square feet) with off-sale beer and wine on three contiguous parcels (1.3 acres) on the southeast corner of Arlington Avenue and Monroe Street. The project is located at 6836-6902 Arlington Avenue in Riverside City. Staff previously provided comments on the Draft Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/february-2026/rvc260212-06-mnd-gas-station-and-convenience-store.pdf Reference: RVC260212-06 Comment Period: 10/23/2026 - 11/11/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Riverside	Document reviewed - No comments sent

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General Land Use (residential, etc.) **LAC261001-01** 18444 Plummer Street Apartments	The project consists of constructing a six-story affordable housing building with 200 units including 99 one-bedroom units (550 square feet each), 51 two-bedroom units (765 square feet each), 50 three-bedroom units (1,015 square feet each), and two manager's units, with 102 vehicular parking spaces, 137 bicycle stalls, resident amenities, and landscaped outdoor open space. The project is located at 18444 Plummer Street in Northridge. Comment Period: 9/28/2026 - 10/28/2026 Public Hearing: N/A	Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds	Los Angeles Housing Department (LAHD)	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261006-01** 7916 Long Beach Boulevard Housing Project#	The project consists of a Tentative Parcel Map and Density Bonus seeking to construct 11 affordable for-sale townhomes in two three-story buildings (37 feet in height) with unit sizes ranging from 1,559 to 1,874 square feet on 0.41 acre with a private driveway and perimeter landscaping. The project is located at 7916 Long Beach Boulevard in South Gate which is within the designated AB 617 Southeast Los Angeles community. Comment Period: 10/1/2026 - 10/30/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of South Gate	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261014-02** Sunridge Specific Plan (Master Case 24-266)	The project consists of a Specific Plan seeking to develop 5,580 residential units and commercial and business park space (2,800,000 square feet) with a wave park, recreational amenities, parks, and open space on 1,221 acres, with 2,800,000 cubic yards of cut and 22,500,000 cubic yards of fill balanced onsite, and extension of Via Princessa Parkway to Golden Valley Road and Santa Clarita Parkway to Via Princessa. The project is located south of Soledad Canyon Road, east of Railroad Avenue, and west of Golden Valley Road on the former Whittaker-Bermite property in Santa Clarita. Staff previously provided comments on the Site Plan Consultation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/september-2023/LAC230809-09.pdf References: LAC230809-09 Comment Period: 9/23/2026 - 10/23/2026 Public Hearing: N/A	Other	City of Santa Clarita	Document reviewed - No comments sent

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General Land Use (residential, etc.) **LAC261014-06** Pacoima Family Apartments	The project consists of developing a 100 percent affordable mixed-use multifamily housing development with 47 residential units comprising 12 studio units (406 square feet each), 11 one-bedroom units (571 square feet each), 12 two-bedroom units (777 square feet each), and 12 three-bedroom units (1,080 square feet each), with ground floor retail and on-site parking. The project is located at 13476-13486 Van Nuys Boulevard in Pacoima. Comment Period: 10/14/2026 - 10/29/2026 Public Hearing: N/A	Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds	Los Angeles Housing Department (LAHD)	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261014-07** Delaney Square Residential Project	The project consists of a General Plan Amendment and Zone Change from Institutional/School to Medium Density Residential seeking to demolish existing school buildings and construct 128 residential units comprising 65 single-family cluster homes and 63 attached townhomes with open space, a tot lot, barbeque area, and a butterfly garden on 9.77 acres. The project is located at 1035 East Mauna Loa Avenue in Azusa. Reference: LAC260805-06 Comment Period: N/A Public Hearing: 10/27/2026	Other	City of Azusa	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261021-01** Brodin Residence (ENV-2021-4440-MND)	The project consists of constructing a single-family dwelling (6,350 square feet, 25 feet in height) with an attached garage (819 square feet), a detached guesthouse (761 square feet), retaining walls, pool and spa, pool deck, and landscaping on an undeveloped lot (215,580 square feet) with 2,273 cubic yards of cut and 1,650 cubic yards of fill grading, removal of 21 protected trees replaced at a 4:1 ratio, street widening of Multiview Drive, and a 2.38-acre wildlife corridor conservation easement. The project is located at 3593 North Multiview Drive in Los Angeles. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261022-04** Bassett Villas - AGP 25-02, Z 25-01, AA 25-02, and PR 25-17	The project consists of a General Plan Amendment and Zone Change seeking to develop a multi-family residential project comprising 104 townhome apartment units in 20 two-story buildings on a 5.22-acre site. The project is located at 1314 LeBorgne Avenue in Baldwin Park. Comment Period: N/A Public Hearing: 11/4/2026	Other	City of Baldwin Park	Document reviewed - No comments sent

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General Land Use (residential, etc.) **LAC261028-01** Westminster Gardens Specific Plan Update	The project consists of a Specific Plan Amendment to repeal and replace the 1990 Westminster Gardens Specific Plan and redevelop an existing Life Plan Community (LPC) on 32 acres with a maximum of 310 market-rate independent living units, a minimum of 150 affordable independent living units, a maximum of 90 assisted living and memory care units, retail space (15,000 square feet), office space (25,000 square feet), and resident amenity space (65,000 square feet) through multiple phases through 2045. The project is located at 1423 Pepper Tree Lane in Duarte. Staff previously provided comments on the Notice of Preparation of a Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/may-2024/LAC240410-09.pdf Reference: LAC240410-09 Comment Period: 10/29/2026 - 12/11/2026 Public Hearing: 1/19/2027	Draft Environmental Impact Report	City of Duarte	Document reviewed - No comments sent
General Land Use (residential, etc.) **ORC261001-08** 17332 Irvine Boulevard Residential Project (PROJ-R-2026-0001)	The project consists of a General Plan Amendment and Zone Change from Professional Office to Planned Community Residential seeking to demolish an existing two-story office building (24,287 square feet) and construct 15 for-sale residential units comprising seven detached homes and four duplex buildings (three stories, 39 feet in height) with a net density of 15.1 dwelling units per acre on a 0.99-acre site. The project is located at 17332 Irvine Boulevard in Tustin. Comment Period: 9/25/2026 - 10/15/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Tustin	Document reviewed - No comments sent
General Land Use (residential, etc.) **RVC261001-13** New Noble Creek Specific Plan	The project consists of a Specific Plan seeking to develop a residential master plan community with a maximum of 586 single-family and multi-family homes and open space and recreational uses on a 93.4-acre site, including construction of Noble Creek Parkway, extension of Cougar Way, and half-width improvements to Mountain View Avenue. The project is located north of the Oak Valley Parkway and Elm Avenue intersection in Beaumont. Comment Period: 10/1/2026 - 10/15/2026 Public Hearing: 10/22/2026	Site Plan	City of Beaumont	Document reviewed - No comments sent

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General Land Use (residential, etc.) **RVC261007-03** Kensington Residential Project	The project consists of a Tentative Tract Map and Plot Plan seeking to develop 160 attached and detached condominium units comprising: 1) 51 single-family detached bungalows and 109 attached duplex units with a central pool amenity, tot lot, and pocket parks; and 2) 415 parking spaces including 320 garages and 95 on-street spaces within a private gated community on a site (20 gross acres). The project is located at the southerly terminus of Bavaria Drive, south of McCall Boulevard, east of Interstate 215, west of Menifee Road, and north of Newport Road in Menifee. Reference: RVC251015-07 Comment Period: N/A Public Hearing: 10/14/2026	Other	City of Menifee	Document reviewed - No comments sent
General Land Use (residential, etc.) **RVC261022-07** Discovery Village (MAP-2026-00039, MCA-2026-00014)	The project consists of a Master Development Plan, Development Plan, and Tentative Tract Map seeking to develop 353 for-sale residential condominium units comprising small-lot detached homes, detached courtyard homes, duplexes, and townhomes (ranging from 1,291 to 2,403 square feet) with a recreation center, swimming pool, pickleball courts, community garden, playgrounds, and dog park on 25.04 gross acres. The project is located west of Whitewood Road, east of Warm Springs Parkway, north of Running Rabbit Road, and south of Baxter Road in Murrieta. Comment Period: N/A Public Hearing: 10/28/2026	Other	City of Murrieta	Document reviewed - No comments sent

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General Land Use (residential, etc.) **RVC261027-03** Master Application (MA) NO. 25029.	The project consists of a General Plan Amendment and Zone Change from Commercial Retail to Highest Density Residential seeking to develop a multi-family residential development of 85 units (21 dwelling units per acre) with a Specific Plan Amendment to remove the parcels from the Mission De Anza Specific Plan, Tentative Parcel Map, Tentative Tract Map, and Variance for reduced setback (from 50 feet to 30-39 feet) along the eastern boundary on four acres. The project is located at the southeast corner of Baldwin Avenue and Limonite Avenue in Jurupa Valley. Comment Period: 10/26/2026 - 11/13/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Jurupa Valley	Document reviewed - No comments sent
General Land Use (residential, etc.) **SBC261001-15** Hume SoCal Campground Expansion Project	The project consists of a Planned Development Amendment seeking to expand an existing campground from 107 acres to 252.1 acres and increase capacity from 300 to 2,400 campers and staff over five phases by: constructing residential dorms, semi-permanent tents, and staff housing; renovating an existing dining hall and constructing three additional dining halls; and constructing organized indoor and outdoor recreational facilities. The project is located at 32355 Green Valley Lake Road in Green Valley Lake. References: SBC260121-04 and SBC251119-07 Comment Period: 9/30/2026 - 10/30/2026 Public Hearing: N/A	Initial Study/Draft Mitigated Negative Declaration	County of San Bernardino	Document reviewed - No comments sent
General Land Use (residential, etc.) **SBC261007-05** Planned Residential Development - CUP 26-013, DRA 26-005, GPA 26-001, ZC 26-001, TTM 26-001	The project consists of a General Plan Amendment and Zone Change from Low Density Residential and High Density Residential to Planned Development, a Conditional Use Permit, and a Tentative Tract Map seeking to develop 97 single-family homes with related recreation, water quality, and right-of-way improvements on three parcels (seven acres). The project is located on the south side of Cypress Street, 400 feet west of Palm Avenue in Highland. Comment Period: 10/7/2026 - 10/20/2026 Public Hearing: N/A	Site Plan	City of Highland	Document reviewed - No comments sent

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General Land Use (residential, etc.) **SBC261007-06** Subdivision and Religious Place of Worship - CUP-1225 and TPM-0047	The project consists of a Conditional Use Permit and Tentative Parcel Map seeking to subdivide 20.35 acres into: 1) one parcel (10.06 acres) for residential development; and 2) one parcel (10.29 acres) for assembly development with a two-story religious place of worship (10,151 square feet) comprised of two main buildings with driveways, parking areas, walls, and landscaping. The project is located north of Sunset Drive, south of Interstate 10, west of Gold Hill Lane, and east of Panorama Point Drive in Redlands. Comment Period: 10/7/2026 - 10/30/2026 Public Hearing: N/A	Site Plan	City of Redlands	Document reviewed - No comments sent
General Land Use (residential, etc.) **SBC261014-17** Walker Ranch Specific Plan (PSP-24-001, PMTT24-004, PDA25-002, PWIL25-001)	The project consists of a Specific Plan, Tentative Tract Map, Development Agreement, and Williamson Act Contract cancellation seeking to develop residential uses with a maximum buildout of 1,557 units and a target buildout of 940 units on a 71.6-net-acre site across seven planning areas, including roadway improvements, bicycle and pedestrian facilities, parks, and utility infrastructure. An implementing project (920 units on 67.2 net acres) is also proposed under the Specific Plan. The project is located at 13948 Walker Avenue in Ontario. Reference: SBC250519-02 Comment Period: 10/8/2026 - 11/27/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Ontario	Under review, may submit comments
General Land Use (residential, etc.) **SBC261014-19** Nerio Farms Residential Community (PROJ-2025-00106)	The project consists of a General Plan Amendment and Zoning Amendment from Very Low Density Residential to Special Development seeking to: 1) subdivide 24.16 acres into 90 single-family residential lots, with one lot containing an existing cell tower and four lettered lots designated for off-site access, parks, and a basin; and 2) make roadway improvements along Phillips Boulevard, Pipeline Avenue, and Essex Avenue. The project is located at 4103 Phillips Boulevard in unincorporated San Bernardino County adjacent to the City of Chino. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	County of San Bernardino	Document reviewed - No comments sent

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Plans and Regulations **LAC261001-02** Torrance Focused General Plan Amendment for Land Use, Safety, and Community Resource Element Updates#	The project consists of a focused General Plan Amendment to update three elements (Land Use Element, Safety Element, and Community Resources Element) to address consistency with the 2022 Housing Element and compliance with Senate Bill 379, Senate Bill 1000, Assembly Bill 1889, Senate Bill 1425, and Assembly Bill 2684. The project is located citywide in Torrance which is within the designated AB 617 Wilmington, Carson, and West Long Beach community. Comment Period: 9/25/2026 - 10/23/2026 Public Hearing: N/A	Draft Negative Declaration	City of Torrance	Document reviewed - No comments sent
Plans and Regulations **LAC261001-06** Zoning Ordinance Amendment No. 59 and Specific Plan Amendment No. 2026-01 - Discount Sales Land Use Classification	The project consists of amending Title 21 of the La Mirada Municipal Code and the La Mirada Imperial Highway Specific Plan to establish the Discount Sales land use classification requiring a Conditional Use Permit in specified commercial zoning districts and Imperial Highway Specific Plan planning areas, with definitions, operational standards, enforcement provisions, and an exception allowing qualifying Food-Oriented Discount Sales Establishments with a Zoning Clearance. The project is located citywide in La Mirada. Comment Period: N/A Public Hearing: 10/27/2026	Other	City of La Mirada	Document reviewed - No comments sent
Plans and Regulations **LAC261014-05** Southwest Valley Community Plans Update	The project consists of amending the Policy Documents and General Plan Land Use Maps for three community plan areas and adopting zoning ordinances to guide development through 2050 across the Southwest Valley Community Plans area (62 square miles) including the Canoga Park-Winnetka-Woodland Hills-West Hills, Encino-Tarzana, and Reseda-West Van Nuys-Lake Balboa Community Plan Areas. The project is located citywide in the southwest portion of the San Fernando Valley in Los Angeles. Staff previously provided comments on the Notice of Preparation of an Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190404-03.pdf References: LAC241016-21 and LAC190404-03 Comment Period: 10/8/2026 - 11/20/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent

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Plans and Regulations **LAC261015-01** Burbank Media District Specific Plan Update	The project consists of adopting the Media District Specific Plan Update to incorporate a General Plan Land Use Element Amendment and Zoning Code Amendment to the Burbank Municipal Code Title 10 Chapter 1 to implement the 2026 update. The project is located in the Media District Specific Plan area in Burbank. Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/march-2026/lac260211-04-dpeir-burbank-media-district-specific-plan-update.pdf Staff previously provided comments on the Notice of Preparation of a Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/november-2023/LAC231108-06.pdf References: LAC260909-03; LAC260715-02; LAC260211-04; and LAC231108-06 Comment Period: N/A Public Hearing: 11/10/2026	Other	City of Burbank	Document reviewed - No comments sent
Plans and Regulations **LAC261021-02** Landscape and Site Design Ordinance#	The project consists of adopting a new Landscape and Site Design Ordinance to replace the existing Landscape Ordinance (No. 170,978) and amend multiple sections of the Los Angeles Municipal Code to establish new landscape and site design objective standards through a performance-based point system intended to address pedestrian-first design, 360-degree design, and climate-adapted landscape and site design, including a new definition and standards for Outdoor Amenity Areas. The project is located citywide in Los Angeles and within three designated AB 617 communities: 1) South Los Angeles; 2) Southeast Los Angeles; and 3) East Los Angeles, Boyle Heights, and West Commerce. Reference: LAC241022-04 Comment Period: N/A Public Hearing: N/A	Final Negative Declaration	City of Los Angeles	Document reviewed - No comments sent

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

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **LAC261022-05** Downey 2045 General Plan Update and Zoning Text and Map Amendments	The project consists of a General Plan Amendment and Zoning Map amendments to establish long-term framework principles, goals, policies, and implementation programs for land use, circulation, housing, conservation, open space, noise, safety, environmental justice, design, cultural resources, and economic development. The project is located citywide in Downey. Staff previously provided comments on the Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/comment-letters/2026/august-2026/lac260708-01-draft-peir-downey-2045-general-plan-update-and-zoning-text-and-map-amendmentcaa99742-0434-461d-907c-ed5eba4403b9.pdf Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/comment-letters/2026/april-2026/lac260319-02-nop-downey-2045-general-plan-update-and-zoning-text-and-map-amendments.pdf References: LAC260708-01 and LAC260319-02 Comment Period: N/A Public Hearing: 10/21/2026	Other	City of Downey	Document reviewed - No comments sent
Plans and Regulations **ORC261007-02** Billboard Overlay Zone Change and Digital Billboard Installation Project	The project consists of a Zone Text Amendment and Development Agreement seeking to establish a new billboard overlay zone and construct a digital billboard (90 feet in height) with double-sided displays (each at 1,200 square feet) at a new overlay zone location. The project is located at 6247 Auto Center Drive in Buena Park. Comment Period: 10/2/2026 - 10/21/2026 Public Hearing: 11/4/2026	Draft Negative Declaration	City of Buena Park	Document reviewed - No comments sent
Plans and Regulations **RVC261001-14** Prohousing Designation Program Application	The project consists of an application to the California Department of Housing and Community Development (HCD) seeking a Prohousing Designation which recognizes jurisdictions that comply with State Housing Element Law and have enacted policies and programs supporting housing production and preservation. The project is located citywide in Moreno Valley. Comment Period: 10/5/2026 - 11/4/2026 Public Hearing: N/A	Other	City of Moreno Valley	Document reviewed - No comments sent

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October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **RVC261014-11** Winchester Community Plan (GPA No. 1207)	The project consists of adopting the Winchester Community Plan (49,275 acres) within the General Plan's Highway 79 Policy Area to guide long-term land use and transportation planning in the southwestern portion of Riverside County. The project is located in unincorporated Winchester in Riverside County. Staff previously provided comments on the Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/july/RVC220712-01.pdf Staff previously provided comments on the Notice of Preparation of a Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190418-05.pdf References: RVC241010-05; RVC241009-01; RVC240911-14; RVC220712-01; and RVC190418-05 Comment Period: 10/9/2026 - 11/20/2026 Public Hearing: N/A	Recirculated Draft Environmental Impact Report	County of Riverside	Document reviewed - No comments sent
Plans and Regulations **RVC261027-02** ADDENDUM for the Riverside County 2026 Climate Action Plan Update (ZR 6013)#	The project consists of adopting the 2026 Climate Action Plan (CAP) Update which: re-evaluates the previous greenhouse gas reduction targets identified in the 2019 CAP and proposes new or revised targets and reduction measures consistent with State climate change regulations; and establishes community reduction measures for energy, water efficiency, transportation, solid waste, clean energy, and agriculture to achieve 40 percent below 1990 emission levels by 2030 and 85 percent below 1990 emission levels by 2045. The project is located in all unincorporated areas of Riverside County within the South Coast AQMD jurisdiction and within the designated AB 617 Eastern Coachella Valley community. Staff previously provided comments on the Recirculated Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/april/deirno960.pdf References: RVC150605-03; RVC150219-10; and RVC140430-02 Comment Period: N/A Public Hearing: N/A	Addendum to Final Environmental Impact Report	County of Riverside	Document reviewed - No comments sent

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **RVC261028-03** Menifee Village SPA No. 7	The project consists of a Specific Plan Amendment and Zone Change seeking to amend the Menifee Village Specific Plan No. 158 by transferring dwelling units between planning areas, adding a new High Density residential designation (8 to 14 dwelling units per acre), adding two residential product types, increasing open space and park areas in Village 4 (from 36.9 acres to 72.7 acres), and allowing AI data centers as a conditionally permitted use within the commercial land use category on a site (1,972 acres). The project is located north of Newport Road and Domenigoni Parkway and east of Menifee Road in Menifee. Comment Period: N/A Public Hearing: N/A	Addendum to Environmental Impact Report	City of Menifee	Document reviewed - No comments sent

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers **RVC260826-08** San Jacinto Commerce Center	The project consists of replacing the Villages of San Jacinto Specific Plan with the San Jacinto Commerce Center Specific Plan across eight planning areas (514 acres) with industrial, public, and flex-use land uses under two development scenarios: Development Scenario 1 (9,000,000 square feet with no cold storage) and Development Scenario 2 (6,957,000 square feet with 1,200,000 square feet of cold storage), along with a General Plan Amendment, Zone Change, Tentative Parcel Map subdividing the site into 19 parcels, and a Development Agreement. The project is located south of Ramona Boulevard, east of Odell Street, west of Sanderson Avenue, and north of Cottonwood Avenue in San Jacinto. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/june-2024/rvc240503-04-nop-san-jacinto-commerce-center-specific-plan-sjcc-sp-plan23-0001.pdf Reference: RVC240503-04 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260826-08-deir-san-jacinto-commerce-center-project.pdf Comment Period: 8/27/2026 - 10/9/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of San Jacinto	Comment letter sent on 10/8/2026
Waste and Water-related **LAC260915-04** Former Freeman Products Facility Remedial Action Plan	The project consists of conducting in-situ bioremediation of 50 new and seven existing injection wells with monitored natural attenuation and institutional and engineering controls to address contaminants of concern in groundwater, soil, and soil vapor on a 2.3-acre site. The project is located at 2040, 2000, and 1942 Artesia Boulevard in Torrance. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac260915-04-mnd-former-freeman-products-facility-remedial-action-plan.pdf Comment Period: 9/14/2026 - 10/14/2026 Public Hearing: N/A	Initial Study/Draft Mitigated Negative Declaration	Department of Toxic Substances Control (DTSC)	Comment letter sent on 10/14/2026

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related **RVC260820-06** Lake Skinner Regional Water Transmission System Project	The project consists of expanding the amount of treated water supplied to the southern Perris Valley area in four phases through 2045 by: 1) constructing a new water service connection turnout; 2) installing a new booster pump station capable of pumping up to 140 cubic feet per second of water; and 3) installing 14 miles of new and re-lined transmission pipelines. The project is located in unincorporated Riverside County east of the cities of Menifee and Murrieta extending from the Robert A. Skinner Water Treatment Plant to the community of Winchester. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/february/RVC240117-06.pdf References: RVC240117-06; RVC231219-01; and RVC220726-11 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260820-06-draft-peir-lake-skinner-regional-water-transmission-system-project.pdf Comment Period: 8/24/2026 - 10/8/2026 Public Hearing: N/A	Draft Program Environmental Impact Report	Eastern Municipal Water District (EMWD)	Comment letter sent on 10/8/2026
Utilities **LAC260915-02** Substation Program#	The project consists of modernizing the Los Angeles Department of Water and Power (LADWP) electrical distribution system through four components: 1) constructing four new substations in the Sun Valley, Silver Lake, Southeast, and Wilmington study areas; 2) expanding existing substations beyond existing footprints; 3) making minor improvements to existing substations within existing properties; and 4) implementing other distribution system improvements including upgrading subtransmission lines, feeder lines, and underground cables through planning horizon year 2045. The project is located citywide within the LADWP service area in Los Angeles which is within four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, and West Commerce; 2) Southeast Los Angeles; 3) South Los Angeles; and 4) Wilmington, Carson, and West Long Beach. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac260915-02-nop-of-peir-for-substation-program.pdf Comment Period: 9/15/2026 - 10/16/2026 Public Hearing: N/A	Notice of Preparation of a Draft Program Environmental Impact Report	Los Angeles Department of Water and Power (LADWP)	Comment letter sent on 10/16/2026

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Utilities **RVC260922-02** Seaflower Energy Storage System Project	The project consists of constructing and operating a utility-scale battery energy storage system with a capacity of 400 megawatt-hours using lithium iron phosphate or similar battery technology interconnected to the Southern California Edison Valley Substation, with battery modules, power conversion equipment, storage racks, individual containers, relay and communications systems, a security fence, and a permanent parking area on a 3.84-acre site. The project is located at 28720 Matthews Road in Menifee. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260922-02-mnd-seaflower-battery-energy-storage-system-project.pdf Comment Period: 9/21/2026 - 10/21/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Menifee	Comment letter sent on 10/21/2026
Institutional (schools, government, etc.) **SBC260902-06** Public Works Corporate Yard Project	The project consists of a General Plan Amendment and Zone Change from Open Space to Public Facility and Civic which seeks to construct and operate a new Public Works Corporate Yard (53.94 acres) with 10 buildings and 13 non-building structures to consolidate City administrative services, public works, information technology, and Ontario Municipal Utilities Company operations, including administrative offices, warehouse and storage facilities, fleet maintenance, hazardous waste handling, vehicle wash facilities, a municipal waste transfer station, fueling stations, and a multi-level parking structure. The project is located at 2200 East Philadelphia Street in Ontario. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2025/october-2025/sbc250903-09-nop-public-works-corporate-yard-project-(pgpa25-003-pzc-25-004).pdf References: SBC260407-02 and SBC250903-09 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/sbc260902-06-deir-public-works-corporate-yard-project.pdf Comment Period: 8/28/2026 - 10/13/2026 Public Hearing: 10/27/2026	Draft Environmental Impact Report	City of Ontario	Comment letter sent on 10/13/2026

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Medical Facility **RVC260916-08** Bradley Gardens Skilled Nursing Facility Expansion Project	The project consists of: 1) expanding an existing 44-bed skilled nursing facility from 60 to 103 beds by constructing a single-story addition (17,372 square feet); 2) converting an existing vacant office building (2,596 square feet) into a 16-bed psychiatric health facility; and 3) demolishing an existing maintenance and storage building (1,074 square feet) to create 52 vehicle parking spaces and six bicycle parking spaces. The project is located at 980 West 7th Street in San Jacinto. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260916-08-mnd-bradley-gardens-skilled-nursing-facility-expansion-project.pdf Comment Period: 9/17/2026 - 10/16/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of San Jacinto	Comment letter sent on 10/16/2026
Plans and Regulations **LAC260915-03** City of Inglewood General Plan Update#	The project consists of adopting a comprehensive General Plan Update with nine elements (Circulation, Conservation, Economic Development, Environmental Justice, Housing, Land Use, Noise, Open Space, and Safety) with a planning horizon to 2050. The project is located citywide in Inglewood and within the designated AB 617 South Los Angeles community. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac260915-03-nop-city-of-inglewood-general-plan-update.pdf Comment Period: 9/15/2026 - 10/15/2026 Public Hearing: N/A	Notice of Preparation of a Draft Program Environmental Impact Report	City of Inglewood	Comment letter sent on 10/15/2026

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **ORC260820-04** Palm/Goldenwest Specific Plan Amendment Project	The project consists of amending the Palm/Goldenwest Specific Plan to facilitate redevelopment of a 92-acre site by: 1) demolishing an existing oil and gas production facility and conducting site remediation; 2) constructing 800 residential units and up to 350 hotel rooms or other visitor-serving uses; and 3) establishing open space and park areas across three planning areas, Planning Area 1 (16 acres of commercial visitor uses), Planning Area 2 (53.2 acres of medium density residential uses), and Planning Area 3 (22.8 acres of open space and park uses). The project is located at 20101 Goldenwest Street in Huntington Beach. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/march-2026/orc260210-01-nop-palm-goldenwest-specific-plan-amendment-project.pdf Reference: ORC260210-01 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/orc260820-04-draft-eir-palm-goldenwest-specific-plan-amendment-project.pdf Comment Period: 8/20/2026 - 10/2/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Huntington Beach	Comment letter sent on 10/2/2026

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ATTACHMENT C
PROPOSED AIR PERMIT PROJECTS FOR WHICH SOUTH COAST AQMD IS CEQA LEAD AGENCY
Through October 31, 2026

PROJECT PROPONENT/ PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOCUMENT	STATUS	CONSULTANT
Ecobat Resources California Inc. (formerly Quemetco) Quemetco Capacity Upgrade Project	Ecobat Resources California Inc. (formerly Quemetco) is proposing to modify its South Coast AQMD permits (Facility ID: 8547) to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs. The project is located in Los Angeles County at 720 South 7th Avenue in the City of Industry. Reference: State Clearinghouse No. 2018081096	Environmental Impact Report (EIR)	The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received. South Coast AQMD held two community meetings on November 10, 2021, and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Response to written comments submitted relative to the Draft EIR and oral comments made at the community meetings are currently being prepared by the consultant. After the Draft EIR public comment and review period closed, Quemetco submitted additional applications for other permit modifications. South Coast AQMD staff is evaluating the effect of these new applications on the EIR process.	Trinity Consultants
Tesoro Refining & Marketing Company, LLC (Tesoro) Marathon Los Angeles Refinery Modernization Projects	Tesoro is proposing modifications to its Carson Operations and Wilmington Operations at the Marathon Los Angeles Refinery in order to replace aging coke drums, produce asphalt binder, and make more high-octane, low vapor pressure clean-gasoline blendstock by modifying the fluid feed hydrodesulfurization unit, the fluidized catalytic cracking unit, and the alkylation units. The projects are located at two facilities in Los Angeles County: 1) Marathon Carson Operations, Facility ID 174655, 2350 East 223rd Street in Carson; and 2) Marathon Wilmington Operations, Facility ID 800436, 2101 East Pacific Coast Highway in Wilmington. Both of these facilities are located in the AB 617 Wilmington, Carson, and West Long Beach community. Reference: State Clearinghouse No. 2025110170	Notice of Preparation of a Draft Environmental Impact Report and Initial Study (NOP/IS)	The NOP/IS was released for a 34-day public review and comment period from November 5, 2025 to December 9, 2025 and six comment letters were received. A CEQA Scoping meeting was held on November 18, 2025. The consultant is preparing a preliminary Draft EIR, which will include responses to the comment letters received and comments made during the CEQA Scoping meeting.	Environmental Audit, Inc.

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Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 11

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2027.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

SLR:MK:IM:JA:ZS

2027 MASTER CALENDAR

The 2027 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for an AQMP, either the 2016 AQMP, 2022 AQMP, or 2024 PM Plan, when adopted, Air Toxics, AB 617 (for BARCT) or measures identified in an AB 617 Community Emission Reduction Plan (CERP) or to address an issue related to an AB 617 Consistently Nominated Community, SIP to address comments or actions from U.S. EPA for a rule that is in an approved SIP, or Other. Rulemaking efforts that are noted for implementation of the 2016 AQMP or 2022 AQMP when adopted, Air Toxics, and AB 617 are either statutorily required and/or are needed to address a public health concern. Projected emission reductions will be determined during rulemaking.

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

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

The following table provides a list of changes since the previous Rule Forecast Report.

* *Potentially significant hearing*
\+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*
\# *Part of the transition of RECLAIM to a command-and-control regulatory structure*

2027 MASTER CALENDAR

Month January	Title and Description	Type of Rulemaking
401	**Visible Emissions** Proposed Amended Rule 401 will add an exemption to certain diagnostic smoke tests. Additional amendments may be needed to establish specific requirements for smoke tests conducted at petroleum refineries. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
Regulation XXX	**Title V Permits** The proposed amendments to Regulation XXX will restore provisions and references relating to the Emergency Affirmative Defense pursuant to recent court rulings. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
February	**Title and Description**	**Type of Rulemaking**
1495	**Commodity Fumigation** Proposed Rule 1495 will reduce methyl bromide and other toxic air contaminant emissions by establishing requirements for commodity fumigation operations. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
April	**Title and Description**	**Type of Rulemaking**
1130	**Graphic Arts** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbra Radlein 909.396.2716*	Toxics / Other
1460.1	**Fenceline Air Monitoring for Metal Shredding Facilities** Proposed Rule 1460.1 seeks to comply with AB 2851 which requires fenceline monitoring of metal toxic air contaminants at metal shredding facilities and public notification when emissions exceed certain thresholds. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other

* *Potentially significant hearing*

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

[#] *Part of the transition of RECLAIM to a command-and-control regulatory structure*

2027 MASTER CALENDAR *(Continued)*

Month May	Title and Description	Type of Rulemaking
1113	**Architectural Coatings** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1480	**Ambient Monitoring and Sampling of Metal Toxic Air Contaminants** Proposed amended Rule 1480 will establish requirements to conduct air monitoring and sampling for those facilities identified as a potentially significant high-risk level facility. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
Regulation III	**Fees** Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and 316, will be amended to increase most fees to be consistent with the California Consumer Price Index as established in Rule 320 and other fee revisions to for cost recovery. *Michael Krause 909.396.2706; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
June	**Title and Description**	**Type of Rulemaking**
1110.3	**Emissions from Linear Generators** Proposed amended 1110.3 will consider certification of linear generators in lieu of the individual source testing requirement. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other / AQMP
1165.1	**Control of Emissions from the Incineration of Contraband** Proposed Rule 1165.1 will establish requirements for contraband incinerators. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1435*	**Control of Toxic Air Contaminant Emissions from Metal Heating Operations** Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / AB 617 CERP

* *Potentially significant hearing*

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[#] *Part of the transition of RECLAIM to a command-and-control regulatory structure*

2027 MASTER CALENDAR *(Continued)*

Month 3rd Quarter	Title and Description	Type of Rulemaking
431.1#	**Sulfur Content of Gaseous Fuels** Proposed Amended Rule 431.1 will assess the inclusion of a compliance option for controlling sulfur post combustion. *Neil Fujiwara: 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT / AB 617 CERP
1110.4	**Emissions from Emergency Generators** Proposed Rule 1110.4 will establish and revise rule provisions to reduce NOx, CO, and PM emissions from emergency generators. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Other / AQMP
1128	**Paper, Fabric, and Film Coating Operations** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1145	**Plastic, Rubber, Leather, and Glass Coatings** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1176	**VOC Emissions from Wastewater Systems** Proposed Amended Rule 1176 will clarify the applicability of the rule to include bulk terminals under definition of "Industrial Facilities," and streamline and clarify provisions. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Other / AB 617 CERP
1179.1	**Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities** Proposed Amended Rule 1179.1 seeks to further reduce Nox emissions from publicly owned treatment works facilities. *Neil Fujiwara: 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other
1403*	**Asbestos Emissions from Demolition/Renovation Activities** Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, update provisions, notifications, exemptions, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics

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

2027 MASTER CALENDAR *(Continued)*

Month 3rd Quarter	Title and Description	Type of Rulemaking
1426.1	**Hexavalent Chromium Emissions from Metal Finishing Operations** Proposed Rule 1426.1 will reduce hexavalent chromium emissions from heated chromium tanks used at facilities with metal finishing operations that are not subject to Rule 1469. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics

Month 4th Quarter	Title and Description	Type of Rulemaking
1133	**Emission Reductions from Direct Land Application** Proposed amendments to update definitions. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1133.2	**Emission Reductions from Co-Composting Operations** Proposed amendments to consider alternatives to enclosure requirements and update emission factors. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1146	**Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters** Proposed amendments to Rule 1146 will seek further emission reductions from an updated BARCT analysis. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other
1146.1#	**Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters** Proposed amendments to Rule 1146.1 seeks further emission reductions from an updated BARCT analysis. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other
1445*	**Control of Toxic Emissions from Laser and Plasma Arc Metal Cutting** Proposed Rule 1445 will establish requirements to reduce hexavalent chromium and other metal toxic air contaminant particulate emissions from laser arc cutting. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / AB 617 CERP

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

2027 MASTER CALENDAR *(Continued)*

Month **4th Quarter** *(Continued)*	Title and Description	Type of Rulemaking
Regulation XIII*#	**New Source Review** Proposed Amended Regulation XIII will consider amendments to Rule 1315 to extend the ability to issue permits for major sources to obtain offset credits from the Priority Reserve beyond the current 2030 sunset date, and amendments to other Regulation XIII rules to address offsets, monitoring, and reconcile with 2002 NSR Reform. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP
Regulation XX	**RECLAIM** Amendments to Regulation XX rules to address NOx and SOx requirements at RECLAIM facilities if there is consideration to transition RECLAIM to command-and-control regulatory structure, and address any other issues or changes to comply with requirements, or facilitate implementation of current program or transition to command and control. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	RECLAIM / Other

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2027 To-Be-Determined

2027	Title and Description	Type of Rulemaking
102	**Definition of Terms** Proposed amendments may be needed to update and add definitions, and potentially modify exemptions. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
103	**Definition of Geographical Areas** Proposed amendments are needed to update geographic areas to be consistent with state and federal references to those geographic areas. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
209	**Transfer and Voiding of Permits** Proposed amendments may be needed to clarify requirements for change of ownership and permits and the assessment of associated fees. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
219	**Equipment Not Requiring a Written Permit Pursuant to Regulation II** Proposed Amended Rule 219 may be needed to address certain allowances for sources not required to submit for a permit. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
222	**Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II** Amendments to Rule 222 will need to align with the proposed changes in Rule 219 and may include other editorial revisions. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
403	**Fugitive Dust** Proposed Amended Rule 403 will seek to remove outdated provisions and clarify existing provisions to enhance compliance. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
403.1	**Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources** Proposed Amended Rule 403.1 will clarify existing requirements for dust control and remove outdated provisions contained in supporting documents for Rule 403.1. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
407[#]	**Liquid and Gaseous Air Contaminants** Proposed Amended Rule 407 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Bara Radlein 909.396.2716*	AB 617 BARCT

** Potentially significant hearing*

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
410	**Odors from Transfer Stations and Material Recovery Facilities** Proposed Amended Rule 410 will clarify existing provisions. Additional provisions may be needed to address activities associated with diversion of food waste to transfer stations or material recovery facilities. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
425	**Odors from Cannabis Processing** Proposed Rule 425 will establish requirements for control of odors from cannabis processing. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
430	**Breakdown Provisions** Amendments to Rule 430 will be needed to remove exemptions for facilities that exit the RECLAIM program and update references to CEMS rules. Other amendments may be needed to address current policies from U.S. EPA regarding startup, shutdown, and malfunction requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	RECLAIM / Other
431.2[#]	**Sulfur Content of Liquid Fuels** Proposed Amended Rule 431.2 will assess exemptions, including RECLAIM, and update other provisions, if needed. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT / AB 617 CERP
431.3[#]	**Sulfur Content of Fossil Fuels** Proposed Amended Rule 431.3 will assess exemptions, including RECLAIM, and update other provisions, if needed. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT / AB 617 CERP
441	**Research Operations** Amendments may be needed to consider more flexibility. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
444	**Open Burning** Amendments may be needed to clarify existing provisions. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
468[#]	**Sulfur Recovery Units** Proposed Amended Rule 468 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
469[#]	**Sulfuric Acid Units** Proposed Amended Rule 469 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT
1101[#]	**Secondary Lead Smelters/Sulfur Oxides** Proposed Amended Rule 1101 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT
1102	**Dry Cleaners Using Solvent Other Than Perchloroethylene** Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 CERP
1105[#]	**Fluid Catalytic Cracking Units SOx** Proposed Amended Rule 1105 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT / AB 617 CERP
1108	**Cutback Asphalt** Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1108.1	**Emulsified Asphalt** Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1109.1	**Petroleum Refineries** Amendments to consider requirements for facilities seeking to cease operations and possibly other provisions. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / AB 617 CERP

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
1110.2*+#	**Emissions from Gaseous- and Liquid-Fueled Engines** Proposed amendments will address use of emergency standby engines and linear generators, incorporate possible comments by U.S. EPA for approval into the SIP, and address monitoring provisions for new engines. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / AB 617 BARCT
1111*+	**Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces** Proposed Amended Rule 1111 will consider opportunities for zero or lower-emitting residential space heating and cooling technologies. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP
1111.1	**Reduction of NOx Emissions from Natural-Gas-Fired, Commercial-Size Furnaces** Proposed rule would establish emission limits for commercial-size furnaces with a rated heat input capacity of less than 2,000,000 BTU per hour and greater than 175,000 BTU per hour. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP
1114	**Petroleum Refinery Coking Operations** Proposed Amended Rule 1114 will seek to add notification requirements when coke particles, liquid and/or gas is ejected from the coke drum during cutting. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1118	**Control of Emissions From Refinery Flares** Proposed Amended Rule 1118 could evaluate effectiveness of hydrogen flare requirements and other considerations. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other
1119#	**Petroleum Coke Calcining Operations – Oxides of Sulfur** Proposed Amended Rule 1119 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AB 617 BARCT / AB 617 CERP
1121*+	**Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters** Proposed Amended Rule 1121 will consider opportunities for zero or lower-emitting residential water heating. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
1122	**Solvent Degreasers** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1125	**Metal Container, Closure, and Coil Coating Operations** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1126	**Magnet Wire Coating Operations** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1130.1	**Screen Printing Operations** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1142	**Marine Tank Vessel Operations** Proposed Amended Rule 1142 will address VOC and hydrogen sulfide emissions from marine tank vessel operations, applicability, noticing requirements, and provide clarifications. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
1150.1	**Control of Gaseous Emissions from Municipal Solid Waste Landfills** Proposed amendments may be needed to update or add monitoring requirements and enhance compliance. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1157.1	**Control of Particulate Matter Emissions from Non-Aggregate Operations** Proposed Rule 1157.1 will address concerns with PM and other emissions from facilities operating with non-aggregate material. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1162	**Polyester Resin Operations** Proposed amendments will seek to phase out two toxic compounds, pCBtF and tBAc, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1166	**Volatile Organic Compound Emissions from Decontamination of Soil** Proposed Amended Rule 1166 will update requirements, specifically concerning notifications and usage of mitigation plans (site specific versus various locations). *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1174	**Control of Volatile Organic Compound Emissions from the Ignition of Barbecue Charcoal** Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other
1179	**Publicly Owned Treatment Works Operations** Proposed amendments seek to further reduce VOC, PM, and ammonia emissions as well as odors from publicly owned treatment works. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other
1186.1, 1191, 1192, 1193, 1194, 1195, 1196[*] [+]	**Fleet Rules** Proposed amendments to Rules 1186.1, 1191, 1192, 1193, 1194, 1195, 1196 will seek to align South Coast AQMD fleet rules with CARB's final Advanced Clean Fleets regulation. *Eugene Kang 909.396.3524; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Other

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
1404	**Hexavalent Chromium Emissions from Cooling Towers** Amendments may be needed to provide additional clarifications regarding use of process water that is associated with sources that have the potential to contain chromium in cooling towers and address VOC emissions. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / AQMP
1405	**Control of Ethylene Oxide and Chlorofluorocarbon Emissions from Sterilization or Fumigation Processes** Proposed Amended Rule 1405 will consider amendments based on the result of the warehouse study. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1411	**Recovery or Recycling of Refrigerants from Motor Vehicle Air Conditioners** Proposed Amended Rule 1411 seeks amendments to coincide with Section 609 of the Clean Air Act. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1415 1415.1	**Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems** Proposed Amended Rules 1415 and 1415.1 will align requirements with the proposed CARB Refrigerant Management Program and U.S. EPA's Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Other
1420	**Emissions Standard for Lead** Proposed Amended Rule 1420 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Chromium Metal Melting Operations. Other provisions may be needed to address storage and handling requirements, and revise closure requirements. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1420.1	**Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities** Proposed Amendments are needed to update applicable test methods and provide clarifications regarding submittal of a source-test protocol. Additional amendments may be needed to address monitoring and post closure requirements. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
1420.2	**Emission Standards for Lead from Metal Melting Facilities** Proposed Amended Rule 1420.2 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Chromium Metal Melting Operations. Additional amendments may be needed to address monitoring and post closure requirements. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1420.3	**Emissions Standards for Lead from Firing Ranges** Proposed Rule 1420.3 will establish requirements to address lead emissions from firing ranges. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / Other
1450*	**Control of Methylene Chloride Emissions** Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1455	**Control of Hexavalent Chromium Emissions from Torch Cutting and Welding** Proposed Rule 1455 will establish requirements to reduce hexavalent chromium emissions from torch cutting and welding of chromium alloys. *Neil Fujiwara 909.396.3512; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics / AB 617 CERP
1466	**Control of Particulate Emissions from Soils with Toxic Air Contaminants** Amendments may be needed for residential cleanup projects. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1470	**Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines** Proposed Amended Rule 1470 seeks to reduce NOx emissions from stationary internal combustion engines (ICEs) by replacing older ICEs with alternative cleaner technology. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Toxics
1470.1	**Emissions from Emergency Standby Diesel-Fueled Engines** Proposed Rule 1470.1 seeks to reduce NOx emissions from emergency standby internal combustion engines (ICEs) by replacing older ICEs and requiring the use of commercially available lower emission fuels, such as renewable diesel. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / Toxics

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
1472	**Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines** Proposed Amended Rule 1472 will remove provisions that are no longer applicable, update and streamline provisions to reflect the latest OEHHA Health Risk Assessment Guidelines and assess the need for Compliance Plans. *Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1480.1	**Ambient Monitoring and Sampling of Toxic Air Contaminants from Significant Incidents** Proposed Rule 1480.1 will establish requirements to conduct air monitoring and sampling at those facilities involved in a significant incident resulting in actual or potential release of TACs. *Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716*	Toxics
1901	**General Conformity** Proposed Amended Rule 1901 will establish a new General Conformity determination process for applicable projects receiving federal funding or approval. *Sang-Mi Lee 909.396.3169; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP
Regulation XXIII[*+]	**Facility-Based Mobile Sources** Proposed rules within Regulation XXIII would reduce emissions from indirect sources and the mobile sources attracted to these facilities. *Elaine Shen 909.396.2715; CEQA and Socio: Barbara Radlein 909.396.2716*	AQMP / AB 617 CERP

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2027 To-Be-Determined *(Continued)*

2027	Title and Description	Type of Rulemaking
Regulation II, III, IV, V, VII, VIII, XI, XIV, XIX, XXIII, XXIV, XXX and XXXV	Various rule amendments may be needed to meet the requirements of state and federal laws; implement OEHHA's latest risk assessment guidance; incorporate changes from OEHHA to new or revised toxic air contaminants or their risk values; address variance issues, emission limits, technology-forcing emission limits, and conflicts with other agency requirements; abate substantial endangerment to public health; apply additional reductions to meet SIP short-term measure commitments; address issues raised by U.S. EPA or CARB for the SIP or for a rule that was submitted into the SIP; and address compliance issues raised by the Hearing Board. In addition, administrative changes could be necessary for Hearing Board procedures, filings, petitions, noticing, etc. Amendments to existing rules may be needed to address use of materials that contain chemicals of concern. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing, or new rules to implement measures in the 2012, 2016, or 2022 AQMP, or the 2024 PM Plan. This includes measures in the 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption or amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, U.S. EPA's National Emission Standards for Hazardous Air Pollutants, or to address the lead National Ambient Air Quality Standard. Rule adoption or amendments may be needed to implement AB 617 including but not limited to BARCT rules, Community Emission Reduction Plans prepared pursuant to AB 617, or new or amended rules to abate a public health issue identified through emissions testing or ambient monitoring. Rule adoption or amendments may be needed if there is an agreement or memorandum of understanding where the Board directed that staff pause rulemaking, and the Board provides new direction to re-initiate rulemaking.	Other / AQMP/ Toxics / AB 617 BARCT / AB 617 CERP

* *Potentially significant hearing*

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

[#] *Part of the transition of RECLAIM to a command-and-control regulatory structure*

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 12

REPORT: Report to Legislature and CARB on South Coast AQMD's Regulatory Activities for Calendar Year 2025

SYNOPSIS: South Coast AQMD is required by law to submit a report to the Legislature and CARB on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by South Coast AQMD, number of permits issued, denied, or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015 - Backstop Provisions.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file the attached report and direct staff to forward the final report to the Legislature.

Wayne Nastri
Executive Officer

LTO:EH:CC

Background

In 1990, the Legislature directed South Coast AQMD to provide an annual review of its regulatory activities (SB 1928, Presley) and specified the type of information required (Health and Safety Code § 40452). Many of the required elements overlap with other requirements of separate legislation. For example, information on South Coast AQMD's Clean Fuels Program is a requirement of this report and a separate requirement under legislation passed in 1999 (SB 98, Alarcón). The purpose of this report is to meet the requirements of SB 1928 and fill in pieces of additional information needed to compile a comprehensive regulatory overview. Most of the information included in this report is not new but is simply a compilation of information previously seen by the Board.

The specific requirements of this report include:

- A summary of each major rule and rule amendment adopted by the Board;
- The number of permits to operate or permits to construct that were issued, denied, cancelled or not renewed;
- Data on emission offset transactions and applications during the previous year;
- The budget and forecast for staff increases or decreases for the following fiscal year;
- An identification of the source of all revenues used to finance South Coast AQMD's activities;
- An update on South Coast AQMD's Clean Fuels program; and
- The annual RECLAIM Audit Report.

Summary of 2025 SB 1928 Report

In 2025, South Coast AQMD advanced major rule and plan updates, supported by CEQA analyses and socioeconomic assessments, to reduce emissions and strengthen air quality programs. Staff completed evaluations for key rulemakings and adopted the South Coast Air Basin Contingency Measure State Implementation Plan (SIP) Revision for the 2015 8-Hour Ozone National Ambient Air Quality Standard (NAAQS). Staff assessed costs, benefits, and regional economic impacts.

Over 6,900 permit applications were processed, and 23 emission offset transactions completed; no permits were denied due to lack of emission offsets. The RECLAIM program continued to meet emissions targets, with most facilities in full compliance with holding RECLAIM Trading Credits that were the same or greater than their annual emissions.

The Clean Fuels Program executed 34 new projects, leveraging $4.3 million in agency funds into more than $43.8 million in clean technology investments and securing nearly $42 million in outside funding. Projects focus on zero-emission vehicles, hydrogen and electric infrastructure, and technology deployment.

The Clean Fuels Plan Update outlines $31 million in funding for zero- and near-zero emission technologies, goods-movement emission reductions, hydrogen and EV infrastructure, renewable fuels, microgrids, and workforce training, supporting more than $202 million in total projected investments.

Attachment

Report to the Legislature on the Regulatory Activities of the South Coast AQMD for Calendar Year 2025.[1]

[1] Due to the bulk of these materials, chapters III, IV and V of the report can be found online at http://www.aqmd.gov/home/research/documents-reports. Anyone who would like to obtain a hard copy of these materials may do so by contacting South Coast AQMD's Public Information Center at (909) 396-2001.

REPORT TO THE LEGISLATURE ON THE REGULATORY ACTIVITIES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Pursuant to
Chapter 1702, Statutes of 1990 (SB 1928)



December 2026

Cleaning the Air that We Breathe…

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD

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Cities of Los Angeles County/Eastern Region Representative

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Wayne Nastri
Executive Officer

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EXECUTIVE SUMMARY

Introduction
South Coast Air Quality Management District (South Coast AQMD) is subject to internal and external reviews of its air quality programs. These include annual reviews of the South Coast AQMD's budget, forecast and proposed operating budget for the upcoming fiscal year, and compliance program audits. In addition, South Coast AQMD is required to submit to the California Air Resources Board (CARB) and State Legislature an annual review of its regulatory activities for the preceding calendar year (CY). The attached report satisfies this latter requirement, which is mandated pursuant to Chapter 1702, Statutes of 1990 (SB 1928, Presley), Section 40452 of the Health and Safety Code.

Rule, Regulation and Plan Development Projects Approved in 2025
This section contains a summary of the adoption or amendment of each rule and regulation development project approved by the South Coast AQMD Governing Board in the preceding CY (i.e., 2025). Each summary contains information about the estimated emission reductions, cost-effectiveness, alternatives considered pursuant to the requirements in the California Environmental Quality Act (CEQA), socioeconomic impacts, and sources of funding.

South Coast AQMD operates under a regulatory program certified by the Secretary for Resources pursuant to Public Resources Code Section 21080.5 and California Environmental Quality Act (CEQA) Guidelines Section 15251(l) and implemented pursuant to South Coast AQMD Rule 110. The adoption or amendment of South Coast AQMD rules and regulations are subject to South Coast AQMD's certified regulatory program for CEQA, while the adoption or amendment of plans such as the Air Quality Management Plan (AQMP) are not. Having a certified regulatory program means South Coast AQMD can incorporate its environmental analyses into CEQA documents other than environmental impact reports (EIRs), negative declarations (NDs), or mitigated NDs (MNDs) without being subject to a limited number of specific CEQA requirements identified in Public Resources Code Section 21080.5. Instead, all CEQA documents prepared by South Coast AQMD pursuant to its certified regulatory program are either called an Environmental Assessment (EA), or some variant of an EA such as a Subsequent or Supplemental EA, or Addendum to an EA. For any rule or plan development project that is determined to be exempt from CEQA, regardless of whether the project is subject to the South Coast AQMD's certified regulatory program, a Notice of Exemption, while not required, can be prepared.

In 2025, the South Coast AQMD Governing Board adopted or amended the following major rules and regulations for which a public workshop or public consultation was conducted: Rule 223 – Requirements for Confined Animal Facilities, Rule 301 – Permitting and Associated Fees, Rule 445 – Wood-Burning Devices, Rule 462 – Organic Liquid Loading, Rule 1107 – Coating of Metal Parts and Products, Rule 1133 – Emission Reductions from Direct Land Application, Rule 1133.1 – Chipping and Grinding Operations, Rule 1133.2 – Emission Reductions from Co-Composting Operations, Rule 1133.3 – Emission Reductions from Composting Operations, Rule 1138 – Control of Emissions from Restaurant Operations, Rule 1171 – Solvent Cleaning Operations, Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities, Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations, Regulation III – Fees, and Regulation XXX – Title V

Permits. Also in 2025, the South Coast AQMD Governing Board adopted the South Coast Air Basin Contingency Measure State Implementation Plan (SIP) Revision for the 2015 8-Hour Ozone National Ambient Air Quality Standard (NAAQS), and the Cooperative Agreement between South Coast AQMD and the Ports of Long Beach and Los Angeles.

Socioeconomic Impact Assessments

Health and Safety Code Sections 40440.8 and 40728.5 require that South Coast AQMD perform socioeconomic impact assessments for its rules and regulations that will significantly affect air quality or emissions limitations. Prior to implementing these requirements of the Health and Safety Code, socioeconomic impact evaluations of adopting or amending rules and regulations and the AQMP were conducted pursuant to a 1989 Governing Board Resolution. Additionally, South Coast AQMD staff assesses socioeconomic impacts of CEQA alternatives for rules, regulations and plans such as AQMPs that significantly affect air quality or that impose emission limitations. Finally, Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or "all feasible measures" requirements relating to emissions of ozone, nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOC), carbon monoxide (CO), and their precursors.

The elements of socioeconomic impact assessments include direct effects on various affected industries and businesses in terms of control costs and cost-effectiveness, as well as public health benefits associated with AQMPs and other plans. Additionally, South Coast AQMD staff uses an economic model developed by Regional Economic Models, Inc. (REMI) to analyze potential direct and indirect socioeconomic impacts of South Coast AQMD rules on Los Angeles, Riverside, Orange, and San Bernardino Counties. These impacts include, but are not limited to, employment and competitiveness.

In 2025, the South Coast AQMD identified and analyzed potential socioeconomic impacts of the adoption and/or amendments to the following rules and regulation which were identified as having the potential to significantly affect air quality or emissions limitations, or incur significant socioeconomic cost: Rules 223, 301, 445, 462, 1107, 1133, 1133.1, 1133.2, 1133.3, 1138, and 1469. Additionally, a socioeconomic analysis was conducted for Rule 320 which contains an automatic California Consumer Price Index (CPI) adjustment to most fees paid to South Coast AQMD. This accompanied the socioeconomic impact assessment that was prepared for the amendments to multiple rules in Regulation III – Fees (e.g., Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 316.2).

Engineering and Permitting

Background

Section 40452 of the California Health and Safety Code requires that the South Coast AQMD submit an annual report to both the state board and Legislature that summarizes its regulatory activities for the preceding calendar year. Paragraph (b) of Section 40452 requires that the annual report include data on "the number of permits to operate or construct, by type of industry, that are issued and denied, and the number of permits to operate that are not renewed." Health and Safety Code paragraph (c) of section 40452 requires that the annual report also include data

on emission offset transactions and applications during the previous fiscal year, including an accounting of the number of applications for permits for new or modified sources that were denied because of the unavailability of emission offsets. In addition, South Coast AQMD Rule 2015 requires submittal of the annual Regional Clean Air Incentives Market (RECLAIM) Audit Report for the 2025 Compliance Year to the Legislature.

The following paragraphs provide a brief summary for each report.

Permitting Data – Calendar Year 2025

During calendar year 2025, South Coast AQMD processed a total of 6,939 permitting applications. There were 66,000 active permits and 24,000 active facilities at the end of 2025. Most of these applications were for Permits to Operate (2,411), Plans (778), Area Sources & Certified/ Registrations (1,481), and Changes of Operators (599). Also, 1,016 permits were not renewed. This data, broken down into nine different categories, is summarized in Table 1.

Table 2 contains a breakdown of permits dispositioned (in the nine categories) by type of industry. The type of industry was based on North American Industry Classification System (NAICS) codes, which were provided by the applicant at the time of application filing. The top three NAICS codes were 445110 – Supermarkets and Other Grocery Retailers, 447110/447190 – Gasoline Service Stations, and 324100 – Petroleum Refineries.

Emission Offset Transactions Data – Fiscal Year 2024/2025

During fiscal year 2024-2025, a total of 23 emission offset transactions were completed, which include 17 transactions for reactive organic gases (ROG), 3 transactions for oxides of nitrogen (NOx), 2 transactions for oxides of sulfur (SOx), and 1 transaction for particulate matter with an aerodynamic diameter less than 10 microns (PM10). The amounts of emissions offsets transferred, by pollutant, include 195 pounds per day of ROG, 64 pounds per day of NOx, 5 pounds per day of SOx, and 2 pounds per day of PM10 (see Table 3 in the Annualized Publication of Emission Reduction Credit (ERC) and Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2024-25 (California Health and Safety Code 40452)). There were 5 banking applications processed, resulting in the issuance of a total of 11 pounds per day of new emission offsets for ROG. Additionally, no applications were denied for a permit for a new source for the reason of failure to provide the required emission offsets. (See Table 4 in the Annualized Publication of Emission Reduction Credit (ERC) and Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2024-25 (California Health and Safety Code 40452).

RECLAIM Audit Report

The REgional CLean Air Incentives Market (RECLAIM) program was adopted in 1993 to provide facilities with flexibility in achieving the same emissions reduction goals as would have been

achieved under the traditional command and control approach, while lowering the cost of compliance. To ensure RECLAIM is achieving its goal, South Coast AQMD Rule 2015 - Backstop Provisions, requires preparation of an annual audit report on the program. This Annual RECLAIM Audit Report assesses emission reductions, availability of RECLAIM Trading Credits (RTCs) and their average annual prices, job impacts, compliance issues, and other measures of performance for the 32nd year of this program. The results of the annual audit show that RECLAIM continues to meet its aggregate emission goals and all other specified objectives.

As discussed in more detail in the audit report (see Chapter V), a total of 228 facilities were in the RECLAIM program as of June 30, 2024. Audited NOx emissions from RECLAIM facilities were 20% less than programmatic NOx allocations, and audited SOx emissions were 30% less than programmatic SOx allocations. The vast majority of RECLAIM facilities complied with their allocations during the 2024 compliance year (96% of NOx facilities and 100% of SOx facilities).

A total of over $1.61 billion in RTCs has been traded since the adoption of RECLAIM, of which $5.4 million occurred in calendar year 2025 (compared to $9.6 million in calendar year 2024), excluding swaps. Annual average prices were calculated and reported for discrete-year NOx and SOx RTCs and infinite-year block (IYB – trades that involve blocks of RTCs with a specified start year and continuing in perpetuity). The annual average prices of discrete-year SOx RTCs, IYB SOx RTCs and IYB NOx RTCs were below the applicable review thresholds for average RTC prices. The annual average prices of discrete-year NOx RTCs for Compliance Year 2025 and 2026 continue to exceed the Rule 2015 threshold. As such, the provisions of Rule 2015 (b)(6) triggered subsequent action to conduct assessments of the RECLAIM program and provide recommendations to the Board. Assessments and recommendations when prices in Calendar Year 2021 exceeded the Rule 2015 price threshold were reported to the Governing Board in August 5, 2022. At the March 1, 2024, Governing Board meeting, the Board resolved that the circumstances associated with implementation of the RECLAIM had not changed and continuing analysis is not required.

In Compliance Year 2024, RECLAIM facilities reported a net loss of 835 jobs, representing 0.92% of their total employment. The RECLAIM program also met other applicable requirements including meeting the applicable federal offset ratio under New Source Review and having no significant seasonal fluctuation in emissions. Additionally, there is no evidence that RECLAIM resulted in any increase in health impacts due to emissions of air toxics.

Refer to Chapter V for the "Annual RECLAIM Audit Report for 2024 Compliance Year."

Budget and Work Program

Refer to Chapter III for the Fiscal Year 2026-2027 Budget Report.

Clean Fuels Programs

2025 Annual Report

In Calendar Year 2025, the South Coast AQMD Clean Fuels Program executed 34 new contracts, projects or studies and modified three projects adding dollars toward research, development, demonstration, and deployment projects as well as technology assessment and transfer of

alternative fuel and clean fuel technologies. South Coast AQMD's Clean Fuels Program contributed over $4.3 million in partnership with other governmental organizations, private industry, academia, research institutions, and other stakeholders, with total project costs of over $43.8 million. Additionally, in Calendar Year 2025, the Clean Fuels Program continued to leverage external opportunities, securing new awards totaling almost $42 million from federal, state, and local sources. The significant project scope of a few key contracts executed in 2025 resulted in high leveraging of Clean Fuels dollars. Typical historical leveraging is $4 for every $1 in Clean Fuels funding. In 2025, South Coast AQMD leveraged $10 for every $1 in Clean Fuels funds. Leveraging dollars and aggressively pursuing federal, state and local funding opportunities is critical, given the magnitude of needed funding identified in the 2022 AQMP to achieve NAAQS.

The projects executed in 2025 address a wide range of issues with a diverse technology mix including near term emissions reductions and long-term planning efforts. The report provides information on external funding support received into the Clean Fuels Fund as cost-share for contracts executed in this period, and funding support awarded to South Coast AQMD for projects that fall within the scope of the Clean Fuels Program's RDD&D efforts but may have been recognized (received) into another special revenue fund for financial tracking purposes (see Table 4).

In 2025, the South Coast AQMD was awarded nearly $42 million from multiple sources including CARB's and CEC's joint Advanced Technology Demonstration and Pilot Projects (ATDPP) solicitation for the Strategic Pathways for Extended Electric Drayage (SPEED) project to deploy VOLVO Class 8 battery-electric trucks and truck chargers in Southern California, U.S, EPA CATI grant to deploy zero-emission commercial workboats and DOE Congressional Direct Spending Request to deploy marine shore-side charging infrastructure. More details on this financial summary can be found in section 2.3 of the Clean Fuels report. South Coast AQMD will continue to pursue federal, state and private funding opportunities during CY 2026 to amplify leverage, while acknowledging that support of a promising technology is not contingent on external cost-sharing and affirming that South Coast AQMD will remain committed to playing a leadership role in developing advanced technologies that lower criteria pollutants in the South Coast Air Basin (SCAB or Basin).

The projects or studies executed in 2025 included a diverse mix of advanced technologies and are included in the following core areas of technology advancement:

1. Hydrogen and Mobile Fuel Cell Technologies and Infrastructure;
2. Electric and Hybrid Vehicle Technologies and Infrastructure (including battery electric and hybrid electric trucks developed by OEMs and container transport technologies with zero emission operations);
3. Stationary Clean Fuels Technologies (including microgrids and renewable systems)
4. Zero Emission Infrastructure;
5. Health Impacts Studies; and
6. Technology Assessment and Transfer/Outreach

During Calendar Year 2025, South Coast AQMD supported projects from near-term to long-term RDD&D, enabling flexible co-funding and addressing SCAB's specific needs. Projects included significant battery electric and hybrid electric technologies and infrastructure to develop and demonstrate medium-duty (MD) and heavy-duty (HD) vehicles in support of transitioning to near-zero and zero emission goods movement; development, demonstration, and deployment of large displacement ultra-low NOx engines; and demonstration of hydrogen fuel cell MD and HD vehicles and infrastructure.

In addition to the 34 executed contracts and projects, 11 research, development, demonstration and deployment projects or studies and 20 technology assessment and transfer contracts were completed in 2025. As of January 1, 2026, there were 56 open contracts in the Clean Fuels Program.

In accordance with California Health and Safety Code Section 40448.5.1(d), this annual report must be submitted to the state legislature by March 31, 2026, after approval by the South Coast AQMD Board.

2026 Plan Update

The Clean Fuels Program undergoes annual re-evaluation to develop the Plan Update, based on technology progress and Agency priorities. The Program seeks to develop and deploy cost-effective clean fuel technologies via increased collaboration with OEMs to achieve large scale deployment. Plan design balances sector needs with technology readiness, commercialization pathways, emission reduction potential (criteria pollutants and GHG) and co-funding opportunities. South Coast AQMD remains committed to developing, demonstrating and commercializing technologies that reduce NOx and toxic air contaminants (TACs) – which often yield GHG and petroleum use reductions. These co-benefits have long supported successful public-private partnerships that leverage Clean Fuels funding.

Through extensive outreach and networking, the Agency identifies opportunities where Clean Fuels funding can significantly advance cleaner technologies in SCAB. Engagement includes state and federal collaboratives, industrial coalitions, and direct discussions with OEMs and technology providers regarding the state of technologies and commercialization challenges. Additionally, unsolicited proposals from OEMs and other clean fuel technology developers are regularly received and reviewed. Potential development, demonstration, and certification projects resulting from these outreach and networking efforts are included in the 2026 Clean Fuels Plan Update.

Diesel trucks remain one of the largest NOx emission sources in the Basin. CARB estimates that 60 percent of total on-road HD vehicle miles traveled in the Basin are from vehicles purchased outside of California, underscoring a need for more stringent federal standards. U.S. EPA adopted the final rule "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards" in December 2022, aligning in stringency with CARB's Omnibus Standard. In March 2024, EPA adopted two additional rules - the Phase 3 HD GHG standards and the light-duty (LD) and medium-duty (MD) vehicle multi-pollutant standards for model year 2027. These

rules emphasize the broad national adoption of zero-emission LD, MD, and HD vehicles. Several rules are being challenged, further elevating the importance of advancing ZE technologies.

South Coast AQMD's Warehouse Actions and Investments to Reduce Emissions (WAIRE) program established as a part of Rule 2305, the Warehouse Indirect Source Rule (ISR), reduces NOx and diesel particulate matter (DPM) emissions from mobile sources that are attracted to the warehouses. The San Pedro Bay Ports implemented the Clean Truck Fund (CTF) to generate funds to achieve zero emission drayage trucks by 2035. Despite all these major efforts, per the 2022 AQMP, additional NOx emission reductions in SCAB are needed to meet ozone attainment target deadlines.

In July 2024, the U.S. EPA awarded South Coast AQMD $500 million under the Climate Pollution Reduction Grants (CPRG) to implement the INVEST CLEAN (Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness). INVEST CLEAN prioritizes emission reductions in the goods movement sectors due to substantial reductions in criteria and hazardous air pollutants, impacts on overburdened low-income communities, and opportunities to drive economic growth and job creation. This incentive funding ensures the Clean Fuels Program can continue advancing toward full commercialization through demonstrations and deployments.

While federal funding to deploy ZE vehicles and infrastructure has increased, federal support for university research has declined comparatively. South Coast AQMD will strengthen partnerships with local universities to conduct studies that assess technology advancements. Historically, Clean Fuels has funded studies focused on health impacts and fuel/emissions, demonstrating their value in achieving Program goals. If federal research funding continues to decline, South Coast AQMD will continue to identify and fund research opportunities that support technology advancement as part of the 2026 Plan Update.

The Plan Update includes projects to develop, demonstrate and commercialize a variety of technologies, from near-term to long-term commercialization, that are intended to provide significant emission reductions over the next five to ten years. Areas of focus include:

- **Goods Movement & Ports**: Zero emission drayage trucks, cargo-handling equipment, and supporting infrastructure;
- **Non-Exhaust Emissions**: Assessment of gaseous and particulate emissions from tire and brake wear;
- **Engines & Powertrains**: Ultra-low NOx engines, alternative/renewable gaseous and liquid fuels, high-efficiency large-displacement engines; ultra-low-emission renewable-fueled hybrid powertrains; Mitigating criteria pollutant emissions from the production of renewable fuels, such as renewable natural gas, diesel and hydrogen as well as other renewable, low/zero carbon fuels and waste streams;
- **Electric-Drive Platforms**: Fuel cell (FC), battery-electric (BE), plug-in hybrid and non-plug-in hybrid technologies across LD, MD and HD platforms;
- **Charging & Hydrogen Infrastructure**: Ultra-fast, high-power charging for HD BEVS and similar rates for MD BEVs; high-flow fueling protocols and standards

to improve hydrogen station health and reliability and expand HD hydrogen refueling;

- **Portable Hydrogen Solutions**: Mobile/portable hydrogen refueling equipment to meet short-term needs and advance technology;
- **Green Hydrogen & Ecosystems**: Green hydrogen production pathways and hydrogen ecosystems to reduce hydrogen costs and improve statewide station reliability and availability;
- **Fuel & Emissions Studies**: Alternative fuel studies; advanced vehicle demonstration studies including non-exhaust emissions to optimize technology placement;
- **Onboard Sensing**: Investigate near- and long-term benefits of onboard sensors for on- and off-road vehicles;
- **Technology Transfer**: Apply proven on-road clean technologies to off-road applications;
- **Health & PM Studies**: Evaluate and compare particulate matter and health impacts;
- **Alternative Charging Solutions (ACS)**: Low and zero emission alternative charging solution (ACS) to support permanent EV charging and provide temporary backup power; and
- **Zero-Emission Microgrids**: Battery energy storage systems (BESS) and onsite clean power generation to support transportation electrification demands associated with goods movement and freight handling activities

Indicative Proposed Projects for 2026

South Coast AQMD proposes public-private partnerships to deploy Clean Fuels funding across a range of pre-commercial Clean Technology projects addressing the focus areas above. Indicative development/demonstration projects include:

Development and deployment of ZE municipal fleet MD and HD trucks
Hydrogen Fuel-Cell Electric:

- Class 8 drayage truck(s) (e.g., Toyota/Honda)
- Class 8 refuse truck(s) (e.g., Symbio)
- Class 7 delivery truck (e.g., RockeTruck)
- Class 6 Truck(s) in Utility, Service, Municipal, Delivery applications (e.g., Honda)
- Powertrain(s) (also, attached to BE tractor – hybrid system), scalable to transit buses, Class 7 drayage trucks
- Electric Power Take-Off (ePTO) with a hydrogen module to provide hydrogen to power on-board Fuel Cell(s) to generate electricity
- Mobile/Portable Refueler(s) for Off-Road Applications (e.g., Toyota Tsusho)
- Pilot Plant (e.g., PCC Hydrogen). Build a plant that reforms ethanol to produce between 300 kg to over 20 tons per day without NOx emission production to

deliver hydrogen to port applications to ensure low price, energy utilization and energy demand

Battery Electric:

- Transport Refrigeration Unit (TRU) trailers (e.g., Range Energy, Nivalis Energy Systems)
- Class 8 Cement Truck (e.g., Volvo MACK)

Stationary/ Microgrid Solutions:

- Linear generators for prime power and microgrid applications (e.g., GTI Energy, Hyliion)
- Charging microgrids using methanol reforming to produce electricity from hydrogen (e.g., Kaizen Clean Energy)

Indicative Research Partnerships:
South Coast AQMD will pursue collaborations with local and regional academic and research institutions for Clean Technology studies, including:

- Mobile battery-integrated EV chargers to accelerate MD/HD BEV deployment;
- Battery swapping for MD/HD BEVs and equipment;
- Secondary particulate matter (PM) formation from tire emissions;
- On-road brake and tire wear PM and gaseous emissions using three trucks: LD BEV, Class 8 diesel, and Class 7 NG delivery; and
- Urban ammonia (NH_3) and nitrogen dioxide (NO_2) monitoring for on-road emission sources

These potential projects, planned for 2026, total $31 million of Clean Fuels funds, with the anticipated total project costs of $202 million, leveraging almost $10 for every $1 of Clean Fuel funds spent. Some proposed projects may also be funded by state and federal grants and incentive programs, including AB 617 CAPP funds, Volkswagen Mitigation, Carl Moyer Program, and others.

CHAPTER I
RULE DEVELOPMENT, CEQA, and SOCIOECONOMIC IMPACT ANALYSES

RULE, REGULATION AND PLAN DEVELOPMENT PROJECTS APPROVED IN 2024 AND CEQA ALTERNATIVES

This section contains a summary of the adoption or amendment of each rule, regulation AND plan development project approved by the South Coast AQMD Governing Board in the preceding calendar year (i.e., 2025). Each summary provides information about the estimated emission reductions, cost-effectiveness, alternatives considered, if applicable, pursuant to the requirements in the CEQA, socioeconomic impacts, and sources of funding.

Projects undertaken by public agencies are subject to CEQA. For any proposal that is either not a "project" or determined to be exempt from CEQA, no further action is required. However, if a project has the potential to create significant or less than significant adverse effects on the environment, then an environmental analysis is necessary. Typically, South Coast AQMD's development of rules/regulations and plans are considered to be a "project" as defined by CEQA. The adoption of new rules, regulations and plans, or the amendment to existing rules, regulations and plans require a comprehensive CEQA document that contains an environmental impact analysis which includes the following:

- identification of potentially significant adverse environmental impacts evaluated based on environmental checklist topics;
- identification of feasible measures, if any, to mitigate significant adverse environmental impacts to the greatest extent feasible;
- if necessary, a discussion and comparison of the relative merits of feasible project alternatives that generally achieve the goals of the project, but may generate fewer or less severe adverse environmental impacts; and
- identification of environmental topics not significantly adversely affected by the project.

If significant adverse environmental impacts are identified, feasible mitigation measures, if any, and alternatives must be identified and an analysis of the relative merits of each alternative is required. However, if the CEQA document concludes that no significant adverse environmental impacts would be generated by a proposed project, neither the identification of feasible mitigation measures nor an analysis of CEQA alternatives to the project is required. Nonetheless, even if a project is determined not to have significant environmental impacts, the CEQA document will contain a focused analysis of the potential environmental impacts.

South Coast AQMD operates under a regulatory program certified by the Secretary for Resources pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and implemented pursuant to South Coast AQMD Rule 110. The adoption or amendment of South Coast AQMD rules and regulations are subject to South Coast AQMD's certified regulatory program for CEQA. Having a certified regulatory program means that the South Coast AQMD can incorporate its environmental analyses into CEQA documents other than environmental impact reports (EIRs), negative declarations (NDs), or mitigated NDs (MNDs) without being subject to a limited number of specific CEQA requirements identified in Public Resources Code Section 21080.5. Instead, all CEQA documents prepared by South Coast AQMD pursuant to its certified regulatory program are either called an Environmental Assessment (EA), or some variant of an

EA such as a Subsequent or Supplemental EA, or Addendum to an EA. For any rule or plan development project that is determined to be exempt from CEQA, regardless of whether the project is subject to the South Coast AQMD's certified regulatory program, a Notice of Exemption, while not required, can be prepared.

In 2025, the South Coast AQMD Governing Board adopted or amended the following major rules, regulations, and plans for which a public workshop or public consultation was conducted, and which are presented in sequential order according to the month of project approval. CEQA requires an alternatives analysis for projects identified as having potentially significant impacts; however, none of the projects approved in 2025 required an alternative analysis.

JANUARY 10, 2025

Two projects were approved by the South Coast AQMD Governing Board in January:

1. **Amended Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities:** Rule 1179.1 was amended to codify the corrected cross-references in Rule 1179.1 – Attachment 1 described in the February 4, 2024, compliance advisory. Amended Rule 1179.1 benefited stakeholders by improving clarity and overall understanding of the rule's implementation requirements by removing inconsistencies. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: None. *Cost-Effectiveness*: Not applicable. *CEQA Alternatives*: Not required. *Socioeconomic Impact*: None. *Source(s) of Funding*: AB 617, Emission Fees and Annual Operating Fees.

2. **Amended Regulation XXX – Title V Permits:** Regulation XXX was amended to: 1) remove the emergency affirmative defense provisions from Rule 3002 to be consistent with the U.S. EPA's August 21, 2023 rule action which removed the emergency affirmative defense provisions from its Title V operating permit program regulations and required air pollution control agencies to do similarly; 2) remove the greenhouse gas (GHG) emissions threshold for Title V permit applicability and GHG emission limits derived from the U.S. EPA Greenhouse Gas Tailoring Rule from Rules 3001, 3002, and 3008 to be consistent with the U.S. Supreme Court's decision in *Utility Air Regulatory Group v. EPA*, 573 U.S. 302 (2014); 3) correct a cross-reference in Rule 3003; and 4) remove references in Rule 3004 to be consistent with amendments to Rule 3002. The amendments to Regulation XXX benefited stakeholders by providing improved clarity when implementing the applicable requirements. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: None. *Cost-Effectiveness*: Not applicable. *CEQA Alternatives*: Not required. *Socioeconomic Impact*: None. *Source(s) of Funding*: Emission Fees and Annual Operating Fees.

FEBRUARY 7, 2025

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in February.

MARCH 7, 2025

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in March.

APRIL 4, 2025

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in April.

MAY 2, 2025

One project was approved by the South Coast AQMD Governing Board in May:

Amended Regulation III – Fees: Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 316.2 was amended to establish the fee rates and schedules to recover South Coast AQMD's reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III included: 1) an increase of most fees by 3.0 percent (%) consistent with the California Consumer Price Index (CPI); 2) introduction of new fees for optional Rule 212(c) public notice distribution fees in Rule 301; 3) addition of new post-reporting deadline fees related to implementation of Rule 2305 (WAIRE Program) in Rule 316; and 4) administrative changes in Regulation III that include clarifications, deletions, insertions, or corrections of existing rule language, and an extension of the 2026 Annual Emission Reporting (AER) submission deadline, which have no fee impact. The amendments to Regulation III ensure that the South Coast AQMD will have the necessary resources to provide cost recovery while implementing rule requirements through issuance and implementation of permits. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness*: Not applicable. *CEQA Alternatives*: Not required. *Socioeconomic Impact*: Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding*: Permit Fees, Emission Fees, Annual Operating Fees, and Area Source Fees.

JUNE 6, 2025

One project was approved by the South Coast AQMD Governing Board in June:

Amended Rule 1171 – Solvent Cleaning Operations: Rule 1171 was amended to reduce the toxicity in formulations of certain solvent cleaning materials and to make other changes to limit the usage of certain solvent cleaning materials by: 1) prohibiting the use of parachlorobenzotrifluoride (pCBtF) and tert-Butyl Acetate (t-BAc) in solvent cleaning materials effective January 1, 2026; 2) including a sell-through and use-through provision for solvent cleaning materials that include pCBtF and/or t-BAc and are manufactured prior to the proposed prohibition date of January 1, 2026; 3) prohibiting the possession of non-compliant solvent cleaning materials; 4) including alternative usage and product weighted-maximum incremental reactivity (PW-MIR) volatile organic compounds (VOC) limits for electricity and water distribution facilities to allow for the use of liquid denatured alcohol instead of denatured alcohol packaged as an aerosol product; 5) including alternative usage limits for solvent cleaning products packaged as an aerosol; 6) including a higher VOC limit to allow for the manufacturer recommended use of alcohol-based solvent cleaning materials for cleaning energy curing lamps and reflectors used in the printing industry; 7) including an alternative PW-MIR VOC limit for solvent cleaning materials used for cleaning lithographic printing and screen printing equipment; 8) including an alternative PW-MIR VOC limit of 0.38 gram of ozone per gram of product for any solvent cleaning activity; and 9) updating the rule structure, adding new definitions, and removing outdated rule provisions. Amended Rule 1171 reduces the risk of exposure to pCBtF and t-BAc for workers, nearby receptors, and the public by phasing out the use of these toxic chemicals in solvent cleaning activities and promoting the use of alternative cleaning materials that do not contain these compounds. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness*: Not applicable. *CEQA Alternatives*: Not required. *Socioeconomic Impact*: None. *Source(s) of Funding*: AB 617, Area Source Fees, and Emission Fees.

AUGUST 1, 2025

Two projects were approved by the South Coast AQMD Governing Board in August:

1. **Amended Rule 462 – Organic Liquid Loading:** Rule 462 was amended to partially implement Control Measure FUG-01 – Improved Leak Detection and Repair, of the 2022 Air Quality Management Plan (AQMP) by: 1) requiring monthly optical gas imaging (OGI) inspections; 2) requiring periodic source tests on vapor control systems at Class A facilities (facilities which load 20,000 gallons or more of organic liquids per day); 3) reducing VOC limits for vapor control systems at Class A facilities from 0.08 to 0.04 pound per 1,000 gallons of organic liquid transferred; and 4) adding new and updated definitions, and implementing other minor changes for consistency and clarity. Amended Rule 462 also introduced a contingency measure as required by the federal Clean Air Act, which, if

triggered, would require bi-weekly OGI inspections. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: 0.34 ton per day of VOC plus an additional 0.01 ton per day if the contingency measure is triggered. *Cost-Effectiveness:* $37,800 per ton of VOC reduced due to requiring monthly OGI inspections and more Stringent Vapor Recovery Emission Standard (Title V Permit Revision). *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

2. **Adopted the South Coast Air Basin Contingency Measure State Implementation Plan (SIP) Revision for the 2015 8-Hour Ozone National Ambient Air Quality Standard (NAAQS):** In response to U.S. EPA's contingency measures guidance that was finalized in December 2024, the South Coast Air Basin Contingency Measure SIP Revision for the 2015 8-Hour Ozone NAAQS (South Coast Ozone Contingency SIP Revision) was adopted to include: 1) contingency measures for stationary point and area sources; 2) a mobile source contingency measure; 3) a comparison of emission reductions to be achieved by contingency measures to the recommended amount of reductions specified in U.S. EPA's guidance; and 4) a demonstration that there are no other feasible stationary or mobile source contingency measures beyond the aforementioned contingency measures for stationary point and area sources, and mobile sources. No new emission reductions were expected because all four contingency measures included in the South Coast Ozone Contingency SIP Revision were previously adopted by the South Coast AQMD and California Air Resources Board (CARB). The South Coast Ozone Contingency SIP Revision fulfilled U.S. EPA requirements and benefitted stakeholders by having improved clarity when implementing the applicable requirements. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Area Source Fees, CARB Subvention Funding, Emission Fees, and Annual Operating Fees.

SEPTEMBER 5, 2025

Four projects were approved by the South Coast AQMD Governing Board in September:

1. **Amended Rule 223 – Requirements for Confined Animal Facilities:** Rule 223 was amended to implement Control Measure BCM-08 – Emission Reductions from Livestock Waste at Confined Animal Facilities, from the 2024 South Coast Air Basin Attainment Plan for the 2012 Annual PM2.5 Standard (PM2.5 Plan) to comply with federal Clean Air Act Most Stringent Measures requirements by reducing the applicability thresholds for dairy, poultry, and duck farms to 500 milking cows, 400,000 chickens, and 400,000 ducks, respectively. Amended Rule 223 requires up to 12 additional dairy facilities to obtain South Coast AQMD permits and provides a menu of mitigation measures to reduce emissions from their operations, many of which are currently being implemented as best practices or as required by other rules and regulations. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: 0.17 ton per day of ammonia by 2029. *Cost-Effectiveness:* $167 per ton of ammonia reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

2. **Amended Rule 445 – Wood-Burning Devices:** Rule 445 was amended to comply with the federal Clean Air Act's Most Stringent Measure requirements in the 2012 PM2.5 NAAQS and to implement Control Measure BCM-18 – Further Emissions Reductions from Wood-Burning Fireplaces and Wood Stoves, of the PM2.5 Plan. Amended Rule 445: 1) lowered the mandatory wood-burning curtailment threshold from 29 micrograms per cubic meter ($\mu g/m^3$) to 25 $\mu g/m^3$; 2) removed the existing low-income exemption; 3) removed outdated provisions; 4) added provisions that would allow for the reconstruction of wood-burning devices damaged or destroyed due to a natural disaster; 5) aligned enforcement practices consistent with other South Coast AQMD rules; 6) corrected references; and 7) improved clarity. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: 0.25 ton of PM2.5 per annual average day as well as reducing unquantified emissions of other criteria pollutants and hazardous air pollutants. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* CARB Subvention.

3. **Amended Rule 1133 – Emission Reductions from Direct Land Application, Amended Rule 1133.1 – Chipping and Grinding Operations, Amended Rule 1133.2 – Emission Reductions from Co-Composting Operations, and Amended Rule 1133.3 – Emission Reductions from Composting Operations:** Rules 1133, 1133.1, 1133.2 and 1133.3 were amended to implement Best Control Measure-10 – Emission Reductions from Direct Land Application of Chipped and Ground Uncomposted Greenwaste (BCM-10), from the PM2.5 Plan to further reduce emissions of VOC and ammonia from chipping and grinding

operations, co-composting operations, and composting operations by regulating the supply of uncomposted greenwaste for direct land application. Amended Rule 1133 established restrictions and prohibitions on suppliers of uncomposted greenwaste for direct land application except when uncomposted greenwaste is applied in a manner that would minimize VOC and ammonia emissions. In addition, to implement BCM-10, information gathering elements formerly located within Rule 1133 were added to Rules 1133.1, 1133.2, and 1133.3. Lastly, amended Rule 1133.2 introduced composting best management practices for previously uncontrolled existing co-composting operations. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: 2.34 tons per day of VOC and 0.19 ton per day of ammonia. *Cost-Effectiveness:* $230 per ton of VOC reduced, and $2900 per ton of ammonia reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

4. **Amended Rule 1138 – Control of Emissions from Restaurant Operations:** Rule 1138 was amended to partially implement Control Measure BCM-12 – Further Emission Reductions from Commercial Cooking, of the PM2.5 Plan, by establishing more stringent thresholds regarding the amount of meat cooked that would qualify an owner or operator of a chain-driven charbroiler for an exemption from certain requirements in the rule by: 1) changing the existing threshold of less than 875 pounds per week to less than 400 pounds per week; and 2) adding a new alternative threshold of less than 10,800 pounds in any continuous 12-month period while maintaining a weekly rate of less than 875 pounds. Amended Rule 1138 also removed outdated provisions. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: 0.05 ton per day of PM, and 0.02 ton per day of VOC. *Cost-Effectiveness:* $1,363 per ton of PM reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, and AB 617.

OCTOBER 3, 2025

One project was approved by the South Coast AQMD Governing Board in October:

Amended Rule 301 – Permitting and Associated Fees: Rule 301 was amended to update the refinery-related community air monitoring system annual operating and maintenance fees applicable to major refineries and related facilities originally subject to Rule 1180 – Fenceline and Community Air Monitoring for Petroleum Refineries and Related Facilities. Amended Rule 301 also established new annual operating and maintenance fees for facilities newly subject to either Rule 1180 or Rule 1180.1 – Fenceline and Community Air Monitoring for Other Refineries, and included administrative changes for clarity and

consistency. As a result of amending Rule 301, South Coast AQMD will be able to recover costs while implementing the requirements of Rule 1180 and Rule 1180.1. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

NOVEMBER 7, 2025

While not a rule, regulation, or plan subject to annual review reporting, the Governing Board approved the following project in November:

Adopted Cooperative Agreement between South Coast AQMD and the Ports of Long Beach and Los Angeles: South Coast AQMD, together with the Port of Long Beach and the Port of Los Angeles, jointly developed a Cooperative Agreement which contained three key requirements: 1) the development and implementation of charging and fueling infrastructure plans to implement Control Measure MOB-01 – Emission Reductions at Commercial Marine Ports, of the 2022 AQMP and 2016 AQMP, and Control Measure MOB-15 – Zero-Emission Infrastructure for Mobile Sources, of the 2022 AQMP; 2) cost recovery provisions; and 3) the creation of the Clean Air Mitigation Fund. For the portion of the Cooperative Agreement which pertains to developing and implementing charging and fueling infrastructure plans, the Ports committed to developing Zero-Emission (ZE) Infrastructure Plans to address on-port charging and fueling infrastructure for ocean-going vessels, drayage trucks, cargo handling equipment, harbor craft, and local switcher locomotives. The plans will be required to include baseline descriptions of existing infrastructure, planning targets for each source category, project-level implementation details, and analyses of energy supply, construction workforce needs, and the disposition of conventional fueling infrastructure. Following approval by each Port's Board, the Ports will be required to implement their respective plans, achieve applicable milestones, submit annual implementation reports to South Coast AQMD beginning in January 2029, and present plan modifications to their Boards when planning targets changed or portions of the plans were affected by new state or federal requirements. South Coast AQMD will be required to make the annual reports publicly available and provide annual status updates to its Board.

A detailed CEQA analysis was prepared which demonstrated that the development and implementation of charging and fueling infrastructure plans in accordance with the Cooperative Agreement was considered a later activity of the 2022 AQMP and the 2016 AQMP, and that the Final Program Environmental Impact Report (EIR) for the 2022 AQMP and the Final Program EIR for the 2016 AQMP adequately described and analyzed the activities associated with the development and implementation of charging and fueling infrastructure plans in accordance with the Cooperative Agreement for the purposes of

CEQA such that no new environmental document was required. Thus, no alternatives analysis was required.

For the portion of the Cooperative Agreement which pertains to establishing cost recovery provisions which were necessary in order for South Coast AQMD to meet operating expenses, payments to be made by the Ports will enable South Coast AQMD to recover its reasonable costs associated with the review and verification of revised draft Port ZE Infrastructure Plans (Plans), draft modified Plans, time extension requests, and annual reports. The cost recovery provisions specified: 1) hourly rates to recover the costs of reviewing and verifying each revised draft Plan, draft modified Plan, time extension request, and annual report; and 2) a payment cap of $100,000 per review. The South Coast AQMD Governing Board determined that this portion of the Cooperative Agreement was exempt from CEQA; therefore, no alternatives analysis was required.

For the portion of the Cooperative Agreement which pertains to the creation of the Clean Air Mitigation Fund, if a Port fails to complete actions within their control that is subject to enforcement, the Cooperative Agreement requires the Ports to pay into a mitigation fund to cover costs associated with contract defaults. There is no commitment in the Clean Air Mitigation Fund to any specific future project that could result in a potentially significant physical impact on the environment. For this reason, the South Coast AQMD Governing Board determined that this portion of the Cooperative Agreement was not a project within the meaning of CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: Estimated emission reductions are dependent upon each Port's specific plans, and as such, cannot be quantified at this time. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Not applicable. *Source(s) of Funding:* Mobile Sources and AB 617.

DECEMBER 5, 2025

Two projects were approved by the South Coast AQMD Governing Board in December:

1. **Amended Rule 1107 – Coating of Metal Parts and Products:** Rule 1107 was amended to reduce the risk of exposure to workers, nearby receptors, and the public by phasing out the use of pCBtF and t-BAc in metal parts and products coatings due to toxicity concerns. The amendment partially implements Control Measure CTS-01 – Further Emission Reductions From Coatings, Solvents, Adhesives, and Lubricants, of the 2022 AQMP. Amendments to Rule 1107 included: 1) a prohibition for the manufacture, sale, and use of coatings with more than trace levels of pCBtF and t-BAc at future effective dates; 2) sell-through and use through provisions to ensure that manufacturers, distributors, and end users are provided with adequate time to transition to products without pCBtF and/or t-BAc; 3) prohibitions of other toxic compounds in coatings; 4) new provisions to enhance enforceability; and 5) revisions for clarity. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees and Annual Operating Fees.

2. **Amended Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations:** Rule 1469 was amended to reduce the risk of exposure to hexavalent chromium by incorporating the 2023 amendments from California Air Resources Board's Airborne Toxic Control Measure for Chromium Plating and Chromic Acid Anodizing Operations (Chrome ATCM) which: 1) phased out hexavalent chromium used for decorative chrome operations and functional chrome operations; 2) prohibited new hexavalent chromium electroplating or chromic acid anodizing facilities; and 3) included enhanced best management practices and housekeeping requirements. Amendments to Rule 1469 also included clarifications of existing rule requirements, changes to source test deadlines and implementation procedures. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

   Estimated Emission Reductions: 6.56 pounds per year of hexavalent chromium upon full implementation. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

SOCIOECONOMIC IMPACT ASSESSMENTS

The legal mandates directly related to conducting socioeconomic impact assessments include a South Coast AQMD Governing Board resolution and various sections of the Health and Safety Code.

South Coast AQMD Governing Board Resolution

On March 17, 1989, the South Coast AQMD Governing Board adopted a resolution that calls for an economic analysis associated with adopting and amending rules and regulations that consider all of the following elements:

- Affected industries
- Range of probable costs
- Cost-effectiveness of control alternatives
- Public health benefits

The economic elements outlined in the March 17, 1989 resolution are also required by various Health and Safety Code sections which are discussed in the following section.

Health and Safety Code Requirements

The state legislature adopted legislation which reinforces and expands the South Coast AQMD Governing Board resolution requiring socioeconomic impact assessments for rule development projects. Health and Safety Code Section 40440.8, which went into effect on January 1, 1991, requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which "will significantly affect air quality or emissions limitations." To satisfy the requirements in Health and Safety Code Section 40440.8, which includes requirements defined in Health and Safety Code 40922, the scope of the socioeconomic impact assessment should include all of the following information, as applicable:

- Type of affected industries;
- Impact on employment and the regional economy;
- Range of probable costs, including those to industry;
- Availability and cost-effectiveness of alternatives to the rule;
- Emission reduction potential; and
- Necessity of adopting, amending, or repealing the rule in order to attain state and federal ambient air quality standards.

Health and Safety Code Section 40728.5, which went into effect on January 1, 1992, requires the South Coast AQMD Governing Board to: 1) actively consider the socioeconomic impacts of regulations; 2) make a good faith effort to minimize adverse socioeconomic impacts; and 3) include small business impacts. To satisfy the requirements in Health and Safety Code Section 40728.5, the socioeconomic impact assessment typically includes the following information:

- Type of industries or business affected, including small businesses; and

- Range of probable costs, including costs to industry or business, including small business.

Finally, Health and Safety Code Section 40920.6, which went into effect on January 1, 1996, requires a cost-effectiveness and incremental cost-effectiveness analysis for a proposed rule or amendment which imposes BARCT or "all feasible measures" requirements relating to emissions of ozone, CO, SOx, NOx, VOC, and their precursors. However, Health and Safety Code Section 40920.6 is not applicable to new or amended rules that seek to control toxic air contaminants because they are not classified as criteria pollutants or ozone precursors.

Typical Contents of Socioeconomic Impact Assessments

The elements of socioeconomic impact assessments include direct effects on various affected industries and businesses in terms of control costs and cost-effectiveness, as well as public health benefits associated with AQMPs. Additionally, for any project with costs exceeding $1MM South Coast AQMD staff uses an economic model developed by Regional Economic Models, Inc. (REMI) to analyze potential direct and indirect socioeconomic impacts of South Coast AQMD rules on Los Angeles, Riverside, Orange, and San Bernardino Counties. These impacts include, but are not limited to, employment and competitiveness. Finally, South Coast AQMD staff assesses socioeconomic impacts of CEQA alternatives for new or amended rules with significant cost and emission reduction impacts.

In 2025, the South Coast AQMD identified and analyzed the socioeconomic impacts associated with amending the following rules that were identified as having the potential to significantly affect air quality or emissions limitations or incur significant socioeconomic cost: Rules 223, 301, 445, 462, 1107, 1133, 1133.1, 1133.2, 1133.3, 1138, and 1469. Additionally, a socioeconomic analysis was conducted for Rule 320 which contains an automatic California Consumer Price Index (CPI) adjustment to most fees paid to South Coast AQMD. This accompanied the socioeconomic impact assessment that was prepared for the amendments to multiple rules in Regulation III – Fees (e.g., Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 316.2).

RULE AMENDMENTS WITH SOCIOECONOMIC IMPACTS

Regulation III – Fees (Amended May 2, 2025)

Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 316.2 was amended to establish the fee rates and schedules to recover South Coast AQMD's reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III included: 1) an increase of most fees by 3.0 percent (%) consistent with the California Consumer Price Index (CPI) as annually authorized by Rule 320 for the period between December 2023 and December 2024; 2) the introduction of new fees for optional Rule 212(c) public notice distribution fees in Rule 301; 3) the addition of new post-reporting deadline fees related to implementation of Rule 2305 (WAIRE Program) as set forth in Rule 316; and 4) administrative changes which have no fee impact such as clarifications, deletions, insertions, or corrections of existing rule language, and an extension of the 2026 Annual Emission Reporting (AER) submission deadline. The amendments to Regulation III ensure that the South Coast AQMD will have the necessary resources to provide cost recovery while implementing rule requirements through issuance and implementation of permits.

Socioeconomic impacts of the annual CPI-based increase to the fee rates in accordance with Rule 320 were assessed for emission fees, permit processing fees, annual permit renewal fees, air toxics hot spots fees, source test fees, asbestos fees, architectural coating fees, Rule 2305 reporting fees, and a portion of Rule 2202 fees.[1] The CPI-based fee-rate increase of 3.0 percent was projected to bring in additional revenue totaling $3.64 million in FY 2025-2026. While all industries were expected to be potentially affected, facilities classified in the manufacturing sector were expected to incur the largest increase in CPI-based fees (approximately $1.52 million for about 3,155 facilities), followed by the services sector (approximately $0.64 million for about 9,144 facilities) and the retail trade sector (approximately $0.51 million for about 4,189 facilities). However, the amount of South Coast AQMD fees expected to be paid by each industry remained small relative to the industry's economic output or value-added (less than 0.01% overall).

In addition to the CPI-based fee rate increases authorized by Rule 320, amendments to Rule 301 and Rule 316 were expected to have fee impacts. Specifically, the amendment to Rule 301 created a new option for applicants to have South Coast AQMD staff distribute public notices on their behalf when seeking a permit to construct for a project subject to the public notification requirements set forth in Rule 212(c). The fee impacts associated with this optional method for distributing public notices were estimated to be approximately $0.09 million per year.

The amendment to Rule 316 created a new fee to recover reasonable regulatory costs due to increased staff time and efforts to bring warehouse operators and owners subject to Rule 2305 (WAIRE Program) into compliance. Specifically, the amendment created a new fee for operators submitting required reports after the reporting deadline has passed. The fee impacts associated

[1] All Rule 2202 fees are subject to annual CPI adjustment except for Air Quality Investment Program (AQIP) fees per Rule 311 (c) and service charges for returned checks per Rule 308 (i). AQIP fees are administered into a restricted fund that is separate from the South Coast AQMD general fund.

with this amendment were estimated to be $3.00 million in FY 2025-2026 and $0.24 million in FY 2026-2027 and thereafter. The total fee impacts of the amendments to Rule 301 and Rule 316 were estimated to be $3.09 million in FY 2025-2026 and $0.33 million in FY 2026-2027 and thereafter. Both amendments were expected to potentially affect all industries.

Rule 462 – Organic Liquid Loading (Amended August 1, 2025)

Rule 462 was amended to partially implement Control Measure FUG-01 – Improved Leak Detection and Repair, of the 2022 AQMP by: 1) requiring monthly optical gas imaging (OGI) inspections; 2) requiring periodic source tests on vapor control systems at Class A facilities (facilities which load 20,000 gallons or more of organic liquids per day); 3) reducing VOC limits for vapor control systems at Class A facilities from 0.08 to 0.04 pound per 1,000 gallons of organic liquid transferred; and 4) adding new and updated definitions, and implementing other minor changes for consistency and clarity. Amended Rule 462 also introduced a contingency measure as required by the federal Clean Air Act, which, if triggered, would require bi-weekly OGI inspections.

Approximately 53 facilities located within the South Coast AQMD jurisdiction, with 26 facilities in Los Angeles County, 13 facilities in San Bernardino County, seven facilities in Riverside County, and seven facilities in Orange County are subject to Rule 462. The affected facilities span several industrial sectors under the North American Industry Classification System (NAICS) with 51 percent in the Wholesale Trade sector, 30 percent in the Utilities sector, and eight percent in the Support Activities for Transportation sector. Based on various definitions, up to nine of these facilities may qualify as small businesses. The key requirements in Rule 462 that would have cost impacts for the affected facilities include: 1) purchasing the OGI equipment and conducting monthly OGI inspections; 2) updating Title V facility and equipment permits early to incorporate lowered VOC limits for vapor control systems; and 3) conducting source testing every 60 months. The total present value of compliance costs were estimated to be $6.35 million and $5.43 million at a one percent and four percent discount rate, respectively. The average annual compliance costs were estimated to range from $627,109 to $671,262 based on a real interest rate of one percent and four percent, respectively.

Rule 223 – Requirements for Confined Animal Facilities (Amended September 5, 2025)

Rule 223 was amended to implement Control Measure BCM-08 – Emission Reductions from Livestock Waste at Confined Animal Facilities, from the 2024 South Coast Air Basin Attainment Plan for the 2012 Annual PM2.5 Standard (PM2.5 Plan) to comply with federal Clean Air Act Most Stringent Measures requirements by reducing the applicability thresholds for dairy, poultry, and duck farms to 500 milking cows, 400,000 chickens, and 400,000 ducks, respectively.

Amended Rule 223 requires up to 12 additional dairy facilities classified under the Dairy Cattle and Milk Production industry, with seven in San Bernardino and five in Riverside County, to obtain South Coast AQMD permits and provides a menu of mitigation measures to reduce emissions from their operations, many of which were being implemented as best practices or as required by other rules and regulations. Up to three of these facilities may qualify as small businesses, allowing for a 50% reduction in initial fees. The key requirements of amended Rule

223 that have cost impacts include: 1) one-time permit processing fees when submitting the permit application; 2) one-time filing and evaluation fees for the Emissions Mitigation Plan; 3) the labor related to preparing each initial Emissions Mitigation Plan; and 4) annual permit renewal fees. The total present value of compliance costs over the 2026 - 2035 period was estimated to be $114,938 and $97,657 at a one percent and four percent discount rate, respectively. Compliance costs were mostly attributed to permit renewal fees (50 percent), followed by permit processing fees for the emissions mitigation plan (29 percent) and Plan filing and evaluation fees associated with the emissions mitigation plan (12 percent). The annual average compliance costs were estimated to range from $11,450 to $12,166 at a one percent and four percent real interest rate, respectively.

Rule 445 – Wood-Burning Devices (Amended September 5, 2025)

Rule 445 was amended to comply with the federal Clean Air Act's Most Stringent Measure requirements in the 2012 PM2.5 NAAQS and to implement Control Measure BCM-18 – Further Emissions Reductions from Wood-Burning Fireplaces and Wood Stoves, of the PM2.5 Plan. Amended Rule 445: 1) lowered the mandatory wood-burning curtailment threshold from 29 micrograms per cubic meter ($\mu g/m^3$) to 25 $\mu g/m^3$; 2) removed the existing low-income exemption; 3) removed outdated provisions; 4) added provisions that would allow for the reconstruction of wood-burning devices damaged or destroyed due to a natural disaster; 5) aligned enforcement practices consistent with other South Coast AQMD rules; 6) corrected references; and 7) improved clarity. These amendments were projected to result in approximately 10 more "No-Burn" days per year.

The analysis indicated that commercial firewood sellers would not be affected by the amendments because the restriction from burning does not restrict the sale of firewood during curtailment events. No small business analysis was conducted due to lack of data on the number of employees and gross annual sales of commercial firewood sellers.

Cost impacts to the general public were concluded to be minimal because wood-burning in the South Coast AQMD jurisdiction primarily occurs for aesthetic reasons. Also, the removal of the low-income exemption was concluded to have no cost impacts because of the availability of other, more cost-effective alternatives to burning wood for heating regardless of whether a "No-Burn" day has been issued. Lastly, for residential or commercial properties where a woodburning device is the sole source of heat, the amendment did not include any changes to the existing exemption.

Rule 1133 – Emission Reductions from Direct Land Application, Rule 1133.1 – Chipping and Grinding Operations, Rule 1133.2 – Co-Composting Operations, and Rule 1133.3 – Composting Operations (Amended September 5, 2025)

Rules 1133, 1133.1, 1133.2 and 1133.3 were amended to implement Best Control Measure-10 – Emission Reductions from Direct Land Application of Chipped and Ground Uncomposted Greenwaste (BCM-10), from the PM2.5 Plan to further reduce emissions of VOC and ammonia from chipping and grinding operations, co-composting operations, and composting operations by regulating the supply of uncomposted greenwaste for direct land application. Amended Rule 1133 established restrictions and prohibitions on suppliers of uncomposted greenwaste for direct land application except when uncomposted greenwaste is applied in a manner that would minimize

VOC and ammonia emissions. In addition, to implement BCM-10, information gathering elements formerly located within Rule 1133 were added to Rules 1133.1, 1133.2, and 1133.3. Lastly, amended Rule 1133.2 introduced composting best management practices for previously uncontrolled existing co-composting operations.

Approximately 98 facilities, with 30 in Los Angeles County, 26 in Riverside County, 22 in San Bernardino County, and 20 in Orange County are subject to the amended rules with 46 classified in the Administrative and Support for Waste Management and Remediation Services sector. Among the 98 affected facilities, up to 73 facilities may qualify as small businesses based on various small business definitions.

Approximately 86 facilities were identified as potentially incurring compliance costs with 85 facilities solely subject to the recordkeeping requirements and one facility subject to recordkeeping requirements and best management practices in Rule 1133.2. No purchases of new equipment were expected. The total present value of compliance costs over the 2025-2039 period were estimated to be $2,729,672 and $2,253,942 at a one percent and four percent discount rate, respectively. Since the affected facilities were not expected to purchase any new equipment, the annual average compliance costs only accounted for recurring costs associated with recordkeeping and implementing best management practices. The average annual compliance cost of implementing the PAR 1133 series over the 2025-2039 period was estimated to be $194,925 regardless of the period and the real interest rates used in the analysis.

Rule 1138 – Control of Emissions from Restaurant Operations (Amended September 5, 2025)

Rule 1138 was amended to partially implement Control Measure BCM-12 – Further Emission Reductions from Commercial Cooking, of the PM2.5 Plan, by establishing more stringent thresholds regarding the amount of meat cooked that would qualify an owner or operator of a chain-driven charbroiler for an exemption from certain requirements in the rule by: 1) changing the existing threshold of less than 875 pounds per week to less than 400 pounds per week; and 2) adding a new alternative threshold of less than 10,800 pounds in any continuous 12-month period while maintaining a weekly rate of less than 875 pounds. Amended Rule 1138 also removed outdated provisions.

Approximately 143 facilities were identified as having chain-driven charbroilers that would be subject to amended Rule 1138 requirements due to the potential need of retrofitting the existing equipment with emission control devices. The largest potential compliance costs were expected to involve the purchase, installation and operation of one catalytic oxidizer per facility. The analysis also assumed that all affected facilities would be expected to incur capital costs without net recurring costs. The majority of the potentially affected facilities would qualify as small businesses.

The total present value of compliance costs over the 2026-2035 period were estimated to be $269,010 and $261,250 at a one percent and four percent discount rate, respectively. The annual total aggregate cost was estimated to range from $28,403 and $32,210, at a one percent and four percent interest rate, respectively. It is important to note that due to the prevalence of certified chain-driven charbroilers purchased after 1997 being equipped with emission control devices that

would satisfy the requirements in Rule 1138, it is unlikely that all 143 facilities would need to retrofit their equipment; thus, the analysis likely overestimated the potential socioeconomic impacts of implementing the rule.

Rule 301 – Permitting and Associated Fees (Amended October 3, 2025)

Rule 301 was amended to increase Rule 1180 operating and maintenance fees related to community air monitoring stations. These fees cover costs pertaining to staff salaries and benefits, ongoing expenditures associated with operating 10 air monitoring stations in the Rule 1180 monitoring network, purchasing replacement parts for over 100 continuous air monitoring instruments, and other operational and maintenance costs. Fee impacts associated with this amendment were estimated to be $0.59 million in FY 2025-2026 and $3.19 million in FY 2026-2027 and thereafter. This amendment primarily impacted facilities classified in the petroleum and coal products manufacturing sector.

Rule 1107 – Coating of Metal Parts and Products (Amended December 5, 2025)

Rule 1107 was amended to reduce the risk of exposure to workers, nearby receptors, and the public by phasing out the use of pCBtF and t-BAc due to toxicity concerns when coating metal parts and products by partially implementing Control Measure CTS-01 – Further Emission Reductions From Coatings, Solvents, Adhesives, and Lubricants, of the 2022 AQMP . Amendments to Rule 1107 included: 1) a prohibition for the manufacture, sale, and use of coatings with more than trace levels of pCBtF and t-BAc at future effective dates; 2) sell-through and use through provisions to ensure that manufacturers, distributors, and end users are provided with adequate time to transition to products without pCBtF and/or t-BAc; 3) prohibitions of other toxic compounds in coatings; 4) new provisions to enhance enforceability; and 5) revisions for clarity.

Rule 1107 is applicable to 560 facilities within the South Coast AQMD jurisdiction, the majority of which operate within the Fabricated Metal Product Manufacturing sector. Up to 398 facilities may qualify as small businesses, based on various small-business definitions. Implementation of Rule 1107 was not expected to lead to an increased price of metal coating solvents in South Coast AQMD jurisdiction because upfront reformulation costs were expected to be offset by recurring material cost savings over time. In addition, since the potential replacement solvents generally cost less than pCBtF and/or t-BAc, the transition to using other reformulated coatings was not expected to result in a substantial price increase. Therefore, implementation of Rule 1107 was anticipated to result in minimal to no compliance costs as well as minimal adverse socioeconomic impacts in the region, if any.

Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations (Amended December 5, 2025)

Rule 1469 was amended to reduce the risk of exposure to hexavalent chromium for workers, nearby receptors, and the public by incorporating the 2023 amendments from California Air Resources Board's Chrome ATCM which: 1) phased out hexavalent chromium used for decorative chrome operations and functional chrome operations; 2) prohibited new hexavalent chromium electroplating or chromic acid anodizing facilities; and 3) included enhanced best management

practices and housekeeping requirements. Amendments to Rule 1469 also included clarifications of existing rule requirements, changes to source test deadlines and implementation procedures.

Approximately 72 facilities, with 51 facilities in Los Angeles County, 19 facilities in Orange County, and two facilities in Riverside County were identified as being subject to Rule 1469, with 66 facilities from the Fabricated Metal Product Manufacturing sector and four facilities from the Transportation Equipment Manufacturing sector. Up to 68 affected facilities were identified as qualifying as small businesses, based on the various small business definitions.

Certain provisions in Amended Rule 1469 were taken directly from the Chrome ATCM, such as the permit requirements affecting 42 facilities and the waste storage requirements affecting 68 facilities. However, the compliance costs for these specific provisions were not separate line items in the prior overall cost analysis conducted by CARB in the Standardized Regulatory Impact Assessment for the Chrome ATCM. Thus, for informational purposes, the socioeconomic impact assessment for Rule 1469 identified and analyzed the compliance costs of the permit and waste storage requirements for the facilities located within the South Coast AQMD jurisdiction. For the new requirements added to Rule 1469 that were not in the Chrome ATCM, such as updated tank labeling and restrictions on standing or walking on containment devices, the analysis concluded minimal to no incremental costs as they reflect existing practices or safety measures.

The total present value of the amortized compliance costs over the analysis period from 2025 to 2039 was estimated to be $1,649,861 and $1,323,953 at a one percent four percent discount rate, respectively. The total average annual compliance cost over the same period was estimated to range from $95,713 to $115,162 at a one percent and four percent real interest rate, respectively.

CHAPTER II
ENGINEERING AND PERMITTING ACTIVITIES

ENGINEERING & PERMITTING

JASON ASPELL
DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2025-26 Adopted Budget	$31.9M
FY 2026-27 Proposed Budget	$32.8M
% of FY 2026-27 Proposed Budget	14.6%
Total FTEs FY 2026-27 Proposed Budget	175

DESCRIPTION OF MAJOR SERVICES:

Engineering & Permitting (E&P) is responsible for processing applications for Permits to Construct & Operate, and special services. The permit processing activities involve approximately 300 major facilities that have been issued Title V Federal Operating permits, about 220 facilities in the RECLAIM program, and over 25,000 large and small business operations. In addition, staff also participates in activities with other agencies, assists with Economic Development and Business Retention programs, provides engineering support to other divisions, and evaluates and implements permit backlog reduction and permit streamlining activities, including automation and other permit processing modernization efforts.

ACCOMPLISHMENTS

RECENT:

Staffing

- Continued promotional and recruitment efforts to maintain low E&P vacancy rate. This included the promotion of one Senior Engineering Manager, two Supervising AQ Engineers, two Senior AQ Engineers, and the onboarding of ten new AQ Engineers and one new Staff Specialist during the calendar year.

Permit Production

- Processing almost 2,000 Permits to Construct and over 5,700 applications for Permits, Plans, and ERC during Fiscal Year (FY) 2024-25.
- Set and meeting goal to increase permit production by 500 completions as compared to CY 2023.
- Focused on reducing aged permit applications to the extent possible. Implemented strategic initiatives to reduce aged permit application inventory.
- Issued 260 Title V renewal and modification permits in CY 2025.
- Continued implementation of Rule 1109.1 which includes significant permit application and plan requirements.

Permit Streamlining

- Continued development of Online Permit Processing tools and other automation efforts, including the development and release of a new online Health Risk Assessment tool.
- Developed and launched an updated Permitting webpage to simplify and improve access to frequently sought information.
- Continued support for online applicants for dry cleaning equipment, gasoline dispensing facilities, automotive refinishing spray booths, negative air machines, charbroilers, and small heaters and boilers. Over 1,200 applications were filed online during CY 2025.
- New Emergency IC Engine online permitting module made available to interested stakeholders to apply for a registration permit for smaller certified emergency IC engines.
- Maintained and surpassed Division's Permit Streamlining goal of application delivery to Permitting Teams within an average of 4 business days.
- Streamlined and optimized public notice functions by consolidating processes, fostering greater efficiency, and ensuring a cohesive approach to public communication, thereby enhancing transparency and community engagement.
- Expanded the outreach efforts for Permit Streamlining by adding dedicated Permitting Working Group meetings, more than doubling the number of public participation meetings available to openly discuss and seek stakeholder feedback on ongoing permitting challenges and streamlining updates.

Program Administration and Reporting

- Developed and implemented Action Plan.
- Continued efforts to post all newly issued Title V permits to the internet for online public access on an ongoing basis.
- Continued to maintain the Certified Permitting Professional (CPP) program by reaching out to existing CPP holders to provide support and to update and confirm contact information.
- Conducted a CPP exam for 15 individuals seeking certification as Permitting Professionals.
- Prepared Federal New Source Review (NSR) Equivalency Determination Reports pursuant to Rule 1315.
- Prepared annual report on the NOx and SOx RECLAIM Program in accordance with Rule 2015.
- Prepared semi-annual Title V Operating Permits reports for US EPA.

Other Support and Services

- Assisted in developing and amending South Coast AQMD Rules and Regulations such as Reg. III, Reg. XI, Reg. XIII, Reg. XIV, and other amendments called for under AB 617, including Reg. XX, and incorporating updated Best Available Retrofit Control Technology (BARCT).
- Developed Rule 317.1 processes and conducted public meetings regarding implementation of rule requirements.
- Provided Pre- and Post-application conferences to help permit applicants.
- Participated, reviewed, and provided permit remedies to permit holders throughout CY

- 2025 from Fee Review cases.
- Provided technical support to IM to test and troubleshoot CLASS permitting software programs issues.
- Continued to provide engineering support and/or expert testimony in Hearing Board cases throughout CY 2025.

ANTICIPATED:

Staffing

- Continue to fill vacancies at all levels to assist with permit inventory reduction efforts. An essential component of the Permitting Enhancement Program (PEP) is targeting a division vacancy rate of 10 percent of less to ensure proper staffing levels to meet the division's goals and objectives.
- Continuously enhance our training initiatives by developing and implementing comprehensive programs for all engineers, ensuring their proficiency and success in their roles. Offer a range of learning opportunities, including in-house workshops, online courses, and external training programs, to provide ongoing support for both new engineers and newly promoted seniors and supervisors.
- Establish and formalize a specialized training program for supervisory engineers to cultivate leadership skills, enhance technical expertise, and ensure effective management within the organization.
- Explore third-party technical training programs, aiming to diversify learning resources and provide engineers with valuable external perspectives, expertise, and skills for professional development.

Permit Production

- Monitor and reduce average permit application residence times.
- Continue to complete timely renewal of Title V permits.
- Maintain permit production levels achieved as part of FY 2024-25 targeted efforts.
- Continue to implement action plan to further improve Title V program pursuant to EPA's recommendations:
    a) Continue to prepare expanded Statement of Basis (SOB) for all initial Title V permits, at least 10 percent of Title V renewals, and all De-Minimis and Significant Title V revisions,
    b) Continue efforts to develop automated capability to publish Title V permits online,
    c) Provide more detailed accounts of applicable federal requirements in Title V permits,
    d) Provide public with online access to all issued Title V permits, and
    e) Develop formal policy for sources exiting the Title V program.
- Continue implementation of Rule 1109.1 application processing and reporting (refinery rule associated with RECLAIM sunset).

Permit Streamlining

- Continue efforts to streamline and expedite permit issuance through:

a) Equipment certification/registration programs
b) Streamlined standard permits
c) Expedited Permit Processing Program
d) Maintaining adequate staff resources
e) Improve technical training
f) Revisiting policies and rules

- Continue permit processing modernization efforts through the development of a plan and business model that will facilitate transition to electronic permit application submittal and processing and can be developed in conjunction with online filing.
- Continue the development and deployment of Phase II Online Permitting efforts:
  - Enhancements to Permit Application Status Dashboard based on user feedback, while maintaining existing internal and external-facing elements
  - Remaining Rule 222 Filing & Registration Forms,
  - 400-E-xx Permit Application Forms.
- Continue permit processing modernization efforts through the development of a plan and business model that will facilitate transition to electronic permit application submittal and processing and can be deployed as soon as the development of electronic smart permit applications forms is complete.
- Continue to update and expand the Permit Processing Handbook.
- Continue soliciting stakeholder input on permit application inventory reduction and permit streamlining efforts through Permit Streamlining Task Force subcommittee and Permitting Working Group meetings.
- Continue to enhance the permitting website.
- Continue to develop policies on public notices to ensure accessibility to affected community members.

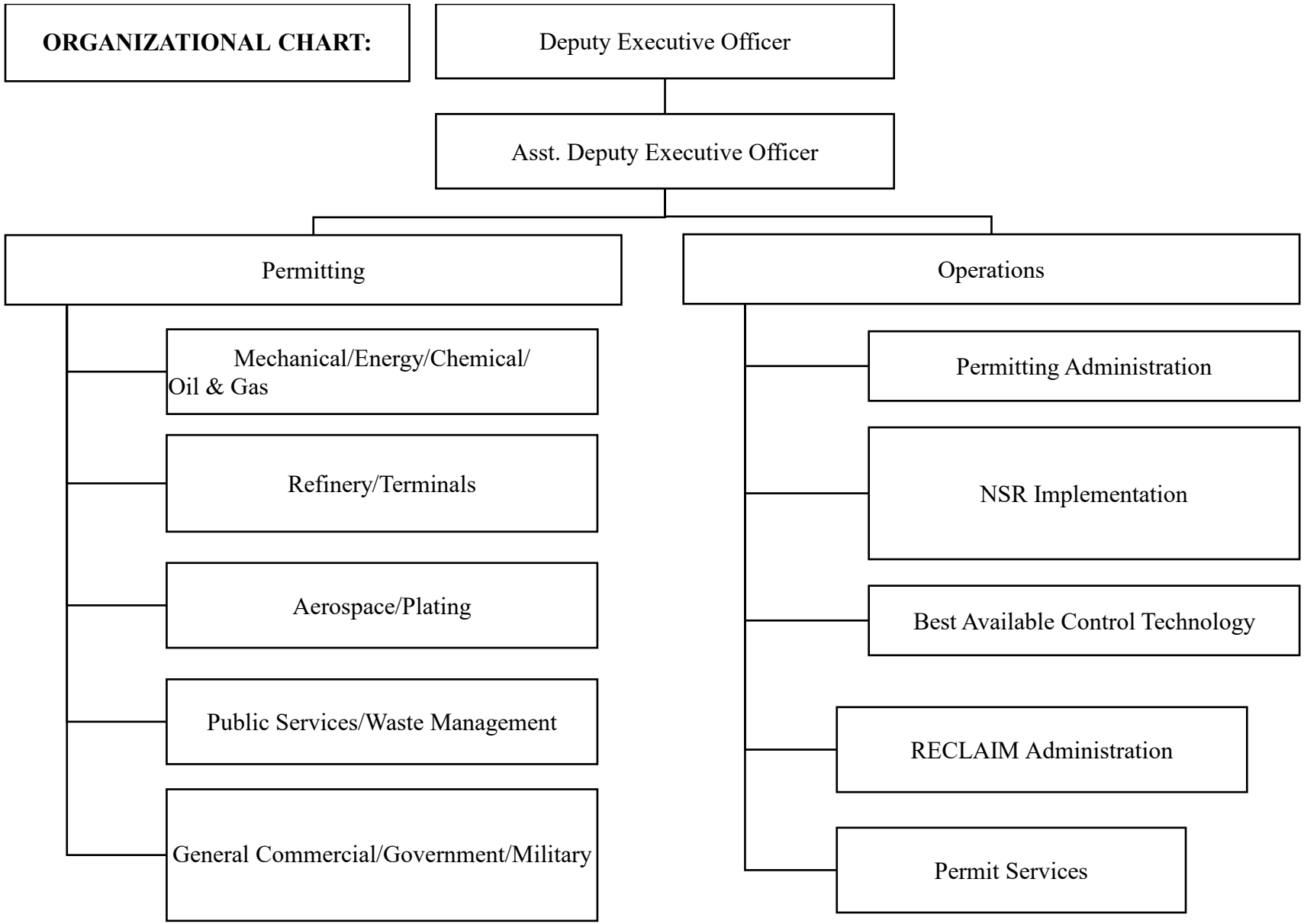
<u>Program Administration and Reporting</u>

- Propose new BACT determinations and updated BACT Guidelines to the Board.
- Continue to improve and monitor the operational and permitting efficiency of permitting teams by:
  - Streamlining workflow,
  - Enhancing permitting tools,
  - Standardizing permit conditions,
  - Reviewing and updating outdated Permitting Policies and Procedures, and
  - Standardizing time and processing status metrics for monitoring permit applications through completion.
- Continue certification testing of Certified Permitting Professionals (CPPs) and develop strategic plan in conjunction with Permit Streamlining Task Force recommendations for leveraging and expanding the benefits from the program.
- Continue to improve customer services and public outreach by:
  - Providing public education by attending public meetings and addressing public concerns,
  - Aiding permit applicants through pre- and post-conferences, and
  - Providing permitting information for Public Record requests.

    - Continuing to offer outreach efforts hosting public meetings to openly discuss and seek stakeholder feedback on ongoing permitting challenges and streamlining updates.
- Continue to evaluate the optional Expedited Permitting Program and propose improvements if warranted.
- Continue to prepare Federal NSR Equivalency Determination Reports pursuant to Rule 1315.
- Continue to prepare annual report on the NOx and SOx RECLAIM Program in accordance with Rule 2015.

Other Support and Services

- Review and comment on Rule 1402 Risk Reduction Plans.
- Continue to provide critical input in developing and amending South Coast AQMD Rules.
- Continue to provide critical input to Compliance & Enforcement in enforcing South Coast AQMD Rules.
- Continue to provide support in Fee Review cases and Hearing Board cases.
- Continue to support the development and rollout of the Source Testing portal, an online platform designed to streamline the process of collecting and reporting data on air emissions.
- Collaborate with IM and other divisions to ensure that the portal is user-friendly, efficient, and fully compliant with relevant regulations.


ORGANIZATIONAL CHART:
Deputy Executive Officer
Asst. Deputy Executive Officer
Permitting
Operations
Mechanical/Energy/Chemical/
Oil & Gas
Refinery/Terminals
Aerospace/Plating
Public Services/Waste Management
General Commercial/Government/Military
Permitting Administration
NSR Implementation
Best Available Control Technology
RECLAIM Administration
Permit Services

POSITION SUMMARY: 175 FTEs

Engineering & Permitting	Amended FY 2025-26	Change	Proposed FY 2026-27
Administration	4	-	4
Engineering	144	3	147
Operations	28	(4)	24
Total	176	(1)	175

POSITION DETAIL:

FTEs	Title
6	Administrative Assistant I
91	Air Quality Engineer II
1	Air Quality Specialist
1	Assistant Deputy Executive Officer
2	Data Technician
1	Deputy Executive Officer
1	Office Assistant
1	Program Supervisor
2	Senior Administrative Assistant
27	Senior Air Quality Engineer
8	Senior Air Quality Engineering Manager
14	Senior Office Assistant
2	Staff Specialist
2	Staff Assistant
14	Supervising Air Quality Engineer
2	Supervising Office Assistant
175	Total FTEs

Permitting Data

During Calendar Year 2025, South Coast AQMD dispositioned a total of 6939 applications. Most of these applications were for Permits to Operate (2411), Plans (778), Area Sources & Certified/ Registrations (1481), and Changes of Operators (599). Also, 1016 permits were not renewed. This data, broken down into nine different categories, is summarized in Table 1, below.

Table – 1 Permit Applications Completed in Calendar Year 2025

Type	Count
Permits to Construct	773
Permits to Operate (PO)*	2411
Changes of Operator (C/O)	599
Denials	24
Cancellations	634
Emission Reduction Credits (ERCs)	33
Plans	778
Title V (TV)/RECLAIM	206
Area Sources & Certified/Registrations	1481
Total	**6939**
Permits Not Renewed	1016

*This includes 1252 applications for Permit to Construct that were issued as Permits to Construct/Operate.

Table 2, on the following pages, contains a breakdown of permits dispositioned (in the nine categories) by type of industry. The type of industry was based on North American Industry Classification System (NAICS) codes, which were provided by the applicant at the time of application filing. The top three NAICS codes were 324110 – Petroleum Refineries, 447110/447190 – Gasoline Service Stations, and 445110 – Supermarkets and Other Grocery Retailers.

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
111998	All Other Miscellaneous Crop Farming	0	0	1	0	0	0	0	0	0	1
112111	Beef Cattle Ranching and Farming	0	0	0	0	0	0	0	1	0	1
112310	Chicken Egg Production	4	0	0	0	0	0	0	0	0	4
112990	All Other Animal Production	1	0	0	0	0	0	0	0	0	1
115112	Soil Preparation, Planting, and Cultivating	0	0	0	0	0	0	0	1	0	1
115114	Postharvest Crop Activities (except Cotton Ginning)	0	0	0	0	0	2	0	4	0	6
211111	Crude Petroleum and Natural Gas Extraction – crude petroleum extraction	3	0	13	0	0	10	2	9	2	39
211120	Crude Petroleum Extraction	0	0	0	0	0	0	0	1	0	1
211130	Natural Gas Extraction	0	0	0	0	0	0	0	1	1	2
212312	Crushed and Broken Limestone Mining and Quarrying	0	0	2	0	0	0	0	0	0	2
212319	Other Crushed and Broken Stone Mining and Quarrying	0	0	0	0	0	4	0	4	5	13
212321	Construction Sand and Gravel Mining	0	0	0	0	0	0	0	5	0	5

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
213112	Support Activities for Oil and Gas Operations	0	0	2	0	0	0	0	6	0	8
221111	Hydroelectric Power Generation	0	0	0	0	0	0	1	0	0	1
221112	Fossil Fuel Electric Power Generation	0	0	10	0	0	2	2	4	6	24
221118	Other Electric Power Generation	2	0	9	8	3	6	3	18	3	52
221122	Electric Power Distribution	1	0	0	0	0	0	0	0	0	1
221210	Natural Gas Distribution	2	0	0	0	0	0	2	6	1	11
221310	Water Supply and Irrigation Systems	15	1	6	0	0	6	9	40	2	79
221320	Sewage Treatment Facilities	1	0	4	0	0	5	8	21	0	39
236115	New Single-Family Housing Construction (except For-Sale Builders)	64	13	1	0	0	0	3	4	0	85
236116	New Multifamily Housing Construction (except For-Sale Builders)	0	0	0	0	0	0	1	0	0	1
236117	New Housing For-Sale Builders	0	0	0	0	0	0	1	0	0	1
236118	Residential Remodelers	0	0	0	0	0	0	1	0	0	1
236210	Industrial Building Construction	0	1	0	0	0	0	0	1	0	2
236220	Commercial and Institutional	0	1	2	0	0	0	1	8	0	12

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Building Construction										
237110	Water and Sewer Line and Related Structures Construction	1	1	0	0	0	0	0	1	0	3
237120	Oil and Gas Pipeline and Related Structures Construction	0	4	0	0	0	1	0	0	0	5
237210	Land Subdivision	1	5	0	0	0	0	13	3	0	22
237310	Highway, Street, and Bridge Construction	0	1	0	0	0	0	0	0	0	1
238110	Poured Concrete Foundation and Structure Contractors	0	0	0	0	0	0	1	5	0	6
238120	Structural Steel and Precast Concrete Contractors	0	0	0	0	0	0	0	1	0	1
238130	Framing Contractors	0	0	0	0	0	0	0	1	0	1
238160	Roofing Contractors	0	0	0	0	0	4	0	0	2	6
238220	Plumbing, Heating, and Air-Conditioning Contractors	0	0	0	0	0	0	1	0	0	1
238310	Drywall and Insulation Contractors	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
238320	Painting and Wall Covering Contractors	0	0	0	0	0	0	0	5	0	5
238910	Site Preparation Contractors	59	1	0	0	0	0	0	0	0	60
238990	All Other Specialty Trade Contractors	29	0	1	0	0	2	0	21	0	53
311224	Soybean and Other Oilseed Processing	0	0	0	0	0	3	0	4	0	7
311230	Breakfast Cereal Manufacturing	2	0	0	0	0	0	0	0	0	2
311412	Frozen Specialty Food Manufacturing	0	1	0	0	0	0	1	1	0	3
311422	Specialty Canning	0	0	0	0	0	0	0	1	0	1
311611	Animal (except Poultry) Slaughtering	0	0	1	0	0	0	1	0	0	2
311612	Meat Processed from Carcasses	0	0	2	0	0	0	0	5	0	7
311613	Rendering and Meat Byproduct Processing	0	0	4	0	0	4	0	2	3	13
311811	Retail Bakeries	2	0	0	0	0	2	0	0	0	4
311812	Commercial Bakeries	3	0	0	0	0	2	2	4	1	12
311821	Cookie and Cracker Manufacturing	10	0	0	0	0	0	0	0	0	10
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing	0	0	0	0	3	13	0	7	0	23

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	from Purchased Flour										
311830	Tortilla Manufacturing	0	0	0	0	0	0	2	0	0	2
311919	Other Snack Food Manufacturing	0	0	16	0	2	3	3	5	2	31
311920	Coffee and Tea Manufacturing	0	2	0	0	0	0	0	1	0	3
311941	Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing	0	1	0	0	0	0	2	0	1	4
311942	Spice and Extract Manufacturing	0	0	0	0	0	1	1	3	1	6
311991	Perishable Prepared Food Manufacturing	0	0	0	0	0	0	3	0	0	3
311999	All Other Miscellaneous Food Manufacturing	0	0	0	0	0	5	8	3	0	16
312111	Soft Drink Manufacturing	0	0	0	0	0	6	0	2	0	8
312120	Breweries	0	0	0	0	0	2	0	2	3	7
312230	Tobacco Manufacturing	0	2	0	0	0	0	0	0	0	2
313210	Broadwoven Fabric Mills	0	0	0	0	0	0	0	4	0	4
313310	Textile and Fabric Finishing Mills	0	0	0	0	0	0	0	1	0	1
313320	Fabric Coating Mills	0	2	1	0	0	0	1	0	0	4
315220	Men's and Boys' Cut and Sew Apparel Manufacturing	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
315990	Apparel Accessories and Other Apparel Manufacturing	0	0	0	0	0	0	0	6	0	6
316210	Footwear Manufacturing	0	0	0	0	0	0	2	0	0	2
316998	All Other Leather Good and Allied Product Manufacturing	0	0	0	0	0	0	0	2	0	2
321114	Wood Preservation	0	0	0	0	0	0	0	2	0	2
321918	Other Millwork (including Flooring)	0	0	0	0	0	0	0	1	0	1
321920	Wood Container and Pallet Manufacturing	0	0	0	0	0	0	0	3	0	3
321991	Manufactured Home (Mobile Home) Manufacturing	0	0	0	0	0	0	0	0	1	1
322121	Paper (except Newsprint) Mills	35	0	0	0	0	0	0	0	0	35
322130	Paperboard Mills	0	0	0	0	0	0	0	0	1	1
322211	Corrugated and Solid Fiber Box Manufacturing	0	0	2	0	0	0	0	20	0	22
322212	Folding Paperboard Box Manufacturing	0	0	1	0	0	0	2	0	0	3
322220	Paper Bag and Coated and Treated Paper Manufacturing	0	11	4	0	0	0	1	2	0	18

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
322291	Sanitary Paper Product Manufacturing	0	0	0	0	0	0	0	1	0	1
323111	Commercial Printing (except Screen and Books)	0	6	3	0	0	3	3	12	1	28
323113	Commercial Screen Printing	0	2	0	0	0	0	0	0	0	2
324110	Petroleum Refineries	0	0	46	5	0	20	13	72	31	187
324121	Asphalt Paving Mixture and Block Manufacturing	0	0	3	0	0	0	0	23	6	32
324122	Asphalt Shingle and Coating Materials Manufacturing	0	0	6	0	0	4	2	8	6	26
324191	Petroleum Lubricating Oil and Grease Manufacturing	0	0	0	0	0	0	0	3	0	3
325120	Industrial Gas Manufacturing	0	0	0	0	0	10	0	2	1	13
325130	Synthetic Dye and Pigment Manufacturing	0	0	0	0	0	0	0	1	0	1
325180	Other Basic Inorganic Chemical Manufacturing	0	0	3	0	0	3	0	36	3	45
325211	Plastics Material and Resin Manufacturing	0	0	0	0	0	0	0	16	3	19
325212	Synthetic Rubber Manufacturing	0	0	2	0	0	5	0	1	1	9
325320	Pesticide and Other Agricultural	0	0	0	0	2	0	0	0	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Chemical Manufacturing										
325411	Medicinal and Botanical Manufacturing	0	0	0	0	0	0	1	1	0	2
325412	Pharmaceutical Preparation Manufacturing	2	11	0	0	0	3	6	9	0	31
325414	Biological Product (except Diagnostic) Manufacturing	1	0	0	0	0	0	0	1	0	2
325510	Paint and Coating Manufacturing	0	0	0	0	0	0	0	8	1	9
325520	Adhesive Manufacturing	0	0	0	0	0	0	0	0	1	1
325611	Soap and Other Detergent Manufacturing	0	0	0	0	0	0	2	8	0	10
325612	Polish and Other Sanitation Good Manufacturing	0	0	0	0	0	0	0	4	0	4
325620	Toilet Preparation Manufacturing	0	0	0	0	0	0	1	2	0	3
325910	Printing Ink Manufacturing	0	2	0	0	0	0	0	0	0	2
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing	0	0	1	0	0	1	1	6	0	9
326140	Polystyrene Foam Product Manufacturing	0	0	2	0	0	0	0	3	3	8
326160	Plastics Bottle Manufacturing	1	0	0	0	0	0	0	10	0	11

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
326191	Plastics Plumbing Fixture Manufacturing	0	0	0	0	0	0	0	0	1	1
326199	All Other Plastics Product Manufacturing	0	0	7	0	7	37	2	14	0	67
326291	Rubber Product Manufacturing for Mechanical Use	0	0	0	0	0	1	0	2	0	3
326299	All Other Rubber Product Manufacturing	0	0	2	0	0	0	0	4	0	6
327211	Flat Glass Manufacturing	0	0	0	0	0	0	0	1	0	1
327213	Glass Container Manufacturing	0	0	0	0	0	0	0	2	1	3
327215	Glass Product Manufacturing Made of Purchased Glass	0	0	2	0	0	0	0	0	0	2
327310	Cement Manufacturing	0	0	0	0	0	0	0	4	0	4
327320	Ready-Mix Concrete Manufacturing	0	6	0	0	0	1	0	11	0	18
327331	Concrete Block and Brick Manufacturing	0	0	0	0	0	0	0	1	0	1
327332	Concrete Pipe Manufacturing	1	0	0	0	0	0	0	0	0	1
327390	Other Concrete Product Manufacturing	0	0	0	0	0	0	0	4	0	4
327420	Gypsum Product Manufacturing	0	0	1	0	0	0	0	0	0	1
327992	Ground or Treated Mineral and Earth Manufacturing	1	0	0	0	0	1	0	1	1	4

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
327999	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing	0	0	0	0	0	0	0	4	0	4
331210	Iron and Steel Pipe and Tube Manufacturing from Purchased Steel	0	0	2	0	0	0	1	0	0	3
331221	Rolled Steel Shape Manufacturing	0	0	2	0	0	0	0	0	0	2
331222	Steel Wire Drawing	0	0	0	0	0	1	0	2	3	6
331313	Alumina Refining and Primary Aluminum Production	0	0	0	0	0	10	0	0	1	11
331318	Other Aluminum Rolling, Drawing, and Extruding	0	0	0	0	0	4	0	6	3	13
331410	Nonferrous Metal (except Aluminum) Smelting and Refining	0	0	0	0	0	0	0	1	0	1
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing, and Extruding	0	0	0	0	0	0	0	1	0	1
331492	Secondary Smelting, Refining, and Alloying of Nonferrous Metal	0	0	0	0	0	7	0	17	2	26

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	(except Copper and Aluminum)										
331513	Steel Foundries (except Investment)	0	0	0	0	0	0	0	2	0	2
331523	Nonferrous Metal Die-Casting Foundries	0	0	0	0	0	0	0	2	0	2
331524	Aluminum Foundries (except Die-Casting)	0	0	0	0	0	0	0	3	0	3
331529	Other Nonferrous Metal Foundries (except Die-Casting)	0	0	1	0	0	0	1	0	0	2
332111	Iron and Steel Forging	0	0	10	0	0	5	0	5	2	22
332112	Nonferrous Forging	0	0	3	0	0	14	1	27	12	57
332119	Metal Crown, Closure, and Other Metal Stamping (except Automotive)	0	0	0	0	0	0	0	4	0	4
332216	Saw Blade and Handtool Manufacturing	0	0	0	0	0	0	0	3	0	3
332312	Fabricated Structural Metal Manufacturing	2	1	0	0	0	1	0	6	0	10
332313	Plate Work Manufacturing	0	0	0	0	0	0	0	5	0	5
332321	Metal Window and Door Manufacturing	0	2	1	0	0	0	0	0	0	3
332322	Sheet Metal Work Manufacturing	0	0	1	0	0	0	0	1	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
332323	Ornamental and Architectural Metal Work Manufacturing	1	0	0	0	0	0	0	2	0	3
332410	Power Boiler and Heat Exchanger Manufacturing	0	0	0	0	0	0	0	1	0	1
332431	Metal Can Manufacturing	1	4	0	0	0	0	0	0	0	5
332439	Other Metal Container Manufacturing	0	0	0	0	0	0	0	2	1	3
332510	Hardware Manufacturing	0	0	0	0	0	0	0	2	0	2
332618	Other Fabricated Wire Product Manufacturing	0	0	0	0	0	0	0	6	0	6
332710	Machine Shops	0	0	0	0	0	5	0	4	0	9
332721	Precision Turned Product Manufacturing	0	0	0	0	0	0	1	0	0	1
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing	0	0	4	0	0	3	0	51	1	59
332811	Metal Heat Treating	0	0	0	0	0	0	1	2	1	4
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers	0	21	9	0	0	2	4	38	3	77
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring	0	16	23	0	0	9	2	52	0	102

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
332912	Fluid Power Valve and Hose Fitting Manufacturing	0	7	0	0	0	0	0	3	0	10
332913	Plumbing Fixture Fitting and Trim Manufacturing	0	0	0	0	0	0	0	3	0	3
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing	0	0	0	0	0	0	0	32	0	32
332996	Fabricated Pipe and Pipe Fitting Manufacturing	0	0	9	1	0	13	0	0	3	26
333120	Construction Machinery Manufacturing	0	0	3	0	0	0	0	13	1	17
333241	Food Product Machinery Manufacturing	0	0	0	0	0	0	2	0	0	2
333248	All Other Industrial Machinery Manufacturing	0	0	2	0	0	0	0	0	0	2
333249	Other Industrial Machinery Manufacturing	0	0	1	0	0	1	0	0	0	2
333310	Commercial and Service Industry Machinery Manufacturing	0	0	0	0	0	0	0	2	0	2
333318	Other Commercial and Service Industry Machinery Manufacturing	0	0	0	0	0	0	0	1	0	1
333413	Industrial and Commercial Fan and Blower and	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Air Purification Equipment Manufacturing										
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing	0	0	0	0	0	0	0	2	0	2
333517	Machine Tool Manufacturing	0	0	0	0	0	0	0	5	0	5
333612	Speed Changer, Industrial High-Speed Drive, and Gear Manufacturing	0	1	0	0	0	0	2	0	0	3
333618	Other Engine Equipment Manufacturing	0	1	0	0	0	0	0	0	0	1
333914	Measuring, Dispensing, and Other Pumping Equipment Manufacturing	0	0	0	0	0	0	0	1	0	1
333924	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturing	0	1	0	0	0	0	0	0	0	1
333991	Power-Driven Handtool Manufacturing	0	0	0	0	0	0	0	1	0	1
333996	Fluid Power Pump and Motor Manufacturing	0	1	0	0	0	0	0	1	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
334112	Computer Storage Device Manufacturing	1	0	0	0	0	0	0	2	0	3
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	0	0	0	0	0	1	0	1	5	7
334290	Other Communications Equipment Manufacturing	0	0	0	0	0	0	0	2	0	2
334413	Semiconductor and Related Device Manufacturing	0	0	0	0	0	0	3	1	1	5
334416	Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing	0	0	0	0	0	0	3	7	2	12
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing	0	0	1	0	0	0	0	10	0	11
334419	Other Electronic Component Manufacturing	0	0	0	0	0	0	1	5	0	6
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	0	0	0	0	0	3	6	7	1	17
334511	Search, Detection, Navigation,	1	0	0	0	0	1	0	1	0	3

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Guidance, Aeronautical, and Nautical System and Instrument Manufacturing										
334512	Automatic Environmental Control Manufacturing for Residential, Commercial, and Appliance Use	0	0	0	0	0	1	0	2	0	3
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables	0	0	0	0	0	0	0	1	0	1
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	0	0	0	0	0	0	1	0	0	1
334516	Analytical Laboratory Instrument Manufacturing	0	0	0	0	0	0	1	10	0	11
335110	Electric Lamp Bulb and Part Manufacturing	0	0	0	0	0	0	0	1	0	1
335129	Other Lighting Equipment Manufacturing	0	0	0	0	0	1	0	1	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
335312	Motor and Generator Manufacturing	0	0	36	0	0	16	0	6	0	58
335313	Switchgear and Switchboard Apparatus Manufacturing	0	0	0	0	0	0	0	2	0	2
335314	Relay and Industrial Control Manufacturing	1	0	1	0	0	0	1	1	0	4
335911	Storage Battery Manufacturing	0	0	3	0	0	0	1	2	0	6
335921	Fiber Optic Cable Manufacturing	0	0	0	0	0	0	0	2	0	2
335931	Current-Carrying Wiring Device Manufacturing	3	1	1	0	0	0	0	12	0	17
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing	0	0	0	0	0	0	0	1	0	1
336110	Automobile and Light Duty Motor Vehicle Manufacturing	0	0	0	0	0	0	0	7	0	7
336211	Motor Vehicle Body Manufacturing	0	0	0	0	0	0	0	8	0	8
336213	Motor Home Manufacturing	0	0	5	0	0	0	0	0	0	5
336390	Other Motor Vehicle Parts Manufacturing	0	0	6	0	0	0	1	7	1	15
336411	Aircraft Manufacturing	0	1	14	0	0	12	5	25	11	68

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
336412	Aircraft Engine and Engine Parts Manufacturing	0	0	0	0	0	6	0	5	2	13
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing	3	0	3	0	0	7	2	9	1	25
336414	Guided Missile and Space Vehicle Manufacturing	0	1	7	4	0	0	0	4	0	16
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing	0	0	0	0	0	0	0	2	0	2
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing	0	0	0	0	0	20	0	3	2	25
336611	Ship Building and Repairing	0	0	0	0	0	0	0	1	0	1
337110	Wood Kitchen Cabinet and Countertop Manufacturing	0	0	0	0	0	0	0	4	0	4
337122	Nonupholstered Wood Household Furniture Manufacturing	0	0	0	0	0	0	0	0	1	1
337127	Institutional Furniture Manufacturing	0	0	1	0	0	0	0	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
337211	Wood Office Furniture Manufacturing	0	0	1	0	0	0	0	0	0	1
337214	Office Furniture (except Wood) Manufacturing	0	0	0	0	0	0	0	0	1	1
339112	Surgical and Medical Instrument Manufacturing	0	0	0	0	0	1	8	10	0	19
339114	Dental Equipment and Supplies Manufacturing	3	0	1	0	0	1	0	7	0	12
339115	Ophthalmic Goods Manufacturing	0	0	4	0	0	0	0	2	0	6
339910	Jewelry and Silverware Manufacturing	0	0	0	0	0	0	0	1	0	1
339920	Sporting and Athletic Goods Manufacturing	0	0	0	0	0	0	0	1	0	1
339991	Gasket, Packing, and Sealing Device Manufacturing	0	0	0	0	0	0	0	1	0	1
339992	Musical Instrument Manufacturing	0	0	0	0	0	0	0	1	0	1
339999	All Other Miscellaneous Manufacturing	0	2	8	0	6	12	3	5	4	40
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	0	0	0	0	0	1	4	0	5
423120	Motor Vehicle Supplies and New	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Parts Merchant Wholesalers										
423140	Motor Vehicle Parts (Used) Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423220	Home Furnishing Merchant Wholesalers	0	0	0	0	0	0	0	2	0	2
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	0	0	0	0	0	0	0	2	0	2
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0	0	0	0	0	0	0	4	0	4
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423410	Photographic Equipment and Supplies Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423510	Metal Service Centers and Other Metal Merchant Wholesalers	0	0	0	0	0	0	1	3	2	6
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment	0	2	3	0	0	0	0	1	0	6

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Merchant Wholesalers										
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers	0	0	23	0	0	0	0	0	0	23
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers	1	0	0	0	0	0	0	0	0	1
423830	Industrial Machinery and Equipment Merchant Wholesalers	0	0	0	0	0	2	0	8	0	10
423840	Industrial Supplies Merchant Wholesalers	0	0	1	0	0	0	1	0	0	2
423930	Recyclable Material Merchant Wholesalers	0	20	3	0	0	0	0	0	0	23
423990	Other Miscellaneous Durable Goods Merchant Wholesalers	1	0	1	0	0	0	0	3	0	5
424110	Printing and Writing Paper Merchant Wholesalers	0	0	0	0	0	0	0	2	0	2
424130	Industrial and Personal Service	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Paper Merchant Wholesalers										
424210	Drugs and Druggists' Sundries Merchant Wholesalers	1	0	0	0	0	0	0	3	0	4
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
424330	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers	0	0	0	0	0	0	1	0	0	1
424350	Clothing and Clothing Accessories Merchant Wholesalers	0	1	0	0	0	0	0	0	0	1
424410	General Line Grocery Merchant Wholesalers	6	0	0	0	0	0	0	0	0	6
424450	Confectionery Merchant Wholesalers	0	0	0	0	0	0	0	7	0	7
424480	Fresh Fruit and Vegetable Merchant Wholesalers	0	0	0	0	0	0	0	3	0	3
424490	Other Grocery and Related Products Merchant Wholesalers	6	1	1	0	1	5	0	3	0	17

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
424690	Other Chemical and Allied Products Merchant Wholesalers	0	0	1	0	0	3	1	18	0	23
424710	Petroleum Bulk Stations and Terminals	0	4	1	0	0	6	7	24	2	44
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	0	0	1	0	0	14	1	12	0	28
424810	Beer and Ale Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
424950	Paint, Varnish, and Supplies Merchant Wholesalers	0	0	0	0	0	8	1	0	0	9
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers	0	0	2	0	0	0	0	4	0	6
441110	New Car Dealers	1	0	1	0	0	1	0	2	0	5
441120	Used Car Dealers	0	0	0	1	0	1	0	3	0	5
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers	0	0	0	0	0	0	0	2	0	2
441310	Automotive Parts and Accessories Stores	8	1	0	0	0	0	0	1	0	10

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
441330	Automotive Parts and Accessories Retailers	0	0	0	0	0	0	0	1	0	1
441340	Tire Dealers	0	4	0	0	0	0	2	1	0	7
442110	Furniture Stores	0	0	0	0	0	0	1	0	0	1
442299	All Other Home Furnishings Stores	5	0	0	0	0	0	0	0	0	5
443142	Electronics Stores	0	0	0	0	0	0	1	4	0	5
444110	Home Centers	0	0	0	0	0	0	0	9	1	10
444120	Paint and Wallpaper Retailers	0	0	0	0	0	0	0	1	0	1
444180	Other Building Material Dealers	0	0	0	0	0	0	0	2	0	2
445110	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	564	0	1	0	0	6	4	5	0	580
445120	Convenience Stores	35	0	1	0	0	16	0	8	0	60
445131	Convenience Retailers	0	0	0	0	0	1	0	4	0	5
445291	Baked Goods Retailers	1	0	0	0	0	0	0	0	0	1
445298	All Other Specialty Food Retailers	0	0	1	0	0	2	0	0	0	3
445299	All Other Specialty Food Stores	0	0	1	0	0	2	1	1	0	5
445310	Beer, Wine, and Liquor Stores	0	0	0	0	0	0	1	1	0	2
446110	Pharmacies and Drug Stores	9	0	1	0	0	0	0	1	0	11
446191	Food (Health) Supplement Stores	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
447110	Gasoline Stations with Convenience Stores	0	86	15	0	0	92	6	78	3	280
447190	Other Gasoline Stations	0	0	13	0	0	106	13	87	3	222
448140	Family Clothing Stores	6	0	0	0	0	0	0	2	0	8
448150	Clothing Accessories Stores	0	0	0	0	0	0	1	0	0	1
448320	Luggage and Leather Goods Stores	0	0	0	0	0	0	0	2	0	2
449122	Window Treatment Retailers	0	0	0	0	0	0	0	2	0	2
449210	Electronics and Appliance Retailers	0	0	0	0	0	0	1	2	0	3
452111	Department Stores (except Discount Department Stores)	0	0	0	0	0	0	4	0	0	4
452210	Department Stores	1	0	0	0	0	0	21	0	0	22
452311	Warehouse Clubs and Supercenters	4	0	0	0	2	4	0	6	0	16
452910	Warehouse Clubs and Supercenters	0	0	0	0	1	1	0	1	0	3
453220	Gift, Novelty, and Souvenir Stores	0	0	0	0	0	0	1	0	0	1
453930	Manufactured (Mobile) Home Dealers	0	0	0	0	0	0	0	1	0	1
453998	All Other Miscellaneous Store Retailers	3	0	0	0	0	0	0	3	0	6

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	(except Tobacco Stores)										
454110	Electronic Shopping and Mail-Order Houses	0	0	0	0	0	0	0	3	0	3
454310	Fuel Dealers	0	0	0	0	0	0	0	2	0	2
454390	Other Direct Selling Establishments	0	0	0	0	0	0	1	0	0	1
455110	Department Stores	0	0	0	0	0	1	0	2	0	3
455211	Warehouse Clubs and Supercenters	0	0	0	0	0	0	0	2	0	2
456120	Cosmetics, Beauty Supplies, and Perfume Retailers	0	0	0	0	0	0	0	1	0	1
457120	Other Gasoline Stations	0	7	0	0	0	20	2	15	0	44
457210	Fuel Dealers	0	0	0	0	0	2	0	1	0	3
458110	Clothing and Clothing Accessories Retailers	0	0	0	0	0	0	0	3	0	3
458210	Shoe Retailers	0	0	0	0	0	0	0	1	0	1
459120	Hobby, Toy, and Game Retailers	0	1	0	0	0	0	0	0	0	1
459210	Book Retailers and News Dealers	0	0	1	0	0	0	0	7	0	8
459991	Tobacco, Electronic Cigarette, and	0	1	0	0	0	1	0	0	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Other Smoking Supplies Retailers										
459999	All Other Miscellaneous Retailers	1	0	0	0	0	1	0	11	0	13
481219	Other Nonscheduled Air Transportation	0	4	0	0	0	0	0	0	0	4
484110	General Freight Trucking, Local	1	0	2	0	0	0	0	3	0	6
484121	General Freight Trucking, Long-Distance, Truckload	2	0	4	0	0	0	0	1	0	7
484122	General Freight Trucking, Long-Distance, Less Than Truckload	0	0	0	0	0	0	0	1	0	1
485111	Mixed Mode Transit Systems	0	0	0	0	0	0	1	0	0	1
485112	Commuter Rail Systems	0	0	0	0	0	0	0	1	0	1
485113	Bus and Other Motor Vehicle Transit Systems	0	0	0	0	0	0	0	3	0	3
485320	Limousine Service	0	0	0	0	0	1	0	0	0	1
485410	School and Employee Bus Transportation	0	0	0	0	0	0	0	1	0	1
486110	Pipeline Transportation of Crude Oil	0	0	1	0	0	0	0	4	1	6
486210	Pipeline Transportation of Natural Gas	1	0	0	0	0	9	0	5	1	16

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
486910	Pipeline Transportation of Refined Petroleum Products	0	0	0	0	0	1	3	1	1	6
487110	Scenic and Sightseeing Transportation, Land	0	0	15	0	0	0	0	0	0	15
488111	Air Traffic Control	1	0	0	0	0	0	0	0	0	1
488119	Other Airport Operations	0	3	3	0	0	0	2	19	1	28
488190	Other Support Activities for Air Transportation	0	0	2	0	0	1	0	15	6	24
488210	Support Activities for Rail Transportation	0	0	0	0	0	1	1	0	0	2
488310	Port and Harbor Operations	0	0	0	0	0	1	2	1	1	5
488320	Marine Cargo Handling	0	0	0	0	0	0	0	5	0	5
488410	Motor Vehicle Towing	0	1	0	0	0	1	0	1	0	3
488999	All Other Support Activities for Transportation	0	0	1	0	0	0	0	2	0	3
491110	Postal Service	1	0	0	0	0	0	3	0	0	4
493110	General Warehousing and Storage	9	5	2	0	0	0	2	76	0	94
493190	Other Warehousing and Storage	0	0	0	0	0	0	1	0	1	2
511110	Newspaper Publishers	0	0	0	0	0	0	2	5	0	7

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
511210	Software Publishers	0	0	0	0	0	0	3	0	0	3
512110	Motion Picture and Video Production	5	0	4	0	0	2	9	9	0	29
512120	Motion Picture and Video Distribution	0	0	0	0	0	0	0	1	0	1
512199	Other Motion Picture and Video Industries	0	0	0	0	0	0	1	0	0	1
512240	Sound Recording Studios	0	0	0	0	0	0	2	0	0	2
512250	Record Production and Distribution	0	1	1	0	0	0	1	0	0	3
516120	Television Broadcasting Stations	0	0	0	0	0	0	0	1	0	1
516210	Media Streaming Distribution Services, Social Networks, and Other Media Networks and Content Providers	0	0	1	0	0	0	1	0	0	2
517112	Wireless Telecommunications Carriers (except Satellite)	0	0	1	0	0	0	0	1	0	2
517210	Wireless Telecommunications Carriers (except Satellite)	1	0	0	0	0	0	0	5	0	6
517311	Wired Telecommunications Carriers	0	0	0	0	0	0	0	4	0	4

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
517312	Wireless Telecommunications Carriers (except Satellite)	2	0	2	0	0	0	0	29	0	33
517810	All Other Telecommunications	0	3	0	0	0	0	0	0	0	3
517911	Telecommunications Resellers	0	0	0	0	0	0	2	14	0	16
517919	All Other Telecommunications	0	0	0	0	0	0	5	0	0	5
518210	Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	0	0	15	0	0	0	0	3	0	18
519120	Libraries and Archives	0	0	0	0	0	0	2	3	0	5
519130	Internet Publishing and Broadcasting and Web Search Portals	0	0	0	0	0	0	1	0	0	1
519290	Web Search Portals and All Other Information Services	1	0	0	0	0	0	1	0	0	2
522110	Commercial Banking	0	0	0	0	0	0	7	0	0	7
522130	Credit Unions	0	0	2	0	0	1	4	2	1	10
522291	Consumer Lending	0	0	0	0	0	0	1	0	0	1
522292	Real Estate Credit	0	0	0	0	0	0	2	0	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
522310	Mortgage and Nonmortgage Loan Brokers	0	0	0	0	0	0	7	0	0	7
523910	Miscellaneous Intermediation	1	0	1	0	0	3	6	3	0	14
523930	Investment Advice	0	0	0	0	0	0	1	0	0	1
523940	Portfolio Management and Investment Advice	0	0	0	0	0	2	0	0	0	2
523999	Miscellaneous Financial Investment Activities	0	0	0	0	0	0	1	0	0	1
524113	Direct Life Insurance Carriers	0	0	0	0	0	0	1	0	0	1
524126	Direct Property and Casualty Insurance Carriers	0	1	0	0	0	0	3	0	0	4
525920	Trusts, Estates, and Agency Accounts	0	0	0	0	0	0	0	6	0	6
525990	Other Financial Vehicles	0	2	0	0	0	0	0	0	0	2
531110	Lessors of Residential Buildings and Dwellings	0	18	2	0	0	2	10	41	0	73
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	0	12	0	0	0	2	11	4	0	29
531130	Lessors of Miniwarehouses and Self-Storage Units	1	0	0	0	0	0	0	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
531190	Lessors of Other Real Estate Property	0	0	0	0	0	0	2	1	0	3
531210	Offices of Real Estate Agents and Brokers	1	0	2	1	0	2	13	6	1	26
531311	Residential Property Managers	0	0	0	0	0	0	2	1	0	3
531312	Nonresidential Property Managers	3	0	2	0	0	0	13	3	0	21
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	0	0	0	0	0	0	0	1	0	1
532299	All Other Consumer Goods Rental	0	0	0	0	0	0	0	1	0	1
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing	0	0	2	0	0	1	2	7	0	12
532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	0	1	1	0	0	0	0	0	0	2
541110	Offices of Lawyers	0	0	0	0	0	0	2	1	0	3
541191	Title Abstract and Settlement Offices	0	3	0	0	0	0	0	0	0	3
541211	Offices of Certified Public Accountants	0	0	0	0	0	1	0	1	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
541214	Payroll Services	0	0	0	0	0	0	0	1	0	1
541320	Landscape Architectural Services	1	0	0	0	0	0	3	0	0	4
541330	Engineering Services	0	1	27	0	0	3	2	8	0	41
541380	Testing Laboratories and Services	0	2	4	0	0	1	1	4	0	12
541410	Interior Design Services	0	0	0	0	0	0	0	1	0	1
541511	Custom Computer Programming Services	0	0	1	0	0	0	2	7	0	10
541519	Other Computer Related Services	0	0	0	0	0	0	0	2	0	2
541611	Administrative Management and General Management Consulting Services	0	3	0	0	0	0	2	4	0	9
541613	Marketing Consulting Services	1	0	0	0	3	2	0	0	0	6
541618	Other Management Consulting Services	3	0	0	0	0	1	2	1	0	7
541620	Environmental Consulting Services	88	0	1	0	0	0	1	13	0	103
541712	Research and Development in the Physical, Engineering, and	6	0	0	0	0	0	8	4	0	18

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Life Sciences (except Biotechnology) – nanotechnology research and experimental development laboratories										
541714	Research and Development in Biotechnology (except Nanobiotechnology)	1	0	0	0	0	0	0	0	0	1
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	0	0	0	0	0	0	1	7	0	8
541810	Advertising Agencies	0	0	0	0	0	0	1	0	0	1
541860	Direct Mail Advertising	0	0	0	0	0	1	1	2	0	4
541910	Marketing Research and Public Opinion Polling	0	0	1	0	0	0	0	0	1	2
541922	Commercial Photography	0	0	0	0	0	0	0	2	0	2
541940	Veterinary Services	0	0	0	0	0	0	0	1	0	1
541990	All Other Professional,	2	0	2	0	0	1	2	6	1	14

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Scientific, and Technical Services										
551112	Offices of Other Holding Companies	0	1	1	0	0	0	2	2	0	6
561110	Office Administrative Services	0	0	0	0	0	2	13	5	0	20
561210	Facilities Support Services	14	0	0	0	0	0	0	0	0	14
561311	Employment Placement Agencies	0	0	0	0	0	0	0	1	0	1
561499	All Other Business Support Services	2	0	1	0	0	3	3	12	0	21
561710	Exterminating and Pest Control Services	0	0	0	0	0	0	0	0	3	3
561720	Janitorial Services	24	6	0	0	0	2	0	2	0	34
561730	Landscaping Services	0	0	0	0	0	0	0	1	0	1
561790	Other Services to Buildings and Dwellings	0	0	0	0	0	0	0	1	0	1
561910	Packaging and Labeling Services	0	0	0	0	0	0	0	1	0	1
561920	Convention and Trade Show Organizers	0	0	0	0	0	0	1	0	0	1
561990	All Other Support Services	4	0	1	0	0	0	7	4	0	16
562111	Solid Waste Collection	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
562112	Hazardous Waste Collection	4	0	0	0	0	0	0	0	0	4
562119	Other Waste Collection	0	0	0	0	0	0	0	1	0	1
562211	Hazardous Waste Treatment and Disposal	0	3	2	2	0	0	5	9	1	22
562212	Solid Waste Landfill	0	0	21	0	0	7	6	13	0	47
562219	Other Nonhazardous Waste Treatment and Disposal	0	0	15	0	0	1	0	0	0	16
562910	Remediation Services	46	0	3	0	0	0	0	7	0	56
562920	Materials Recovery Facilities	6	0	0	0	0	0	0	2	0	8
562991	Septic Tank and Related Services	3	0	0	0	0	0	0	0	0	3
611110	Elementary and Secondary Schools	0	0	1	0	0	1	17	16	0	35
611210	Junior Colleges	3	0	0	0	0	1	6	1	0	11
611310	Colleges, Universities, and Professional Schools	6	0	5	0	0	2	16	16	2	47
611610	Fine Arts Schools	0	0	0	0	0	0	1	0	0	1
611620	Sports and Recreation Instruction	0	0	0	0	0	0	0	3	0	3
621111	Offices of Physicians	1	0	0	0	0	0	6	6	0	13

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	(except Mental Health Specialists)										
621112	Offices of Physicians, Mental Health Specialists	0	0	0	0	0	0	1	1	0	2
621210	Offices of Dentists	0	0	1	0	0	0	1	0	0	2
621399	Offices of All Other Miscellaneous Health Practitioners	0	0	0	0	0	0	0	1	0	1
621491	HMO Medical Centers	0	0	0	0	0	1	1	0	0	2
621492	Kidney Dialysis Centers	0	0	0	0	0	0	0	1	0	1
621493	Freestanding Ambulatory Surgical and Emergency Centers	0	0	0	0	0	0	0	2	0	2
621498	All Other Outpatient Care Centers	0	0	0	0	0	0	0	1	0	1
621511	Medical Laboratories	0	1	0	0	0	0	2	2	0	5
621999	All Other Miscellaneous Ambulatory Health Care Services	0	0	2	0	0	4	4	2	0	12
622110	General Medical and Surgical Hospitals	11	16	6	0	0	9	34	18	0	94

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
622210	Psychiatric and Substance Abuse Hospitals	0	0	1	0	0	1	2	12	1	17
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals	0	0	0	0	0	0	8	0	0	8
623110	Nursing Care Facilities (Skilled Nursing Facilities)	2	1	0	0	0	0	0	3	0	6
623210	Residential Intellectual and Developmental Disability Facilities	0	0	0	0	0	1	0	1	0	2
623220	Residential Mental Health and Substance Abuse Facilities	0	0	0	0	0	0	0	1	0	1
623311	Continuing Care Retirement Communities	1	0	0	0	0	1	1	1	0	4
623990	Other Residential Care Facilities	0	0	0	0	0	0	0	1	0	1
624110	Child and Youth Services	0	0	0	0	0	0	1	0	0	1
624120	Services for the Elderly and Persons with Disabilities	0	0	0	0	0	0	0	2	0	2
624190	Other Individual and Family Services	0	0	0	0	0	0	3	1	0	4
624210	Community Food Services	1	0	0	0	0	0	0	0	0	1
624310	Vocational Rehabilitation Services	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
711110	Theater Companies and Dinner Theaters	1	0	0	0	0	0	0	0	0	1
711190	Other Performing Arts Companies	1	0	0	0	0	0	1	1	0	3
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	0	0	0	0	0	0	5	0	0	5
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	0	0	0	0	0	0	3	1	0	4
711510	Independent Artists, Writers, and Performers	0	0	0	0	0	0	3	3	0	6
712110	Museums	1	0	0	0	0	0	1	1	0	3
713110	Amusement and Theme Parks	7	0	0	0	0	0	0	7	3	17
713910	Golf Courses and Country Clubs	1	0	0	0	0	1	0	3	0	5
713920	Skiing Facilities	0	0	0	0	0	0	2	2	1	5
713940	Fitness and Recreational Sports Centers	0	1	0	0	0	0	1	1	0	3
713990	All Other Amusement and Recreation Industries	0	0	0	0	0	0	1	1	0	2
721110	Hotels (except Casino Hotels) and Motels	3	4	2	0	0	0	17	5	0	31
721120	Casino Hotels	0	0	0	0	0	0	2	0	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
721191	Bed-and-Breakfast Inns	0	0	0	0	0	2	1	0	1	4
722410	Drinking Places (Alcoholic Beverages)	1	0	0	0	0	0	0	0	0	1
722511	Full-Service Restaurants	20	0	2	0	0	0	5	1	0	28
722513	Limited-Service Restaurants	7	0	1	0	0	1	1	6	0	16
722515	Snack and Nonalcoholic Beverage Bars	0	0	0	0	0	0	1	0	0	1
811111	General Automotive Repair	2	11	3	0	0	3	0	34	0	53
811114	Specialized Automotive Repair	0	1	0	0	0	0	0	0	0	1
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	0	1	1	0	0	2	0	1	0	5
811121	Automotive Body, Paint, and Interior Repair and Maintenance	0	61	3	1	0	1	1	74	1	142
811122	Automotive Glass Replacement Shops	0	0	0	0	0	0	0	1	0	1
811191	Automotive Oil Change and Lubrication Shops	0	0	0	0	0	0	0	1	0	1
811192	Car Washes	0	0	0	0	0	0	0	1	0	1
811198	All Other Automotive Repair and Maintenance	0	0	1	0	0	2	0	6	0	9
811219	Other Electronic and Precision	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	Equipment Repair and Maintenance										
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	0	0	3	0	0	0	8	1	0	12
811412	Appliance Repair and Maintenance	14	0	0	0	0	0	2	4	0	20
811490	Other Personal and Household Goods Repair and Maintenance	0	0	0	0	0	0	0	1	0	1
812112	Beauty Salons	0	0	0	0	0	0	1	0	0	1
812210	Funeral Homes and Funeral Services	0	0	0	0	0	4	0	3	0	7
812220	Cemeteries and Crematories	0	1	0	0	0	2	0	3	0	6
812310	Coin-Operated Laundries and Drycleaners	0	1	2	0	0	0	2	1	0	6
812320	Drycleaning and Laundry Services (except Coin-Operated)	0	38	0	0	0	0	3	24	0	65
812331	Linen Supply	0	0	0	0	0	0	1	0	0	1
812332	Industrial Launderers	0	0	0	0	0	1	0	3	0	4
812921	Photofinishing Laboratories	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
	(except One-Hour)										
812930	Parking Lots and Garages	0	2	1	0	0	0	0	1	2	6
812990	All Other Personal Services	1	0	0	0	0	6	1	5	0	13
813110	Religious Organizations	0	0	1	0	0	0	0	2	0	3
813212	Voluntary Health Organizations	0	0	0	0	0	0	0	1	0	1
813312	Environment, Conservation and Wildlife Organizations	1	0	0	0	0	0	0	0	0	1
813319	Other Social Advocacy Organizations	0	0	0	0	0	0	2	1	0	3
813410	Civic and Social Organizations	0	0	0	0	0	0	0	2	0	2
813910	Business Associations	0	0	0	0	0	0	2	0	0	2
813990	Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)	0	0	0	0	0	0	0	2	0	2
921110	Executive Offices	16	0	3	0	0	0	10	7	1	37
921120	Legislative Bodies	0	0	0	0	0	1	1	1	0	3
921130	Public Finance Activities	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
921190	Other General Government Support	4	0	4	0	0	2	6	9	0	25
922110	Courts	0	0	0	0	0	0	27	0	0	27
922120	Police Protection	0	0	1	0	0	0	8	7	0	16
922130	Legal Counsel and Prosecution	0	0	0	0	0	0	2	3	0	5
922140	Correctional Institutions	0	0	0	0	0	0	0	1	0	1
922160	Fire Protection	1	0	1	0	0	0	0	6	0	8
923110	Administration of Education Programs	0	0	0	0	0	0	0	1	0	1
923120	Administration of Public Health Programs	1	0	0	0	0	0	0	0	0	1
923130	Administration of Human Resource Programs (except Education, Public Health, and Veterans' Affairs Programs)	0	0	0	0	0	0	0	2	0	2
924110	Administration of Air and Water Resource and Solid Waste Management Programs	0	0	3	0	0	1	0	3	0	7

Table 2- Calendar Year 2025 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/ TV	Grand Total
924120	Administration of Conservation Programs	1	0	0	0	0	1	1	1	0	4
926120	Regulation and Administration of Transportation Programs	1	0	1	0	0	1	1	1	0	5
926130	Regulation and Administration of Communications, Electric, Gas, and Other Utilities	0	0	0	0	1	1	0	1	2	5
927110	Space Research and Technology	1	0	0	0	0	0	1	0	0	2
928110	National Security	1	0	2	0	0	3	0	3	1	10
XXXXXX	Uncategorized	225	128	42	1	2	38	115	242	0	793
Total		**1,481**	**599**	**634**	**24**	**33**	**773**	**778**	**2,411**	**206**	**6,939**

Annualized Publication of Emission Reduction Credit (ERC) And Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2024-25[2] (California Health and Safety Code Section 40452)

Pursuant to paragraph (c) of section 40452 of the California Health and Safety Code, this report summarizes data on emission offset transactions and applications, by pollutant, during the previous fiscal year. Note that during Fiscal Year 2024-25, no applications were denied for a permit for a new source for the reason of failure to provide the required emission offsets.

Table 3 summarizes privately held Emission Reduction Credit (ERC) and Short Term Emission Reduction Credit (STERC) transactions for Fiscal Year 2024-25, including totals, by pollutant, of the number of emission offset transactions and the quantity of emission offsets transferred in units of pounds per day and tons per year. Table 4 summarizes ERC banking applications processed during Fiscal Year 2024-25, including the number of newly generated STERCs by pollutant in units of pounds per day and tons per year.

Tables 5 and 6 provide details on the amount of each emission offset transaction and processed ERC banking application, respectively.

Table 3: Emission Offset Transactions – Fiscal Year 2024-25

Criteria Pollutant	Number of Emission Offset Transfer Transactions[3]				Quantity of Emission Offsets Transferred[4] (lb/day)				Annualized Quantity of Emission Offsets Transferred[3] (ton/year[5])			
	ERC	STERC[6]	STERC[7]	TOTAL	ERC	STERC[5]	STERC[6]	TOTAL	ERC	STERC[5]	STERC[6]	TOTAL
ROG	16	1	0	17	193	2	0	195	35.3	0.4	0	35.7
NOX	3	0	0	3	64	0	0	64	11.7	0	0	11.7
SOX	1	1	0	2	3	2	0	5	0.5	0.4	0	0.9
CO	0	0	0	0	0	0	0	0	0	0	0	0
PM10	1	0	0	1	2	0	0	2	0.4	0	0	0.4

Table 4: Emission Offset Applications – Fiscal Year 2024-25

Criteria Pollutant	Number of Banking Applications Resulting in the Issuance of New STERCs[8]	Quantity of Emission Reductions Achieved (STERCs)[9] (lb/day)	Annualized Quantity of Emission Reductions Achieved[8] (ton/year[10])
ROG	5	11	2.0
NOX	0	0	0

[2] This report does not include RECLAIM Trading Credit (RTC) transactions.
[3] Includes all emission offset certificates that transferred ownership.
[4] Includes the total amount of emission offsets transferred.
[5] Sum of individual transactions in Table 5.
[6] STERC transfer transactions including the long-term emission offset, those that have an ending year of 9999.
[7] STERC transfer transactions not including the long-term emission offset in which the emission offset with the greatest year is treated like a long term emission offset.
[8] Includes all emission offset applications resulting in the generation of new certificates.
[9] Includes the total amount of emission offsets generated.
[10] Sum of individual transactions in Table 6.

SOX	0	0	0
CO	0	0	0
PM10	0	0	0

Table 5: Emission Offset Transaction Summary – Fiscal Year 2024-25
Sorted by Pollutant and Amount

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2425-001	ROG	8	1.5	ERC	N/A	N/A
SC2425-002	ROG	3	0.5	ERC	N/A	N/A
SC2425-003	ROG	8	1.5	ERC	N/A	N/A
SC2425-004	ROG	12	2.2	ERC	N/A	N/A
SC2425-005	ROG	23	4.2	ERC	N/A	N/A
SC2425-006	ROG	10	1.8	ERC	N/A	N/A
SC2425-007	ROG	3	0.5	ERC	N/A	N/A
SC2425-008	ROG	8	1.5	ERC	N/A	N/A
SC2425-009	ROG	24	4.4	ERC	N/A	N/A
SC2425-010	ROG	2	0.4	STERC	2021	9999
SC2425-011	ROG	9	1.6	ERC	N/A	N/A
SC2425-012	ROG	19	3.5	ERC	N/A	N/A
SC2425-013	ROG	29	5.3	ERC	N/A	N/A
SC2425-014	ROG	8	1.5	ERC	N/A	N/A
SC2425-015	ROG	13	2.4	ERC	N/A	N/A
SC2425-016	ROG	13	2.4	ERC	N/A	N/A
SC2425-017	ROG	3	0.5	ERC	N/A	N/A
Total		**195**	**35.7**	**N/A**		

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2425-018	NOX	53	9.7	ERC	N/A	N/A
SC2425-019	NOX	1	0.2	ERC	N/A	N/A
SC2425-020	NOX	10	1.8	ERC	N/A	N/A
Total		**64**	**11.7**	**N/A**		

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2425-021	SOX	3	0.5	ERC	N/A	N/A
SC2425-022	SOX	2	0.4	STERC	2014	9999
Total		**5**	**0.9**	**N/A**		

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
N/A	CO	No Records				
Total		**0**	**0**	**N/A**		

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2425-023	PM10	2	0.4	ERC	N/A	N/A
Total		**2**	**0.4**	**N/A**		

Table 6: Emission Offset Application Summary – Fiscal Year 2022-23
Sorted by Pollutant and Amount

SCAQMD NO.	POLLUTANT	AMOUNT[10] (LB/DAY)	AMOUNT[10] (TON/YR)	TYPE	START YEAR	END YEAR
SC2425-024	ROG	2	0.4	STERC	2024	2024
SC2425-025	ROG	2	0.4	STERC	2025	2025
SC2425-026	ROG	2	0.4	STERC	2026	2026
SC2425-027	ROG	2	0.4	STERC	2027	2027
SC2425-028	ROG	2	0.4	STERC	2028	2028
SC2425-029	ROG	2	0.4	STERC	2029	2029
SC2425-030	ROG	2	0.4	STERC	2030	2030
SC2425-031	ROG	2	0.4	STERC	2031	9999
SC2425-032	ROG	4	0.7	STERC	2024	2024
SC2425-033	ROG	4	0.7	STERC	2025	2025
SC2425-034	ROG	4	0.7	STERC	2026	2026
SC2425-035	ROG	4	0.7	STERC	2027	2027
SC2425-036	ROG	4	0.7	STERC	2028	2028
SC2425-037	ROG	4	0.7	STERC	2029	2029
SC2425-038	ROG	4	0.7	STERC	2030	2030
SC2425-039	ROG	4	0.7	STERC	2031	9999
SC2425-040	ROG	1	0.2	STERC	2024	2024
SC2425-041	ROG	1	0.2	STERC	2025	2025
SC2425-042	ROG	1	0.2	STERC	2026	2026
SC2425-043	ROG	1	0.2	STERC	2027	2027
SC2425-044	ROG	1	0.2	STERC	2028	2028
SC2425-045	ROG	1	0.2	STERC	2029	2029
SC2425-046	ROG	1	0.2	STERC	2030	2030
SC2425-047	ROG	1	0.2	STERC	2031	9999

SCAQMD NO.	POLLUTANT	AMOUNT[10] (LB/DAY)	AMOUNT[10] (TON/YR)	TYPE	START YEAR	END YEAR
SC2425-048	ROG	3	0.5	STERC	2024	2024
SC2425-049	ROG	3	0.5	STERC	2025	2025
SC2425-050	ROG	3	0.5	STERC	2026	2026
SC2425-051	ROG	3	0.5	STERC	2027	2027
SC2425-052	ROG	3	0.5	STERC	2028	2028
SC2425-053	ROG	3	0.5	STERC	2029	2029
SC2425-054	ROG	3	0.5	STERC	2030	2030
SC2425-055	ROG	3	0.5	STERC	2031	9999
SC2425-056	ROG	1	0.2	STERC	2024	2024
SC2425-057	ROG	1	0.2	STERC	2025	2025
SC2425-058	ROG	1	0.2	STERC	2026	2026
SC2425-059	ROG	1	0.2	STERC	2027	2027
SC2425-060	ROG	1	0.2	STERC	2028	2028
SC2425-061	ROG	1	0.2	STERC	2029	2029
SC2425-062	ROG	1	0.2	STERC	2030	2030
SC2425-063	ROG	1	0.2	STERC	2031	9999
Total		**11**	**2.0**	**N/A**		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT[10] (LB/DAY)	AMOUNT[10] (TON/YR)	TYPE	START YEAR	END YEAR
NA	NOX	No Records				
Total		**0**	**0**	**N/A**		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT[10] (LB/DAY)	AMOUNT[10] (TON/YR)	TYPE	START YEAR	END YEAR
NA	SOX	No Records				
Total		**0**	**0**	**N/A**		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT[10] (LB/DAY)	AMOUNT[10] (TON/YR)	TYPE	START YEAR	END YEAR
NA	CO	No Records				
Total		**0**	**0**	**N/A**		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT[10] (LB/DAY)	AMOUNT[10] (TON/YR)	TYPE	START YEAR	END YEAR
NA	PM10	No Records				
Total		**0**	**0**	**N/A**		

[10] To avoid over counting, only long-term emission offsets, those that have an ending year of 9999, are quantified.

CHAPTER III
FISCAL YEAR 2026-2027 BUDGET

Due to the bulk of this material, Chapter III is available online Adopted FY 2026-27 Budget. Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.

CHAPTER IV
CLEAN FUELS PROGRAM 2024 ANNUAL REPORT AND 2025 PLAN UPDATE

Due to the bulk of this material, Chapter IV is available online at 2025 Annual Report & 2026 Plan Update. Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.

CHAPTER V
ANNUAL RECLAIM AUDIT REPORT FOR 2024 COMPLIANCE YEAR

*Due to the bulk of this material, Chapter V is available online at **2024 RECLAIM Report**. Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.*

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 13

REPORT: Annual Audited Financial Statements for FY Ended June 30, 2026

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

COMMITTEE: Administrative, November 13, 2026, Reviewed

RECOMMENDED ACTION:
Receive and file South Coast AQMD's Annual Comprehensive Financial Report, Single Audit Report, and Audit Communication Letter for the FY ended June 30, 2026.

Wayne Nastri
Executive Officer

SJ:gp

Background
The audit of South Coast AQMD financial statements, along with the Single Audit Report for the FY ended June 30, 2026, have been completed by Simpson & Simpson, LLP. South Coast AQMD has received an unmodified opinion on its financial statements. An unmodified opinion is the highest obtainable opinion, assuring interested parties that South Coast AQMD's financial statements fairly present the agency's financial position.

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

Annual Comprehensive Financial Report 2026

Year Ended June 30, 2026



South Coast Air Quality Management District

Diamond Bar, California

MISSION STATEMENT

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

South Coast
Air Quality Management District

Diamond Bar, California

Annual Comprehensive Financial Report

Year Ended June 30, 2026

Prepared by:
Finance Office
Sujata Jain, Chief Financial Officer

Annual Comprehensive Financial Report
Year Ended June 30, 2026

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD
June 30, 2026

MICHAEL A. CACCIOTTI
Chair
Cities of Los Angeles County
Eastern Region Representative

LARRY McCALLON
Vice Chair
Cities of San Bernardino County
Representative

PATRICIA LOCK DAWSON
Cities of Riverside County Representative

VANESSA DELGADO
Senate Rules Committee Representative

CURT HAGMAN
County of San Bernardino Representative

HOLLY J. MITCHELL
County of Los Angeles Representative

ADRIN NAZARIAN
City of Los Angeles Representative

JANET NGUYEN
County of Orange Representative

BRENDA OLMOS
Cities of Los Angeles County
Western Region Representative

VERONICA PADILLA-CAMPOS
Speaker of the Assembly Representative

V. MANUEL PEREZ
County of Riverside Representative

CARLOS RODRIGUEZ
Cities of Orange County Representative

CEDRIC JAMIE RUTLAND
Governor's Representative

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

November 4, 2026

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

State law requires that local governments publish within nine months of the close of each fiscal year a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2026.

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

South Coast AQMD's financial statements have been audited by Simpson & Simpson LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of South Coast AQMD for the fiscal year ended June 30, 2026 are free of material misstatements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that South Coast AQMD's financial statements for the fiscal year ended June 30, 2026 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

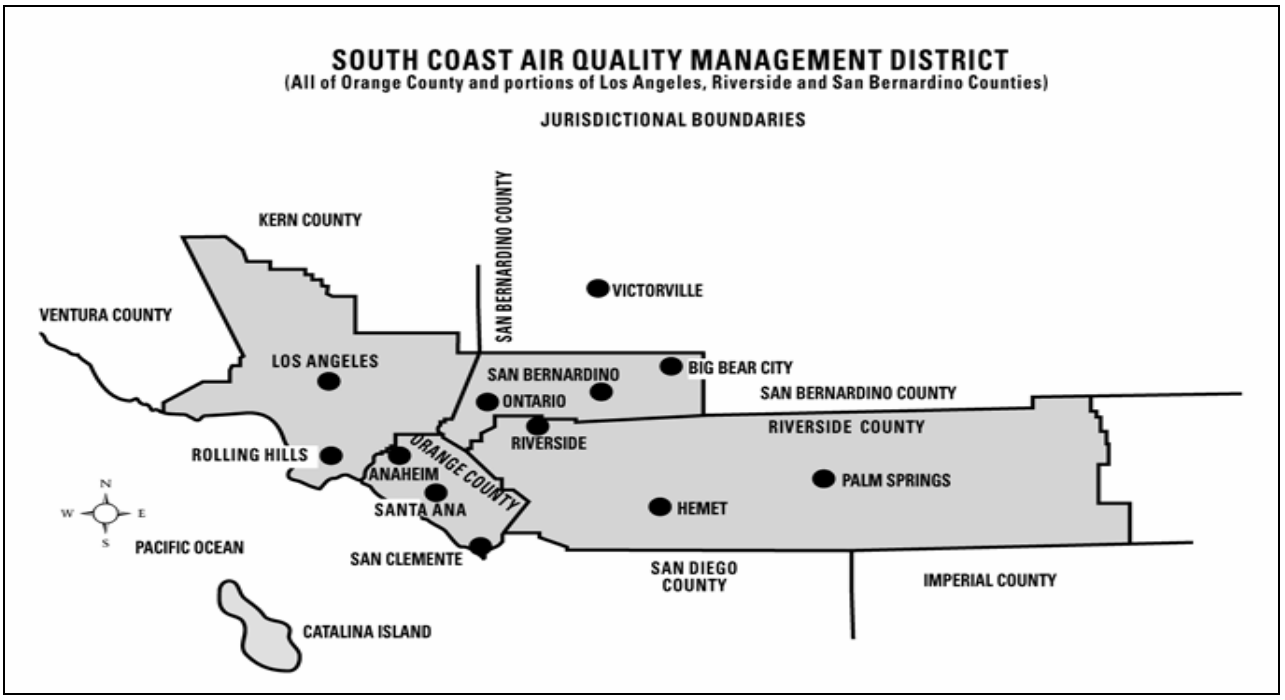
The independent audit of the financial statements of South Coast AQMD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal

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

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

Profile of the South Coast Air Quality Management District

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



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

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

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

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

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

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

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

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

Factors Affecting Financial Condition

South Coast AQMD is a fee-supported agency and does not receive sales or property tax support. Approximately 70% of its General Fund revenue is derived from permit evaluation fees, annual permit renewal fees, emission fees, Hearing Board fees, Source Test fees, lease revenue, Area Sources, Air Toxic Hot Spots, penalties and settlements, interest earnings, and other revenues. The remaining 30% of its General Fund revenue is derived from federal grants, state grants, California Air Resources Board (CARB) subvention funds, transportation, motor vehicle fees and transfers-in.

To meet its program commitments, despite new federal and state mandates, increased workload complexity, and ongoing cost containment efforts, South Coast AQMD continues to streamline many of its operations. Compared to the fiscal year 1991-92 General Fund budget, the fiscal year 2025-26 General Fund budget reflects funded staffing levels that are approximately 11% below the 1991-92 level.

Government-wide revenues during this fiscal year increased by 22.7% as compared to the prior fiscal year, primarily due to an increase in revenue from special funds. General Fund revenues and transfers in decreased by 1.5% as compared to the prior fiscal year, primarily due to a decrease in interest income and the end of the BioWatch federal grant. Future changes in government-wide revenue are highly dependent on the timing of receipts and continuation of state and federal grant funding. While General Fund revenues are

expected to continue to remain generally stable, potential closure of two refineries might, in the future, reduce stationary source revenue that is generated from emissions, annual renewal and permit fees. As of June 30, 2026, such closures are uncertain and are not expected to have a material adverse impact on financial sustainability, should they occur. South Coast AQMD will continue to monitor the situation and take action as needed.

Government-wide expenses decreased when compared to the prior fiscal year by 7.8% primarily due to expenditures in special funds. General Fund expenditures increased by 3.8% as compared to the prior fiscal year due to an increase in salaries and benefits, utilities, and contracts and special services and offset by lower expenditures in insurance, supplies, and other expenditures. Future changes in government-wide expenses are highly dependent on the timing of receipts and continuation of state and federal grant funding, while General Fund expenditures for salaries and benefits are expected to increase through the next year due to increases set forth in the four-year labor contract that was effective January 1, 2024.

Long-term Financial Planning

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

Relevant Financial Policies

In recent years, South Coast AQMD's Governing Board has made several policy decisions to meet future financial challenges and uncertainties while continuing to protect the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. These policy decisions include reducing debt and reviewing and revising fee policies. In fiscal year 2012-13, debt associated with the Headquarters building was eliminated. Starting fiscal year 2017-18 employer pick-up of employee retirement plan contributions was completely phased out, and the entire employee contribution portion of the pension cost is picked up by employees. This was eliminated at the direction of the Governing Board and was part of a three-year labor agreement. Pension obligation bond debt was paid off in fiscal year 2023-24.

In fiscal year 2010-11, South Coast AQMD's Governing Board approved a rule which provides that certain fees be automatically adjusted effective July 1 of each year by the

California Consumer Price Index for the preceding calendar year unless the Governing Board by rule decides not to implement such fee increase for a given year, either for all fees or for a specified fee or fees. In fiscal year 2025-26 budget, the Governing Board approved the fees to be increased by an amount equal to CPI of 3.0% and for annual renewal and permit fees, an additional 1.5% increase above CPI.

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

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

Major Initiatives

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

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

During fiscal year 2025-26, South Coast AQMD advanced many projects which were particularly important to achieving our mission and goals, including: emissions reductions as specified in the 2022 Air Quality Management Plan; conduct air monitoring and implementation of community emission reduction plans for six designated communities; complete all Title V facilities inspections and support development of Cleaner Advanced Technology, development of enhanced emissions/ambient monitoring capabilities, increased communication between South Coast AQMD and all stakeholders, and internal business process improvement such as reducing the number of pending permit applications in the backlog.

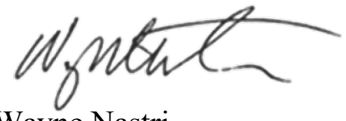
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Coast Air Quality Management District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Wayne Nastri
Executive Officer



Sujata Jain, CPA
Chief Financial Officer, Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Coast Air Quality Management District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

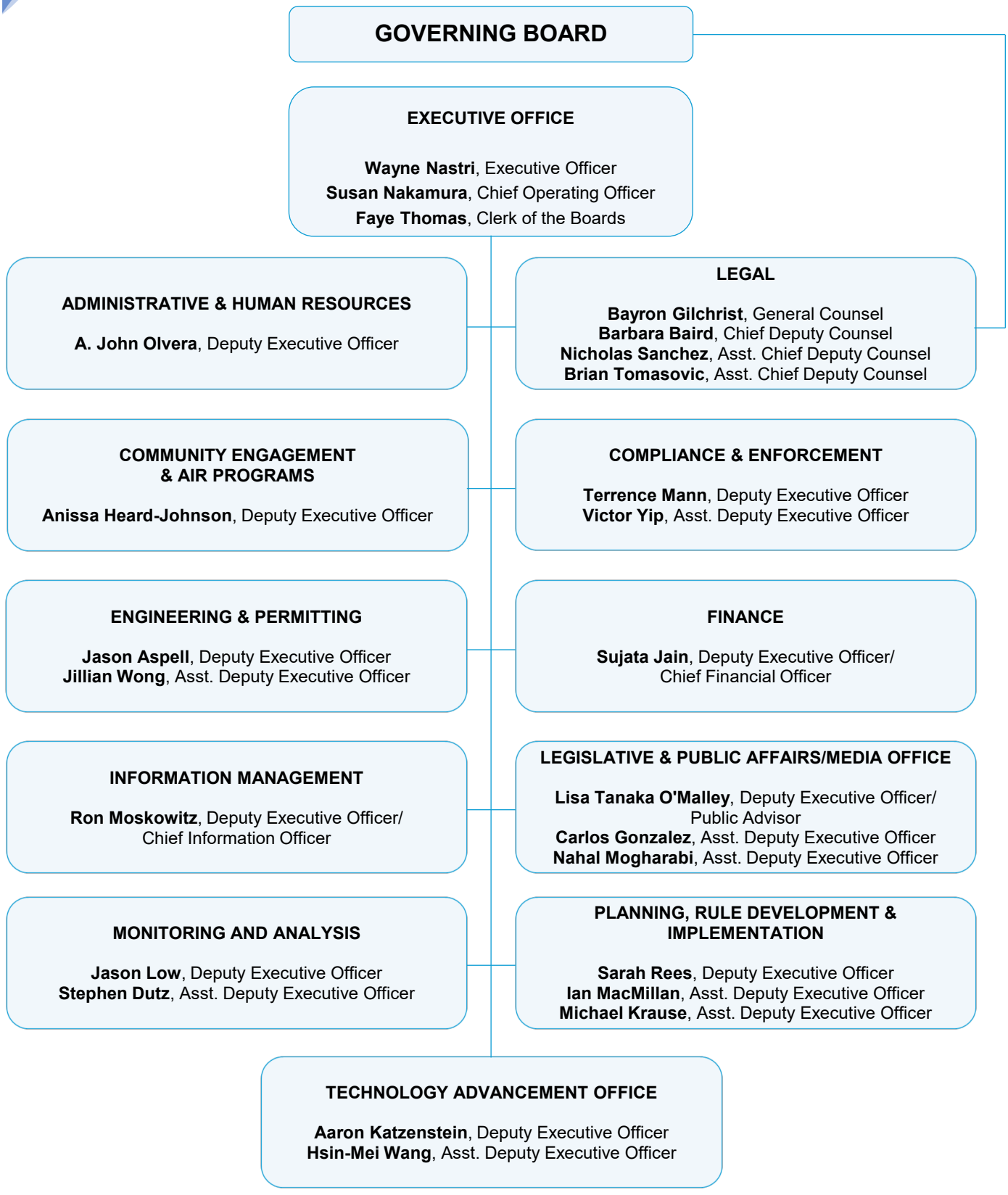
June 30, 2025

and issued to the public 158 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

South Coast Air Quality Management District, California
Organizational Chart
June 30, 2026



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Independent Auditor's Report

The Board of Directors of
South Coast Air Quality Management District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the **South Coast Air Quality Management District** (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the South Coast Air Quality Management District, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Restatement of Previously Issued Financial Statements

As discussed in Note X to the basic financial statements, the 2025 financial statements have been restated to correct a misstatement. The beginning net position and fund balance as of July 1, 2025, have been restated accordingly. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 18 and the required supplementary information on pages 65 to 72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information and related notes on pages 73 to 100 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages i to x and the statistical section on pages 101 to 125 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Simpson & Simpson

Los Angeles, California
November 4, 2026

As management of the South Coast Air Quality Management District (South Coast AQMD), we offer readers of South Coast AQMD's financial statements this narrative overview and analysis of the financial activities of South Coast AQMD for fiscal year ended June 30, 2026. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

A. Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. South Coast AQMD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of South Coast AQMD are under governmental funds category.

Governmental Funds

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

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

South Coast AQMD maintains 49 individual special revenue funds, one debt service fund, one capital projects fund, and a blended component unit in addition to the General Fund. Three of the special revenue funds are considered major funds. The information for the major special revenue funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balances. Data for the other 46 nonmajor special revenue funds, debt service fund, capital projects fund and blended component unit are combined into a single, aggregated presentation. Individual fund data for each of the 46 nonmajor governmental funds, debt service fund, capital projects fund, and blended component unit, is reported in the Other Supplementary Information section of this report.

South Coast AQMD adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This is presented in the Required Supplementary Information (RSI) section of this report. Also, presented in RSI are South Coast AQMD's schedule of changes in net pension liability, schedule of changes in net OPEB liability, and schedules of contributions for pensions and OPEB.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to the reader for a full understanding of the data provided in the Government- wide and fund financial statements. South Coast AQMD uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet requirements for inclusion in the financial statements.

Other Information

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

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

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

B. Financial Summary

- Total assets and deferred outflows of resources of South Coast AQMD exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by $1.8 billion (net position), an increase of $290.3 million (including restatement) was the change in net position for the current year. The net position of $1.8 billion consisted of: $37.4 million net investment in capital assets; $1.8 billion restricted for long-term emission-reduction projects; and a deficit of $47.7 million unrestricted net position primarily due to a net pension liability of $176.0 million.

- As of the close of the fiscal year, South Coast AQMD's governmental funds reported combined ending fund balances of $1.9 billion, an increase of $255.0 million in comparison to the prior year. Of the $1.9 billion combined ending fund balances, $113.2 million represents the fund balance of the General Fund.

- Out of the general fund balance of $113.2 million at the end of the fiscal year, $72,251 was non-spendable, $14.1 million was committed, $6.1 million was assigned and $92.9 million was unassigned, which is 41.9% of the general fund expenditures.

- South Coast AQMD's capital assets increased by $2.3 million from the prior year.

- South Coast AQMD's long-term liabilities increased by $1.7 million or 5.1% of the long-term debt outstanding. This was primarily due to the increase of $1.2 million in compensated absences.

- South Coast AQMD's net pension liability and deferred inflow of resources for pension decreased by $7.5 million and $23.7 million or 4.1% and 41.4%, respectively from the prior year. The decrease was primarily due to the gain in investment income.

C. Government-wide Financial Analysis

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

The schedule below presents a condensed Statement of Net Position as of June 30, 2026 compared with the prior fiscal year.

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

	Governmental Activities	
	FY 2025-26	**FY 2024-25**
Current and other assets	$ 2,008,879	$ 1,758,005
Capital assets	44,101	41,845
Total assets	2,052,980	1,799,850
Deferred outflow of resources-pension	78,235	78,234
Deferred outflow of resources-OPEB	169	165
Total deferred outflow of resources	78,404	78,399
Other liabilities	84,523	91,706
Long-term liabilities	212,246	218,401
Total liabilities	296,769	310,107
Deferred inflow of resources-pension	33,663	57,399
Deferred inflow of resources-OPEB	48	121
Deferred inflow of resources-long-term receivable	26	25
Deferred inflow of resources-leases	221	265
Total deferred inflow of resources	33,958	57,810
Net Position:		
Net investment in capital assets	37,430	35,394
Restricted for:		
Restricted for long-term emission-reduction projects	1,810,949	1,551,160
Unrestricted	(47,722)	(76,223)
Total net position	$ 1,800,657	$ 1,510,331

As noted earlier, net position may serve over time as a useful indicator of South Coast AQMD's financial position. At the close of the most recent fiscal year, South Coast AQMD's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $1.8 billion.

The largest portion of South Coast AQMD's net position, $1.8 billion, represents resources that are subject to external restrictions on how they may be used. The revenue in special revenue funds is restricted to expenditures for specific purposes. Approximately $37.4 million of South Coast AQMD's net position reflects its investment in capital assets, net of accumulated depreciation (e.g., land, buildings, equipment, and vehicles). South Coast AQMD uses these capital assets in carrying out its mission of protecting public health while being sensitive to the economic needs of local businesses.

Consequently, these assets are not available for future spending. It should be noted that the resources needed to pay the long-term debt must be provided from other sources.

The remaining portion of South Coast AQMD's net position of governmental activities, a deficit of $47.7 million, is unrestricted. The deficit is mainly due to the net pension liability. At the end of the current fiscal year, South Coast AQMD had a negative balance in the unrestricted categories of net position and positive fund balance in restricted and net investment in capital asset category.

The change in net position for governmental activities increased by $287.1 million. Most of the increase was due to program revenue for operating grants and subventions in long-term emission-reduction projects.

Program revenues increased by approximately $117.0 million, 24.4% change from the prior year. This was largely due to an increase of approximately $99.8 million in state grant revenue for long-term emission reduction projects. Larger Carl Moyer funding of $88.7 million and Community Air Protection (CAP) AB 134 funding of $86.4 million were received in current year, these increases partially offset a $93.1 million decrease in VW Mitigation funding. Overall General Revenue decreased by $3.3 million, compared with the prior fiscal year. The decrease is mainly due to a reduction in the average interest income rate, resulting in lower interest revenues.

Expenses decreased by $30.9 million largely due to higher salaries and employee benefits and offset with lower contract expenditures for fiscal year 2025-26 as compared to fiscal year 2024-25. Contract expenditures for long-term emission reduction projects can vary because they are for multi-year contracts.

A condensed Schedule of Changes in Net Position for the fiscal year ending June 30, 2026 compared with the prior fiscal year can be found on the following page.

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

	Governmental Activities	
	FY 2025-26	FY 2024-25
Revenues:		
Program Revenues:		
Fees and charges – stationary sources	$ 138,870	$ 133,699
Fees and charges – mobile sources	32,553	33,655
Operating grants and subventions	424,381	311,476
General Revenues:		
Grants and subventions – not restricted to specific Stationary Source Programs	2,797	2,763
Interest	6,120	7,791
One-time non-program penalties and settlements	7,064	8,289
Other revenues	2,319	2,765
Total revenues	614,104	500,438
Expenses:		
Advance clean air technology	16,278	16,266
Ensure compliance with clean air rules	54,681	58,087
Customer service and business assistance	9,002	10,705
Develop programs to achieve clean air	14,801	15,661
Develop rules to achieve clean air	13,892	15,392
Monitoring air quality	36,576	37,409
Timely review of permits	40,184	41,686
Policy support	368	607
Interest on long-term debt	270	256
Long-term emission reduction projects	140,921	161,776
Total expenses	326,973	357,845
Increase/(Decrease) in net position	287,131	142,593
Net position beginning	1,510,331	1,367,738
Restatements	3,195	-
Net position ending (restated)	$ 1,800,657	$ 1,510,331

Governmental Activities

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

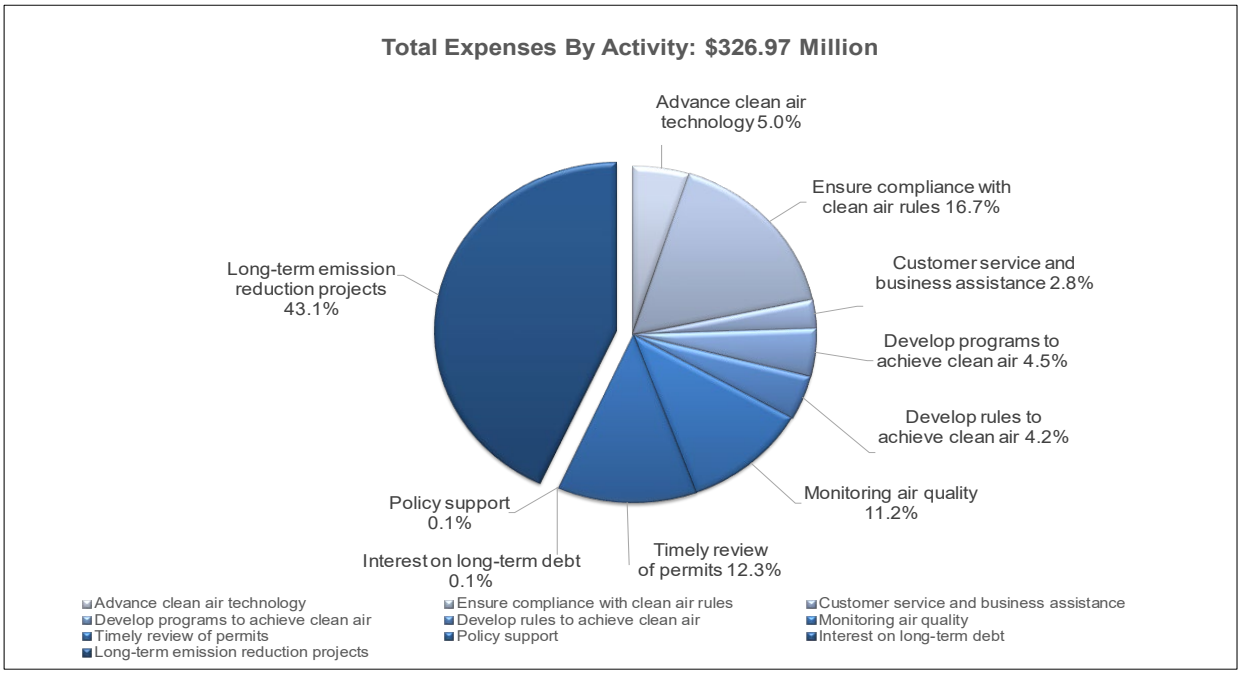
The Statement of Activities presents information showing how South Coast AQMD's net position changed during fiscal year 2026. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

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

There was an increase in program revenues in the long-term emission reduction projects. The program revenues in the long-term emission reduction projects category are made up of revenues from special revenue funds. Following are the explanations of the significant revenue variances from fiscal year 2024-25 to fiscal year 2025-26:

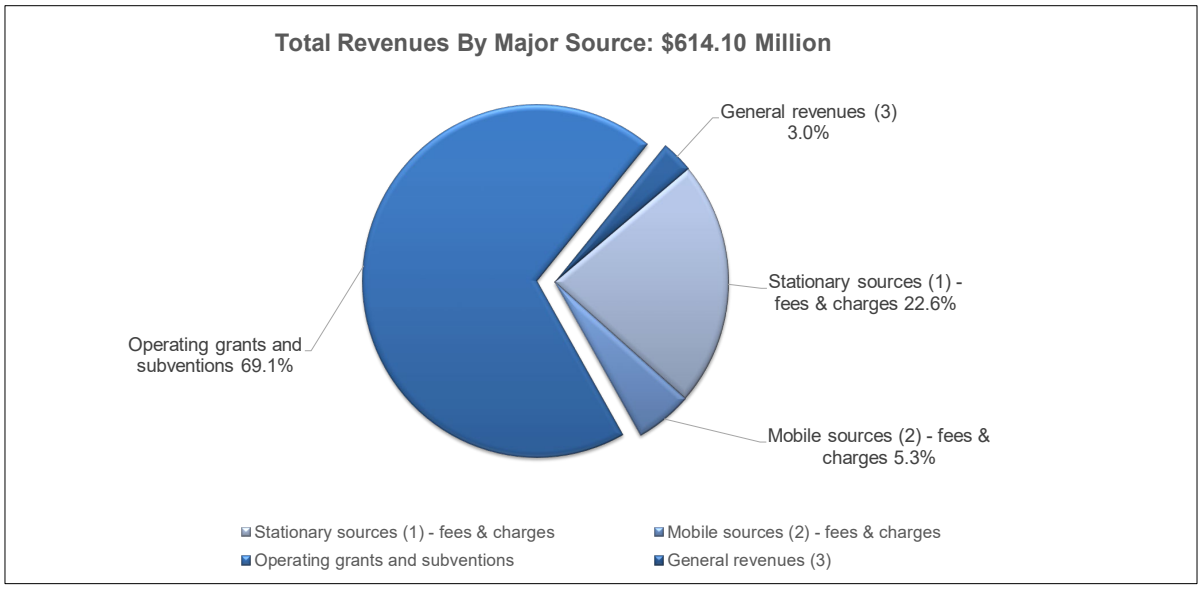
- **Carl Moyer Program Fund** – This fund accounts for activities related to the administration of state funds set aside for the replacement of diesel-powered vehicles with cleaner-technology vehicles. In fiscal year 2025-2026, the state grant increased by $88.7 million, as South Coast AQMD received more grants in the current fiscal year.
- **CAP AB 134 Fund** – This fund accounts for AB 617 CAP incentive funds. In fiscal year 2025-2026, the state grant increased by $86.4 million. No funding was received in the prior fiscal year.
- **VW Mitigation Fund** – This fund accounts for project funding received under the VW Environmental Mitigation Trust. In fiscal year 2025-26, the state grant decreased by $93.1 million, as South Coast did not receive any funding in current fiscal year.

Government Activities
FY 2025-26



Activity	FY 25-26	FY 24-25	FY 23-24	FY 22-23	FY 21-22	FY 20-21
Advance clean air technology	$ 16,278,433	$ 16,266,433	$ 15,608,973	$ 13,897,495	$ 11,484,237	$ 14,560,468
Ensure compliance with clean air rules	54,681,026	58,086,799	53,138,925	52,818,828	46,714,649	59,823,114
Customer service and business assistance	9,002,018	10,705,320	11,802,012	13,897,970	10,488,458	14,979,824
Develop programs to achieve clean air	14,800,492	15,660,797	14,694,946	13,408,190	12,387,784	15,522,501
Develop rules to achieve clean air	13,891,636	15,391,623	17,095,583	15,884,660	12,435,707	17,228,755
Monitoring air quality	36,576,457	37,408,858	32,209,013	32,963,667	29,106,009	36,114,354
Timely review of permits	40,183,674	41,685,967	39,546,541	36,208,322	31,042,335	38,832,790
Policy support	368,474	607,085	415,034	835,445	736,426	1,773,352
Interest on long-term debt	270,412	255,730	230,579	353,141	700,202	3,302,637
Long-term emission reduction projects	140,920,784	161,775,883	137,222,958	135,414,259	146,966,402	231,305,871
Total	$326,973,406	$357,844,495	$321,964,564	$315,681,977	$302,062,209	$433,443,666

Government Activities
FY 2025-26



Source	FY 25-26	FY 24-25	FY 23-24	FY 22-23	FY 21-22	FY 20-21
Stationary sources (1) - fees & charges	$ 138,869,820	$ 133,699,442	$ 123,622,856	$ 117,309,958	$ 109,776,713	$ 106,917,251
Mobile sources (2) - fees & charges	32,553,616	33,655,280	31,230,917	29,308,987	27,772,271	26,995,162
Operating grants and subventions	424,380,590	311,476,121	464,436,224	220,132,286	365,668,049	304,766,572
General revenues (3)	18,300,264	21,607,366	18,540,095	14,931,457	10,711,118	10,336,674
Total	$ 614,104,290	$ 500,438,209	$ 637,830,092	$ 381,682,688	$ 513,928,151	$ 449,015,659

(1) Stationary sources consist of refineries, power plants, manufacturing facilities and small businesses.
(2) Mobile sources are motorized vehicles that typically include automobiles, trucks, aircraft, ships, trains, and self-propelled construction equipment.
(3) General Revenues include Penalties/Settlements, Interest, and dollars that are not restricted to specific stationary source programs.

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

GOVERNMENTAL ACTIVITIES

Net (Expense) Revenue
(amounts expressed in thousands)

	FY 2025-26	
	Total Cost of Program Activities	Net Cost of Program Activities
Advance clean air technology	$ 16,278	$ (87)
Ensure compliance with clean air rule	54,681	4,098
Customer service and business assistance	9,002	503
Develop programs to achieve clean air	14,801	535
Develop rules to achieve clean air	13,892	1,040
Monitoring air quality	36,576	1,802
Timely review of permits	40,184	1,575
Policy support	368	139
Interest on long-term debt	270	(270)
Long-term emission reduction projects	140,921	259,496
Total	$ 326,973	$ 268,831

The program activities are described as follows:

- **Advance Clean Air Technology** – Identify technologies from anywhere in the world that may have application in reducing emissions from mobile and stationary sources in South Coast AQMD's jurisdiction. Promote development and assess the use of clean fuels and low-emitting technologies. Implement and administer state- and federal-funded programs for retrofitting, re-powering, or replacing diesel engines with newer and cleaner engines and projects to reduce air pollution associated with freight movement along California's trade corridors.

- **Ensure Compliance with Clean Air Rules** – Perform inspections, source tests, sample collection, the certification of Continuous Emission Monitoring Systems (CEMS), emissions audits, and respond to and resolve public complaints to ensure compliance with South Coast AQMD rules for existing major and small stationary sources of all pollutants.

- **Customer Service and Business Assistance** – Provide local government, business, and the public with access and input into the regulatory and policy processes of South Coast AQMD. Assist cities and others with AB 2766 projects. Interact with local, state and federal agencies and others to share air quality information, resolve jurisdictional questions, and implement joint programs. Implement comprehensive public information, legislative and customer service programs.

- **Develop Programs to Achieve Clean Air -** Develop a regional Air Quality Management Plan (AQMP) to achieve federal and state ambient air quality standards and to meet all other requirements of the federal and California Clean Air Acts. Analyze air quality data and provide an estimate of pollutant emissions by source category. Develop pollutant control strategies and project future air quality using computer models and statistical analysis of alternative control scenarios.

- **Develop Rules to Achieve Clean Air -** Develop emission reduction regulations for sulfur dioxide, nitrogen dioxide, organic gases, particulate matter, toxics, and other pollutants to implement the regional AQMP, Tanner Air Toxics Process (AB 1807), National Emission Standards for Hazardous Air Pollutants (NESHAPS), and Prevention of Significant Deterioration (PSD) requirements.

- **Monitoring Air Quality -** Operate and maintain within South Coast AQMD's jurisdiction a network of air quality monitoring sites for ozone, nitrogen oxides, sulfur oxides, particulate matter, carbon monoxide and other pollutants to obtain data regarding public exposure to air contaminants. Analyze, summarize, and report air quality information generated from the monitoring sites. Prepare meteorological forecasts and models.

- **Timely Review of Permits -** Ensure timely processing of permits for new sources based on compliance with New Source Review and other applicable local, state and federal air quality rules and regulations.

- **Policy Support -** Provide support staff to the Governing Board, Board committees, and various advisory and other groups as well as ad hoc committees and Rule working groups. Monitor potential changes to state and federal legislation and budgets that may affect South Coast AQMD.

- **Interest on Long-Term Debt -** Identify the interest cost for long-term debt, including leases and Subscription-Based Information Technology Arrangements (SBITA).

- **Long-term Emission Reduction Projects -** Generate funding for long-term projects that reduce emissions in the South Coast Air Basin. Funding for special funds activities are recognized when received and projects carried out may extend over multiple fiscal years.

D. Financial Analysis of South Coast AQMD's Funds

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

Governmental Funds

The focus of South Coast AQMD's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing South Coast AQMD's financing requirements. In particular, unassigned fund balance

may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, South Coast AQMD's governmental funds reported combined ending fund balances of $1.9 billion, an increase of $255.0 million in comparison with the prior year. Approximately 93.6% of these fund balances ($1.8 billion) constitutes the portion pertaining to special revenue funds. Expenditures under these funds are restricted for specific purposes. The long-term contractual commitments related to these special fund programs, such as replacement of diesel- fueled trucks, involve multiple-year spending.

- **The General Fund** is the operating fund of South Coast AQMD. At the end of the fiscal year, the total fund balance of the General Fund was $113.2 million. The unassigned fund balance was $92.9 million or 82.1% of the total fund balance; assigned was $6.1 million or 5.4% of the total fund balance. The assigned amount represents South Coast AQMD's intended use of the financial resources in future periods. One measure of the General Fund's liquidity is the comparison of both assigned and unassigned fund balance to total expenditures. The assigned and unassigned fund balance represent 44.6% of total General Fund expenditures, while total fund balance represents 51.0% of the total General Fund expenditures. In the General Fund, the assigned and unassigned fund balance may serve as a useful measure of South Coast AQMD's net resources available for spending at the end of the fiscal year.

  In fiscal year 2025-26, General Fund revenue decreased slightly by $0.8 million compared to the prior fiscal year. This decrease is primarily due to fee increase in annual operating fees and permit fees, and the increase is being offset by lower interest income resulting from reduced interest rates, as well as the end of the Bio-Watch federal grant.

  Overall, General Fund's expenditures increased in fiscal year 2025-26 by $8.1 million primarily due to higher salaries and employee benefit expenditures as compared to prior fiscal year. This is due primarily to increased cost associated with the labor agreement, increased cost in retirement plan contribution, and adding positions.

Fund balance changes in the governmental funds are primarily due to funds noted below:

- **Carl Moyer Program (CMP) Fund** – The fund balance increased by $57.1 million due to revenues exceeding expenditures. This fund did not receive large state grant revenue in the prior fiscal year and incurred lower contract and special services expenditures of $39.2 million. Many of the contracts executed in this special revenue fund are multi-year expenditures, and expenditures can vary significantly from year to year.

- **CAP AB 134 Fund** – The fund balance increased by $91.5 million due to revenues exceeding expenditures. This fund did not receive any state grant revenue in the prior

fiscal year and incurred lower contract and special service expenditures of $4.6 million in current fiscal year. Many of the contracts executed in this special revenue fund are multi-year expenditures, and expenditures can vary significantly from year to year.

- **VW Mitigation Special Revenue Fund** – The fund balance decreased by $19.4 million due to expenditures exceeding revenues. This fund received large state grant revenues in the prior fiscal year but did not receive any state grant revenue in the current fiscal year. Grant funding varies from year to year. Many of the contracts executed in this special revenue fund are multi-year expenditures, and expenditures can vary significantly from year to year.

- **At-Berth Regulation Remediation Fund** – The fund balance increased by $43.4 million due to revenues exceeding expenditures in fiscal year 2025-26. This fund recognized $42.3 million in remediation program. As a newer special revenue fund, higher remediation fees were collected in the current fiscal year.

E. Significant Capital Assets and Long-Term Liabilities

Capital Assets

South Coast AQMD's investment in capital assets is for its governmental activities. The book value was $44.1 million (net of accumulated depreciation of $129.4 million) as of June 30, 2026. This investment in capital assets includes land, buildings, laboratory equipment, air monitoring stations, intangible assets (internally generated software), South Coast AQMD fleet vehicles, leased buildings, leased equipment, and subscriptions. Depreciation and amortization on capital assets is recognized in the Government-wide financial statements. The total increase in capital assets for the current fiscal year was 5.4%, primarily due to new SBITA agreements executed that resulted into an additional $3.1 million in subscription assets, offset by $1.6 million due to the expiration of subscription assets.

Long-Term Liabilities

At the end of the current fiscal year, South Coast AQMD had total long-term debt outstanding of $34.5 million, including the current portion of $5.0 million. Out of the $34.5 million long-term liabilities, $29.3 million represents compensated absences, general liability claims and workers' compensation claims payable, and leases and SBITA liabilities of $5.2 million.

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

F. Currently Known Facts, Decisions, or Conditions

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for fiscal year 2026-27 have been developed and adopted by the Governing Board. In the upcoming year, South Coast AQMD will continue to face fiscal challenges and uncertainties, including

the global economies impacts and financial market fluctuations. South Coast AQMD staff will closely monitor the financial impacts and, if significant changes occur in the economic landscape, will make adjustments to the fiscal year 2026-27 budget.

The fiscal year 2026-27 Adopted Budget reflects a $5.6 million increase in expenditures compared to the fiscal year 2025-26 Adopted Budget. This increase is primarily driven by higher salary and employee benefits resulting from labor agreements approved in fiscal year 2024-25, savings in capital outlays were offset by increased spending on professional and special services.

Fee Increase

In fiscal year 2026-27 revenues are projected to increase by approximately $8.5 million compared to the fiscal year 2025-26 Adopted Budget. The increase is primarily attributed to a 3.2% Consumer Price Index (CPI) fee increase in most stationary sources fees. Despite this growth, South Coast AQMD's revenues in recent years have not kept pace with rising program costs largely due to increased labor cost.

Labor Agreement

The current Memorandum of Understanding (MOU) with the three labor unions is set to expire in December 2027. The new contract negotiations have not begun and therefore the potential impact of the future contract is not known yet.

Operate Efficiently

Since fiscal year 1991-92, the South Coast AQMD has reduced staffing levels and program costs despite increased program requirements. The fiscal year 2026-27 expenditure budget totals $225.2 million and includes 1,030 authorized positions, reflecting a reduction of 11.4% in authorized positions compared to fiscal year 1991-92. Program costs have exceeded the fiscal year 1991-92 budget by $112.2 million, or approximately 99.3%.

Fund Balance

The fiscal year 2026-27 Adopted Budget for the general fund includes expenditures of $225.2 million against revenues of $223.9 million, which results in a projected negative impact on fund balance of $1.3 million.

G. Requests for Information

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

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
June 30, 2026

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 1,763,869,099
Investments	207,102,846
Interest receivable	13,259,985
Due from other governmental agencies	17,778,875
Accounts receivable, net	6,549,125
Lease receivable	246,491
Inventories	72,251
Total current assets	2,008,878,672
Noncurrent Assets:	
Capital assets not being depreciated:	
Land	8,829,792
Capital assets, net of accumulated depreciation/amortization:	
Buildings and improvements	5,486,403
Intangibles (software)	10,261,310
Equipment, vehicles and furniture	13,822,860
Leased buildings	280,344
Leased equipment and vehicles	1,726,473
Subscription assets	3,693,831
Total noncurrent assets	44,101,013
TOTAL ASSETS	2,052,979,685
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources-pension	78,235,166
Deferred outflow of resources-OPEB	169,358
TOTAL DEFERRED OUTFLOWS OF RESOURCES	78,404,524
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	22,959,181
Interest payable	82,386
Salaries and benefits payable	14,401,578
Unearned revenue	47,079,654
Long term liabilities - due within one year	2,583,312
Lease and subscription liability - due within one year	2,410,404
Total current liabilities	89,516,515
Noncurrent liabilities - due in more than one year:	
Long term liabilities	26,723,294
Net pension liability	175,970,160
Total OPEB liability	1,796,000
Lease and subscription liability	2,763,287
Total noncurrent liabilities	207,252,741
TOTAL LIABILITIES	296,769,256
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources-pension	33,662,857
Deferred inflow of resources-OPEB	48,000
Deferred inflow of resources-long-term receivable	25,757
Deferred inflow of resources-leases	220,971
TOTAL DEFERRED INFLOWS OF RESOURCES	33,957,585
NET POSITION	
Net investment in capital assets	37,430,699
Restricted for:	
Long-term emission-reduction projects	1,810,948,990
Unrestricted	(47,722,321)
TOTAL NET POSITION	$ 1,800,657,368

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Functions/ Programs	Expenses	Program Revenues: Fees and Charges: Stationary Sources **	Program Revenues: Fees and Charges: Mobile Sources	Program Revenues: Operating Grants and Subventions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities **
Governmental Activities:					
Advance clean air technology	$ 16,278,433	$ -	15,170,353	1,021,536	$ (86,544)
Ensure compliance with clean air rules	54,681,026	53,908,441	1,726,092	3,144,505	4,098,012
Customer service and business assistance	9,002,018	5,688,007	2,246,780	1,569,939	502,708
Develop programs to achieve clean air	14,800,492	6,056,967	3,454,762	5,824,080	535,317
Develop rules to achieve clean air	13,891,636	11,765,056	2,569,872	596,510	1,039,802
Monitoring air quality	36,576,457	20,394,686	6,878,239	11,106,023	1,802,491
Timely review of permits	40,183,674	41,056,663	-	701,672	1,574,661
Policy support	368,474	-	507,518	-	139,044
Interest on long-term debt	270,412	-	-	-	(270,412)
Long-term emission reduction projects *	140,920,784	-	-	400,416,325	259,495,541
Total governmental activities	$ 326,973,406	$ 138,869,820	$ 32,553,616	$ 424,380,590	$ 268,830,620

General Revenues **	
Grants and subventions - not restricted to specific stationary source programs	2,796,859
Interest	6,120,371
One time non-program penalties and settlements***	7,064,388
Other	2,318,646
Total general revenues	18,300,264
Change in net position	287,130,884
Net position - July 1, 2025, as previously presented	1,510,331,472
Restatements	3,195,012
Net position - July 1, 2025, as restated	1,513,526,484
Net position - June 30, 2026	$ 1,800,657,368

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

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

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

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2026

Assets	General Fund	Carl Moyer Program Fund	CAP AB 134 Fund	CMP AB 923 Fund	Other Governmental Funds	Total
Cash and cash equivalents	$ 137,580,204	$ 265,773,586	$ 379,359,442	$ 153,450,487	$ 827,705,380	$ 1,763,869,099
Investments	29,934,214	-	-	59,118,689	118,049,943	207,102,846
Interest receivable	1,271,377	1,644,349	2,526,019	1,213,042	6,604,690	13,259,477
Due from other governmental agencies	3,445,348	-	-	4,719,613	9,613,914	17,778,875
Due from other funds	7,584,338	-	-	-	1,597,574	9,181,912
Accounts receivable, net	2,919,993	-	-	-	3,629,132	6,549,125
Lease receivable	246,491	-	-	-	-	246,491
Inventories	72,251	-	-	-	-	72,251
Total assets	$ 183,054,216	$ 267,417,935	$ 381,885,461	$ 218,501,831	$ 967,200,633	$ 2,018,060,076
Liabilities, Deferred Inflow of Resources and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ 7,696,321	$ 925,152	$ 383,466	$ 1,026,195	$ 12,928,047	$ 22,959,181
Salaries and benefits payable	14,401,578	-	-	-	-	14,401,578
Due to other funds	413,656	613,983	305,432	409,206	7,439,635	9,181,912
Unearned revenue	47,079,654	-	-	-	-	47,079,654
Total liabilities	69,591,209	1,539,135	688,898	1,435,401	20,367,682	93,622,325
Deferred Inflow of Resources						
Long-term receivables	-	-	-	-	25,757	25,757
Leases	220,970	-	-	-	-	220,970
	220,970	-	-	-	25,757	246,727
Fund Balances:						
Nonspendable	72,251	-	-	-	-	72,251
Restricted	-	265,878,800	381,196,563	217,066,430	500,492,440	1,364,634,233
Committed	14,100,604	-	-	-	36,562,536	50,663,140
Assigned	6,149,673	-	-	-	409,752,218	415,901,891
Unassigned	92,919,509	-	-	-	-	92,919,509
Total fund balances	113,242,037	265,878,800	381,196,563	217,066,430	946,807,194	1,924,191,024
Combined liabilities, deferred inflow of resources and fund balances	$ 183,054,216	$ 267,417,935	$ 381,885,461	$ 218,501,831	$ 967,200,633	$ 2,018,060,076

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2026

Total fund balances – total governmental funds	$ 1,924,191,024
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. These capital assets net of accumulated depreciation are reported in the Statement of Net Position as capital assets of South Coast AQMD as a whole.	44,101,013
Deferred outflows of resources are not current financial resources and therefore are not reported in the Governmental Fund Balance Sheet.	78,404,524
Interest payable on long-term debt, lease, and SBITA do not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(82,386)
Interest receivable on lease does not require current financial resources. Therefore, interest receivable is not reported as a receivable in Government Fund Balance Sheet.	507
Long-term liabilities and deferred inflows are not due and payable in the current period and accordingly are not reported as fund liabilities and deferred inflows. All liabilities and deferred inflows of resources, both current and long-term, are reported in the Statement of Net Position.	
Net pension liability	(175,970,160)
Net OPEB liability	(1,796,000)
General liability	(352,507)
Workers' compensation	(1,218,671)
Compensated absences	(27,735,428)
Lease and subscription liabilities	(5,173,691)
Deferred inflows of resources related to pension and OPEB	(33,710,857)
Net position of governmental activities	$ 1,800,657,368

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	General Fund	Carl Moyer Program Fund	CAP AB 134 Fund	(Formerly Major) VW Mitigation Sp Rev Fund	CMP AB 923 Fund	Other Governmental Funds	Total
Revenues:							
Emission fees	$ 22,162,138	$ -	$ -	$ -	$ -	$ -	$ 22,162,138
Annual renewal fees	86,771,467	-	-	-	-	-	86,771,467
Area Sources	2,346,456	-	-	-	-	-	2,346,456
Permit processing fees	23,131,424	-	-	-	-	-	23,131,424
Mobile sources/clean fuels	31,557,647	-	-	-	27,158,347	26,402,440	85,118,434
Air Toxics "Hot Spots"	3,443,847	-	-	-	-	-	3,443,847
Transportation programs	995,969	-	-	-	-	-	995,969
Mitigation Fees	-	-	-	-	-	26,404,506	26,404,506
Remediation Program	-	-	-	-	-	42,290,553	42,290,553
State subvention	3,856,414	-	-	-	-	-	3,856,414
Federal grant	7,119,329	-	-	-	-	5,281,932	12,401,261
State grant	15,785,380	89,645,767	86,383,053	-	-	31,602,790	223,416,990
Interest revenue	6,120,371	6,688,512	9,664,081	-	6,713,566	30,094,409	59,280,939
Lease revenue	80,433	-	-	-	-	-	80,433
Source test/analysis fees	797,716	-	-	-	-	-	797,716
Hearing Board fees	216,771	-	-	-	-	-	216,771
Penalties and settlements	7,064,388	-	-	-	-	2,040,577	9,104,965
Other revenues	2,238,214	-	-	-	-	10,045,790	12,284,004
Total revenues	213,687,964	96,334,279	96,047,134	-	33,871,913	174,162,997	614,104,287
Expenditures:							
Current:							
Salaries and employee benefits	180,624,616	-	-	-	-	-	180,624,616
Insurance	2,588,228	-	-	-	-	-	2,588,228
Rent	441,758	-	-	-	-	-	441,758
Supplies	4,850,819	-	-	-	-	-	4,850,819
Contract and special services	11,025,774	39,245,065	4,590,661	-	6,557,998	86,246,158	147,665,656
Maintenance	2,364,066	-	-	-	-	-	2,364,066
Travel and auto	855,856	-	-	-	-	-	855,856
Utilities	1,936,630	-	-	-	-	-	1,936,630
Communications	788,712	-	-	-	-	-	788,712
Uncollectible accounts	869,011	-	-	-	-	1,140,881	2,009,892
Other expenditures	1,283,163	-	-	-	-	3,140,022	4,423,185
Capital outlay	7,290,586	-	-	-	-	-	7,290,586
Capital outlay - lease and SBITA	3,781,621	-	-	-	-	-	3,781,621
Debt service:							
Lease and SBITA Principal	3,087,416	-	-	-	-	-	3,087,416
Lease and SBITA Interest	220,979	-	-	-	-	-	220,979
Total expenditures	222,009,235	39,245,065	4,590,661	-	6,557,998	90,527,061	362,930,020
Excess (deficiency) of revenues over (under) expenditures before transfers	(8,321,271)	57,089,214	91,456,473	-	27,313,915	83,635,936	251,174,267
Other Financing Sources (uses):							
Transfers in	4,901,817	-	-	-	-	2,002,000	6,903,817
Transfers out	(2,000,000)	-	-	-	-	(4,903,817)	(6,903,817)
Leases and SBITA	3,781,621	-	-	-	-	-	3,781,621
Total other financing sources (uses)	6,683,438	-	-	-	-	(2,901,817)	3,781,621
Net change in fund balance	(1,637,833)	57,089,214	91,456,473	-	27,313,915	80,734,119	254,955,888
Fund balances, July 1, 2025	114,879,870	208,789,586	289,740,090	128,614,179	189,752,515	734,263,884	1,666,040,124
Change from Major to Nonmajor Fund	-	-	-	(128,614,179)	-	128,614,179	-
Error Correction	-	-	-	-	-	3,195,012	3,195,012
Fund balances, July 1, 2025, as adjusted	114,879,870	208,789,586	289,740,090	-	189,752,515	866,073,075	1,669,235,136
Fund balances, June 30, 2026	$ 113,242,037	$ 265,878,800	$ 381,196,563	$ -	$ 217,066,430	$ 946,807,194	$ 1,924,191,024

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Net change in fund balances – total governmental funds	$ 254,955,888
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount of capital outlays recorded in the current period.	7,290,586
Depreciation, amortization, and other expenses on capital assets are reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation or amortization expenses are not reported as expenditures in governmental funds.	(8,787,353)
Pension expense is reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources.	(8,500,704)
Pension contribution made by employer in current fiscal year reduce the net pension liability and do not require current resources.	39,746,190
OPEB revenue (expense) is reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources.	237,726
OPEB contribution made by employer in current fiscal year reduce the net OPEB liability and do not require current resources.	169,358
Accrued interest expense on long-term debt, lease, and SBITA are reported in the Government-wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in governmental funds. The amount represents the change in accrued interest from the prior year.	(49,431)
The issuance of long-term debt related to lease and SBITA provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of lease and SBITA principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.	3,106,957
Interest receivable on lease is reported in the Government-wide Statement of Activities and Changes in Net Position, but do not require current resources.	(89)
Long-term compensated absences and general liability/workers' compensation claims are reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, they are not reported as expenditures in governmental funds. The following amounts represent the change from the prior year:	
Compensated absences	(1,246,388)
General and auto liability/workers' compensation claims	208,144
Change in net position of governmental activities	$ 287,130,884

See accompanying notes to the basic financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Fund Types and Major Funds

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

South Coast AQMD reports the following major governmental funds:

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

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

- Carl Moyer Program Fund – Established in fiscal year 1999 to account for activities related to the administration of state funds set aside for the replacement of diesel-powered vehicles with cleaner-technology vehicles. It has funded over 9,500 vehicles totaling over $754 million. The Carl Moyer Program provides incentive

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

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

- CMP AB 923 Fund - Established in fiscal year 2008 to provide additional funding for the Carl Moyer Program using revenue received from new tire and DMV motor vehicle registration fees. AB 923 expanded the Carl Moyer incentive program to include agricultural sources of air pollution as well as cars and light-duty trucks. The program is intended to fund Moyer-eligible projects that will reduce nitrogen oxide, hydrocarbon, and particulate matter emissions. About $7 million per year in AB 923 funds are used to fund projects as match requirement to the Carl Moyer Program.

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

1. Cash, Pooled Cash, and Investments

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

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

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

2. Capital Assets and Depreciation/Amortization

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

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

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

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

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

3. Inventories

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

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

4. **Compensated Absences**
   Regular full-time employees accumulate earned but unused vacation time, sick leave, compensatory time, and other leave time. Certain restrictions apply to the accumulation of leave time and its payment upon termination. All accumulated vacation, sick leave, compensatory time, and other earned leave time that is more likely than not to be used at year-end is recorded in the government-wide financial statements. In the governmental funds, a liability for compensated absences is recorded when the leave has been used but not yet paid at year-end.

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

6. **Long-term Obligations**
   In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

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

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

8. **Pensions**
   For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of the San Bernardino County Employees' Retirement Association (SBCERA) and Los Angeles County Employees' Retirement Association (LACERA) and additions to/deductions from SBCERA's fiduciary net position have been determined on the same basis as they are reported by SBCERA and LACERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and

become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

9. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the LACERA's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value, which are derived from quoted market prices.

10. Leases and Subscription-Based Information Technology Arrangements (SBITA)

Lessee

South Coast AQMD is a lessee for noncancellable leases of building, air monitoring space, and equipment. South Coast AQMD recognizes lease liability and intangible lease asset in the government-wide financial statements. South Coast AQMD recognizes lease liabilities for leases with an initial value or $5,000 or more.

South Coast AQMD initially measures the lease liability at the present value of payments expected to be made during the lease term and subsequently reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payment made at or before the lease commencement date. The lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are expected to significantly impact the lease liability. South Coast AQMD uses incremental borrowing rate as the discount rate for leases that do not have implicit interest rate.

Lessor

South Coast AQMD is a lessor for noncancellable leases of building. South Coast AQMD recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

South Coast AQMD initially measures the lease receivable at the present value of payments expected to be received during the lease term and is subsequently reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable,

adjusted for lease payments received at or before the lease commencement date. Deferred inflow of resources is recognized as revenue over the life of the lease term. Remeasurement of lease receivable and deferred inflows of resources occurs when there are modifications that are expected to significantly impact the lease receivable.

South Coast AQMD uses the incremental borrowing rate as the discount rate for leases.

Subscription-Based Information Technology Arrangements (SBITA)

South Coast AQMD recognizes subscription liabilities and intangible subscription assets with related accumulated amortization in the government-wide financial statements. South Coast AQMD recognizes subscription liabilities with an initial, individual value of $50,000 or more with a subscription term greater than one year.

South Coast AQMD initially measures the subscription liability at the present value of payments expected to be made during the subscription term, and subsequently reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payment made at or before the subscription commencement date, less any incentives received. Subscription asset is amortized on a straight-line basis over the shorter of the subscription term or its useful life. Remeasurement of a subscription liability occurs when there is a change in the term and/or other changes that are expected to significantly impact the subscription liability.

South Coast AQMD uses incremental borrowing rate as the discount rate for SBITA that do not have implicit interest rate.

11. Net Position and Fund Balance Classifications

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources on the government-wide financial statements. Net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure and intangibles, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions enabling legislation.

Unrestricted Net Position

This category represents the residual net position of South Coast AQMD in excess of what can properly be classified in one of the other two categories mentioned above.

Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise hierarchy that is based primarily on the extent to which South Coast AQMD is bound to honor constraints on the specific purposes for which amounts can be spent.

The fund balance classifications used in the governmental fund financial statements are as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Governing Board, as the highest level of decision-making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Governing Board removes or modifies the use through the adoption of a subsequent resolution.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. South Coast AQMD's adopted policy requires the Board to assign amounts to specific purposes.

Unassigned – this classification includes the residual fund balance for the General Fund. It also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for use, it is South Coast AQMD's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, South Coast AQMD's Governing Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

The following schedule shows the details of the fund balances as of June 30, 2026:

	Major Governmental Funds					
	General Fund	Carl Moyer Program Fund	CAP AB 134 Fund	CMP AB923 Fund	Other Governmental Funds	Total
Fund Balance						
Nonspendable:						
Inventory	$ 72,251	$ -	$ -	$ -	$ -	$ 72,251
Total nonspendable	72,251	-	-	-	-	72,251
Restricted:						
Long term emission reduction	-	265,878,800	381,196,563	217,066,430	500,492,440	1,364,634,233
Total restricted	-	265,878,800	381,196,563	217,066,430	500,492,440	1,364,634,233
Committed:						
Advance clean air technology	674,412	-	-	-	-	674,412
Ensure compliance with clean air	2,884,686	-	-	-	-	2,884,686
Customer service and business	787,176	-	-	-	-	787,176
Develop programs to achieve clean	1,221,470	-	-	-	-	1,221,470
Develop rules to achieve clean air	611,122	-	-	-	-	611,122
Monitoring air quality	5,745,515	-	-	-	-	5,745,515
Timely review of permits	1,298,215	-	-	-	-	1,298,215
Policy support	878,008	-	-	-	-	878,008
Long term emission reduction	-	-	-	-	36,562,536	36,562,536
Total committed	14,100,604	-	-	-	36,562,536	50,663,140
Assigned:						
Long term emission reduction	-	-	-	-	409,752,218	409,752,218
For self insurance	2,000,000	-	-	-	-	2,000,000
For unemployment claims	80,000	-	-	-	-	80,000
For permit streamnlining	234,159	-	-	-	-	234,159
For enhanced compliance activity	883,018	-	-	-	-	883,018
For OPEB obligations	2,952,496	-	-	-	-	2,952,496
Total assigned	6,149,673	-	-	-	409,752,218	415,901,891
Unassigned:						
General Purpose	92,919,509	-	-	-	-	92,919,509
Total unassigned	92,919,509	-	-	-	-	92,919,509
Total fund balances	**$ 113,242,037**	**$ 265,878,800**	**$ 381,196,563**	**$ 217,066,430**	**$ 946,807,194**	**$ 1,924,191,024**

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Adoption of New GASB Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*
This Statement was issued in April 2024 to improve key components of the financial reporting model and enhance its effectiveness in providing information essential for decision-making and for assessing a government's accountability. The scope of the changes included the following areas:

- Management's Discussion and Analysis
- Unusual or Infrequent items
- Presentation of Proprietary Fund Statements
- Major Component Unit Information
- Budgetary Comparison Information

This Statement is effective for reporting periods beginning after June 15, 2025. South Coast AQMD implemented the Statement in fiscal year 2025-26.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*
This Statement establishes disclosure requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. These include GASB 87 lease assets, GASB 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPPs), and GASB 96 subscription assets. This Statement also establishes requirements and additional disclosures for capital assets held for sale. This Statement is effective for reporting periods beginning after June 15, 2025. South Coast AQMD implemented the Statement in fiscal year 2025-26.

II. CASH, POOLED CASH AND INVESTMENT

The following is a summary of the cash, pooled cash, and investments for the primary government at June 30, 2026:

Cash on hand	$	720,133
Cash in bank		337,722
Pooled cash		1,762,811,244
Investments		207,102,846
Cash, pooled cash, and investments	$	1,970,971,945

CASH

At June 30, 2026, the carrying amount of South Coast AQMD's bank deposits was $337,722 and the bank balance was $358,956. The amount covered and insured by Federal Deposit Insurance Corporation (FDIC) was up to $250,000. The bank deposits and the bank balance exceed FDIC by $87,722 and $108,956, respectively. Management believes that South Coast AQMD is not exposed to any significant credit risk related to cash in bank. Cash on hand consists of cash and checks not deposited as of June 30, 2026.

POOLED CASH

South Coast AQMD's pooled cash and investments are held in the Los Angeles County Pooled Surplus Investment Fund Portfolio (PSI), the Los Angeles County Specific Purpose Investment Portfolio (SPI), and the State of California Local Agency Investment Fund (LAIF). Pooled cash and investments are held in accordance with California Government Code, South Coast AQMD Investment Policy, Los Angeles County Treasurer Investment Policy and LAIF Policies, Goals, and Objectives.

Los Angeles County Pooled Surplus Investment Fund Portfolio (PSI)

South Coast AQMD is a voluntary participant in the PSI, an external investment pool managed by the Los Angeles County Treasurer who reports on a monthly basis to its Board of Supervisors. Its Treasury Oversight Committee reviews and monitors its investment policy. The investment policy is governed by applicable California Government Code. Investments held are stated at fair value. The fair value of pooled cash is determined monthly and is based on current market prices.

Los Angeles County Specific Purpose Investment Portfolio (SPI)

The SPI is managed by the Los Angeles County Treasurer and is used to purchase specific investments for South Coast AQMD. In accordance with California Government Code, South Coast AQMD adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms. On June 30, 2026, SPI are reported at fair value.

The South Coast AQMD Investment Policy authorizes South Coast AQMD to invest in:

- U.S. Treasuries
- Federal agencies and U.S. government sponsored enterprises
- Los Angeles County Pooled Surplus Investment Portfolio
- State of California Local Agency Investment Fund
- Obligation of State of California or any other local agency within the state - permitted obligations will include bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency, or by a department, board, agency or authority of the state or local agency. Obligations of the State of California or other local agencies within the state must be rated in a rating category of "A" or its equivalent, or higher by a Nationally Recognized Statistical Rating Organizations (NRSRO).
- Shares of money market mutual funds – shall be limited to ratings of "AAA" by two (2) NRSROs or managed by an investment advisor registered with the Securities Exchange Commission with not less than five-years' experience and with assets under management in excess of $500 million and such investment may not represent more than 10% of the total assets in the money market fund.
- Bankers' acceptances – with maximum maturities of 180 days and must be issued by national or state-chartered banks or a state-licensed branch of a foreign bank. Eligible banker's acceptance should have the highest rankings or the highest letter and number rating as provided for by at least two (2) NRSROs.
- Negotiable certificates of deposit – with maximum maturities of three (3) years and must be issued by national or state-chartered banks, a federal or state-licensed branch of a foreign bank, savings associations and state or federal credit unions. Negotiable CDs must be rated in a rating category of "A-1" or "A" or its equivalent by at least two (2) NRSROs.
- Commercial paper – Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph a or paragraph b; and may not represent more than 10% of the outstanding paper of the issuing corporation. Maximum maturities are 270 days.

  a. The entity meets the following criteria:
     i. Is organized and operating in the United States as a general corporation.
     ii. Have total assets in excess of $500 million dollars ($500,000,000).
     iii. Has debt other than commercial paper, if any, that is rated in a rating category of "A", or its equivalent, or higher, by a NRSRO.
  b. The entity meets the following criteria:
     i. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
     ii. Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.

iii. Has commercial paper that is rated in a rating category of "A-1", or the equivalent or higher, by a NRSRO.

- Repurchase agreements – with maximum maturity of 30 days and must be collateralized by the U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily, entered into with broker-dealer which is a recognized primary dealer and evidenced by a broker-dealer master purchase agreement signed by County Treasurer and approved by South Coast AQMD.
- Reverse purchase agreements – are not allowed except as part of investments in the PSI and LAIF.
- Supranational Institutions – permitted obligations will include U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by any of the supranational institutions identified in California Government Code Section 53601(q), which are eligible for purchase and sale within the U.S. Supranational investments must be rated in a rating category of "AA" or its equivalent, or higher by a NRSRO.

State of California Local Agency Investment Fund (LAIF)
South Coast AQMD is a voluntary participant in LAIF, an external investment pool that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

LAIF is part of the Pooled Money Investment Account (PMIA) and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB Board members are the State Treasurer, Director of Finance and the State Controller. Additionally, LAIF has oversight by the Local Investment Advisory Board, which consists of five members, as designated by statute. The Chairman is the State Treasurer, who appoints the other four members to two-year terms.

The fair value of South Coast AQMD's investment in this pool is reported in the accompanying financial statements at amounts based upon South Coast AQMD's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records of LAIF, which are recorded on an amortized cost basis.

The following table summarizes South Coast AQMD's cash and pooled cash and maturities at June 30, 2026:

		Investment Maturities	
	Fair Value	<1 Year	1-2 Years
Cash:			
On hand	$ 720,133	$ -	$ -
In bank	337,722	-	-
Total cash	1,057,855	-	-
Pooled cash:			
Los Angeles County			
Pooled Surplus Investment (PSI)	1,721,507,056	1,377,205,644	344,301,412
Local Agency			
Investment Fund (LAIF)	41,304,188	41,304,188	-
Total pooled cash	1,762,811,244	1,418,509,832	344,301,412
Total cash and pooled cash investments	$ 1,763,869,099	$ 1,418,509,832	$ 344,301,412

INVESTMENTS

South Coast AQMD's investments are comprised of the following as of June 30, 2026:

	Level 1	Level 2	Level 3
U.S. Treasury Notes/Federal Agency	$ 207,102,846	$ -	$ -
Total investments	$ 207,102,846	$ -	$ -

South Coast AQMD categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 is significant unobservable inputs.

South Coast AQMD has investments in the SPI for U.S. Treasury Notes which are classified as Level 1 as fair market value is determined by observables, unadjusted quoted market price in active or highly liquid and transparent market.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in interest rates. As a means of limiting its exposure to declines in fair value, the South Coast AQMD Investment Policy limits its investment portfolio of SPI with the County of Los Angeles to maturities of less than five years at time of purchase and the weighted average maturity of the SPI portfolio may not exceed three years.

Credit Risk

Credit risk is the risk of default or the inability of an issuer of an investment to fulfill its obligation to the holder of the investment. South Coast AQMD mitigates its credit risk in the SPI portfolio generally by following its three primary investment objectives, in order of safety, liquidity, and yield. South Coast AQMD's Investment Policy further requires only permitted investments with specific credit quality requirements.

The PSI and LAIF are both unrated as to credit quality. The investments that are represented by SPI are held by the Los Angeles County Treasurer on South Coast AQMD's name consist of U.S. Treasury Notes with credit rating of AA+ (S&P).

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. South Coast AQMD's Investment Policy mitigates concentration of credit risk through diversification requirements so that no one type of issuer or issue will have a disproportionate impact on the portfolio. The investments that are represented by SPI consist of U.S. Treasury Note and securities issued by Federal agencies.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, South Coast AQMD will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that South Coast AQMD will not be able to recover the value of its investment securities that are in the possession of an outside party. South Coast AQMD's deposits are fully insured by the FDIC, pooled cash with the PSI and LAIF are not subject to custodial credit risk, and the investments that are represented by SPI are held by the Los Angeles County Treasurer in the name of South Coast AQMD.

III. DUE FROM OTHER GOVERNMENT AGENCIES AND ACCOUNTS RECEIVABLE

Due from other government agencies at June 30, 2026 consists of the following:

California Energy Commission (CEC)	$	25,757
Department of Energy (DOE)		760
Department of Motor Vehicles		
AB 2766, SB 1928, AB 923		16,512,974
Environmental Protection Agency (EPA)		
Diesel Emissions Reduction Act (DERA)		5,899
Initiation Reduction Act (IRA)		699,363
National Air Toxics Trend Station (NATTS)		31,728
Section 103 PM 2.5 Grant		289,337
Section 105 Air Grant		188,204
Targeted Air Shed Grant Administration		22,078
Title V Modernization		2,775
Total	$	17,778,875

Accounts Receivable consists of the following at June 30, 2026:

Air Toxics “Hot Spots”, Emission Fees, Permits, Annuals and Source Testing	$	7,079,649
Rule 2305 Mitigation Fees and Penalties		3,425,381
Ocean Going Vessels at Bert Remediation		6,004
STAR - UCLA		2,767
Miscellaneous Receivables		815,499
Subtotal		11,329,300
Less: Allowance for Doubtful Accounts		(4,780,175)
Net Accounts Receivable	$	6,549,125

IV. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

Receivable Fund	Amount	Payable Fund	Amount
General Fund	$ 7,584,338	Air Toxics Fund	$ 3,685,315
		Advanced Technology, Outreach and Education Fund	75,061
		Mobile Sources Air Pollution Reduction Fund	262,351
		Clean Fuels Program Fund	1,216,970
		Carl Moyer Fund	613,983
		HEROS II Special Revenue Fund	128,669
		GHG Reduction Projects Special Revenue Fund	53,033
		Air Filtration Fund	12,068
		Community Air Protection AB 134 Fund	305,432
		VW Mitigation Special Revenue Fund	291,690
		Carl Moyer Program AB 923 Special Revenue Fund	409,206
		Clean Shipping Technology Demonstration Fund	128,182
		Aliso Fund Porter Ranch SEP Special Revenue Fund	14,068
		CARB SEP Special Revenue Fund	4,537
		At-Berth Regulation Remediation Special Revenue Fund	25,606
		US EPA Climate Pollution Reduction Grant (CPRG) Special Revenue Fund	358,167
	7,584,338		7,584,338
Clean Fuels Program Fund	1,597,574	General Fund	413,656
		Advanced Technology Goods Movement Fund	157,500
		GHG Reduction Projects Special Revenue Fund	1,026,418
	1,597,574		1,597,574
Total Receivables	$ 9,181,912		$ 9,181,912

The outstanding balances between funds result mainly from the time lag between the date that: (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Fund Transferred From	Fund Transferred to: General Fund	Fund Transferred to: Other Governmental Funds	Total
General Fund	$ -	$ 2,000,000	$ 2,000,000
Other Governmental Funds	4,901,817	2,000	4,903,817
	$ 4,901,817	$ 2,002,000	$ 6,903,817

South Coast AQMD's Governing Board approved the following:

- Transfer $2,000,000 from the General Fund to the Debt Service Fund.
- Transfer and appropriate $1,665,446 from the Clean Fuels Program Fund into the General Fund to support the MATES VI program.
- Transfer and appropriate $1,325,518 from Rule 1180 Special Revenue Fund into General Fund for air monitoring equipment, vehicles, shelters and services.
- Transfer $2,000 from BP ARCO Settlement Project fund to the HEROS II Special Revenue Fund to reimburse the RYR program funds and EFMP Recycling Fund.

V. CAPITAL ASSETS

In compliance with GASB Statement No. 34 reporting, South Coast AQMD has reported all capital assets in the Government-wide Statement of Net Position. Capital asset activities for the year ended June 30, 2026 were as follows:

	Balance June 30, 2025	Increase	Decrease	Balance June 30, 2026
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 8,829,792	$ -	$ -	$ 8,829,792
Total capital assets not being depreciated	8,829,792	-	-	8,829,792
Capital assets being depreciated/amortized:				
Buildings and improvements	80,888,873	923,035	(15,539)	81,796,369
Intangibles (software)	19,929,921	1,536,161	-	21,466,082
Equipment, vehicles and furniture	46,124,406	4,831,390	(1,398,611)	49,557,185
Leased buildings	1,979,768	-	-	1,979,768
Leased equipment and vehicles	3,145,467	659,953	(199,762)	3,605,658
Subscription	4,735,011	3,138,888	(1,600,692)	6,273,207
Total capital assets being depreciated	156,803,446	11,089,427	(3,214,604)	164,678,269
Less accumulated depreciation/amortization for:				
Buildings and improvements	(76,005,148)	(320,357)	15,539	(76,309,966)
Intangibles (software)	(9,508,034)	(1,696,738)	-	(11,204,772)
Equipment vehicles and furniture	(33,349,918)	(3,783,018)	1,398,611	(35,734,325)
Leased buildings	(1,359,941)	(339,483)	-	(1,699,424)
Leased equipment and vehicles	(1,361,358)	(684,476)	166,649	(1,879,185)
Subscription	(2,203,449)	(1,963,281)	1,587,354	(2,579,376)
Total accumulated depreciation and amortization	(123,787,848)	(8,787,353)	3,168,153	(129,407,048)
Net capital assets being depreciated	33,015,598	2,302,074	(46,451)	35,271,221
Net capital assets, governmental activities	$ 41,845,390	$ 2,302,074	$ (46,451)	$ 44,101,013

For the year ended June 30, 2026, the depreciation/amortization expense of $8,787,353 was charged to South Coast AQMD's functions/programs in the governmental activities as follows:

Advance clean air technology	$ 382,844
Ensure compliance with clean air rules	2,316,226
Customer service and business assistance	527,463
Develop programs to achieve clean air	363,908
Develop rules to achieve clean air	298,550
Monitoring air quality	3,621,756
Timely review of permits	1,183,320
Policy support	93,286
Total depreciation and amortization expense	$ 8,787,353

VI. DEFERRED OUTFLOWS/DEFERRED INFLOWS OF RESOURCES, PENSION, AND OPEB

The following is a summary of deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred outflows of resources – Pension (SBCERA) (see note XI for details)	$ 78,235,166	$ -
Deferred inflows of resources – Pension (SBCERA) (see note XI for details)	-	33,662,857
Deferred outflows of resources – OPEB (LACERA) (see note XII for details)	169,358	-
Deferred inflows of resources – OPEB (LACERA) (see note XII for details)	-	48,000
Total	$ 78,404,524	$ 33,710,857

The following is a summary of pension and OPEB Balances:

	SBCERA	LACERA	Total
Pension:			
Net Pension liability	$ 175,970,160	$ -	$ 175,970,160
Pension expense	8,500,704	-	8,500,704
Pension contributions made in fiscal year 2025-26	39,746,190	-	39,746,190
OPEB:			
Net OPEB liability	-	1,796,000	1,796,000
OPEB expense (revenue)	-	(237,726)	(237,726)
OPEB contributions made in fiscal year 2025-26	-	169,358	169,358

VII. LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions of the South Coast AQMD for the year ended June 30, 2026:

Governmental Activities:	Balance July 1, 2025	Addition	Reduction	Balance June 30, 2026	Due Within One Year	Due in More Than One Year
Claims payable:						
General liability*	$ 760,565	$ 2,507	$ 410,565	$ 352,507	$ 352,507	$ -
Workers' compensation*	1,018,757	645,592	445,678	1,218,671	289,944	928,727
Compensated absences	26,489,040	1,246,388	-	27,735,428	1,940,861	25,794,567
Total	$ 28,268,362	$ 1,894,487	$ 856,243	$ 29,306,606	$ 2,583,312	$ 26,723,294

*See Note VIII for details

In prior years, claims payable have been liquidated primarily by the General Fund.

VIII. RISK MANAGEMENT

South Coast AQMD's risk management program is responsible for purchasing insurance when prudent and cost-effective, self-insuring other exposures to loss when feasible.

South Coast AQMD carries $225 million of all-risk property insurance, with limits of $100 million on business interruption and $25 million on earthquake and flood coverage. The limits of liability for general claims are $10 million. This coverage is supplemented by excess liability policies for boilers & machinery to a limit of $100 million, and bodily injury/property damage/public officials' errors and emissions/employment practices liability/personal injury to $10 million. Self-insured retention levels for excess liability are $350,000. South Coast AQMD maintains $750 million excess workers' compensation insurance for losses over $750,000. South Coast AQMD also maintains policies to protect against some criminal conduct and cyber-attacks.

As of June 30, 2026, $352,507 and $1,218,671, respectively, had been reserved for general liability claims and workers' compensation.

An appropriate amount has been recorded in the General Fund's financial statements to the extent that South Coast AQMD anticipates that these amounts will be paid from current resources. While the ultimate amount of losses incurred through June 30, 2026, is dependent on future development based upon information from the independent claims' administrator and others involved with the administration of the programs, South Coast AQMD management believes that the aggregate accrual is adequate to cover such losses.

No significant reduction in insurance coverage occurred during the last three fiscal years. Also, during this period, no claim settlement exceeded insurance coverage.

The following represents changes in the aggregate liabilities for claims of South Coast AQMD's general liability and workers' compensation for the years ended June 30, 2025 and 2026:

	General Liability	Workers' Compensation	Totals
Claims payable, July 1, 2024	$ 9,790	$ 1,464,038	$ 1,473,828
Current year claims and changes in estimates	753,975	3,144,224	3,898,199
Claims payments	(3,200)	(3,589,505)	(3,592,705)
Claims payable, June 30, 2025	$ 760,565	$ 1,018,757	$ 1,779,322
Claims payable, July 1, 2025	$ 760,565	$ 1,018,757	$ 1,779,322
Current year claims and changes in estimates	2,507	645,592	648,099
Claims payments	(410,565)	(445,678)	(856,243)
Claims payable, June 30, 2026	$ 352,507	$ 1,218,671	$ 1,571,178

IX. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The following is a summary of lease and subscription liabilities for the year ended June 30, 2026:

	Balance July 1, 2025	Addition	Reduction	Balance June 30, 2026	Due Within One Year	Due in More Than One Year
Lease Liability	$ 2,587,284	$ 659,953	$ 1,076,010	$ 2,171,227	$ 967,377	$ 1,203,850
Subscription Liability	1,940,978	3,138,888	2,077,402	3,002,464	1,443,027	1,559,437
Total	$ 4,528,262	$ 3,798,841	$ 3,153,412	$ 5,173,691	$ 2,410,404	$ 2,763,287

A. Leases

South Coast AQMD as Lessee

South Coast AQMD, as a lessee, has entered into lease agreements involving building spaces, air monitoring spaces, postage equipment, printing equipment, and vehicles. As of June 30, 2026, the total value of the lease liability was $2,171,227.

As of June 30, 2026, the total value of the lease asset was recorded at a cost of $5,585,426 with accumulated amortization of $3,578,609.

The future lease payments under lease agreements are as follow:

Year Ending June 30	Principal	Interest	Total
2027	$ 967,377	$ 117,975	$ 1,085,352
2028	655,195	65,476	720,671
2029	357,586	24,210	381,796
2030	122,003	8,483	130,486
2031	69,066	1,990	71,056
	$ 2,171,227	$ 218,134	$ 2,389,361

South Coast AQMD as Lessor

South Coast AQMD, as a lessor, has entered into lease agreements involving building spaces. As of June 30, 2026, the value of the lease receivable is $246,491. South Coast AQMD recognized $42,782 in lease revenue during the fiscal year 2025-2026. Also, South Coast AQMD has a deferred inflow of resources associated with leases that will be recognized over the lease term. As of June 30, 2026, the balance of the deferred inflow of resources was $220,970.

The future lease incomes under lease agreements are as follows:

Year Ending June 30	Principal	Interest	Total
2027	$ 44,856	$ 5,605	$ 50,461
2028	47,002	4,469	51,471
2029	49,222	3,278	52,500
2030	51,518	2,031	53,549
2031	53,893	727	54,620
	$ 246,491	$ 16,110	$ 262,601

B. Subscription-Based Information Technology Arrangements (SBITA)

South Coast AQMD has entered into SBITA with outside vendors for cloud computing arrangements, such as software as a service, platform as a service and infrastructure as a service. SBITA subscription asset is presented as subscription in the Note V - Capital Assets. As of June 30, 2026, the total value of the subscription liability was $3,002,464. As of June 30, 2026, the total value of the subscription asset was recorded at a cost of $6,273,206 with accumulated amortization of $2,579,375.

The future subscription payments under SBITA are as follows:

Year Ending June 30	Principal	Interest	Total
2027	$ 1,443,027	$ 140,326	$ 1,583,353
2028	762,378	70,937	833,315
2029	797,059	36,257	833,316
	$ 3,002,464	$ 247,520	$ 3,249,984

X. FUND BALANCES ADJUSTMENT/RESTATEMENT

During fiscal year 2025-2026, the beginning net position or fund balances were adjusted for error correction and changes to or within the financial reporting entity.

Error Correction

GHG Reduction Projects Special Revenue Fund incorrectly over-accrued an invoice in previous fiscal year, resulting in an overstatement of expenditures and liabilities. Net position and fund balance at June 30, 2025, as restated, are shown in the table below.

Changes to or within the Financial Reporting Entity

VW Mitigation Special Revenue Fund was reported as a major fund in the previous fiscal year. In the current fiscal year, the fund no longer meets the criteria to be reported as a major fund and is changed to non-major fund. Fund balance at June 30, 2025, as restated, is shown in the following table.

	June 30, 2025 As Previously Reported	Error Correction	Changes to or within the Financial Reporting Entity	June 30, 2025 As Restated/ Adjusted
Government-Wide				
Governmental Activities	$ 1,510,331,472	$ 3,195,012	$ -	$ 1,513,526,484
	1,510,331,472	3,195,012	-	1,513,526,484
Governmental Funds				
Major Funds:				
General Fund	$ 114,879,870	$ -	$ -	$ 114,879,870
Carl Moyer Fund	208,789,586	-	-	208,789,586
CAP 134 Fund	289,740,090	-	-	289,740,090
VW Mitigation Sp Rev Fund	128,614,179	-	(128,614,179)	-
CMP AB 923 Fund	189,752,515	-	-	189,752,515
Nonmajor Funds	734,263,884	3,195,012	128,614,179	866,073,075
Total Governmental Funds	$ 1,666,040,124	$ 3,195,012	$ -	$ 1,669,235,136

XI. DEFINED BENEFIT PENSION PLANS

San Bernardino County Employees' Retirement Association (SBCERA)

Plan description

South Coast AQMD participates in the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. South Coast AQMD only has general membership. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA on the first day of employment and are provided with pension benefits pursuant to Plan requirements.

The Plan operates under the provisions of the California County Employees' Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted SBCERA's Board of Retirement (Board). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA is a legally separate entity from South Coast AQMD, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, the South Coast AQMD's annual comprehensive financial report excludes the SBCERA pension plan as of June 30, 2026. SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

	General – Tier 1	General – Tier 2
Final Average Compensation	Highest 12 months	Highest 36 months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or age eligible for	Age 70 any years	Age 70 any years
	10 years age 50	5 years age 52
	30 years any age	N/A
Benefit percent per year of service for normal retirement age	At normal retirement age, 2% per year of final average compensation for every year of service credit	At age 67, 2.5% per year of final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67
Final Average Compensation Limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the members years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454 for participating employers, and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy.

The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that considers mortality, service (including age at entry into the Plan, if applicable, and tier), and compensation experience of the members and beneficiaries, and also includes an evaluation of the Plan's assets and liabilities. Participating employers may pay a portion of the active members' contributions and active members may pay a portion of the participating employer contributions, through negotiations and bargaining agreements.

Employee contribution rates for the fiscal year ended June 30, 2026 ranged between 8.77% and 14.96% for Tier 1 General members, 30 year General members are not required to pay any employee contribution. For Tier 2 General members, the contribution is 7.80%.

Employer contribution rates for the year ended June 30, 2026 are as follows:

	Employer Contribution Rates	
	Tier 1 Members	Tier 2 Members
Actuarially Determined Required Contribution Percentages	**Total**	**Total**
South Coast AQMD members	39.49%	35.17%

The required employer contributions and the amount paid to SBCERA by the South Coast AQMD for the year ended June 30, 2026 were $39,746,190. The South Coast AQMD's employer contributions were equal to the required employer contributions for the year ended June 30, 2026.

Pension Liability

On June 30, 2026, South Coast AQMD reported a net pension liability of $175,970,160 for its proportionate share of the SBCERA's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The SBCERA's publicly available financial report provides details on the change in the net pension liability.

The South Coast AQMD's proportion of the net pension liability was based on the South Coast AQMD's contributions received by SBCERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2026, the South Coast AQMD's proportion was 9.441%, which was an increase of 0.792% from its proportion measured as of June 30, 2024.

Pension Expense and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2026, the South Coast AQMD recognized pension expense of $8,500,704 for its proportionate share of SBCERA's pension expense. At June 30, 2026, the South Coast AQMD reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Changes in proportion and differences between South Coast AQMD contributions and proportionate share of contributions	$ 3,435,878	$ 27,411,049
Changes in actuarial assumptions	-	4,767,129
Net difference between projected and actual earnings on pension plan investments	8,720,468	-
Differences between expected and actual experience	26,332,630	1,484,679
South Coast AQMD contributions paid to SBCERA subsequent to the measurement date	39,746,190	-
Total	$ 78,235,166	$ 33,662,857

*See note VI for summary

The $39,746,190 reported as deferred outflows of resources related to South Coast AQMD's contributions made to SBCERA subsequent to the measurement date but before the reporting period ended June 30, 2026: the contribution amount of $39,746,190 will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

Year ended June 30:	
2027	$ 15,440,294
2028	(6,217,986)
2029	(3,691,684)
2030	(745,782)
2031	41,277
Thereafter	-

Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2025
Actuarial experience study	3-year period ending June 30, 2022
Actuarial cost method	Entry age actuarial cost method
Actuarial assumptions:	
Investment rate of return[(1)]	7.25%
Inflation	2.50%
Projected Salary increases[(2)]	General: 4.30% to 9.5%
Cost of living adjustments	Consumer price index increase of 2.00% per year
Administrative Expenses	0.90% of payroll

[(1)] Net of pension investment expense, including inflation.
[(2)] Includes inflation at 2.5% plus real across-the-board salary increase of 0.50% and merit and promotional increases.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the three-year period of July 1, 2019 – June 30, 2022. Same assumptions are used in the June 30, 2025 funding valuation.

For General employees, mortality rates are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is 7.25%. SBCERA's actuary prepares an analysis of the long-term expected rate of return on a triennial basis using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions are summarized in the following table:

SBCERA's Long-Term Expected Real Rate of Return

Asset Class	Investment Classification	As of June 30, 2025 Valuation Date: Target Allocation (1)	As of June 30, 2025 Valuation Date: Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.5%	6.00%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.5%	6.65%
Developed International Equity	Foreign Common and Preferred Stock	7.00%	7.01%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.97%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	6.48%
Emerging Market Debt	Emerging Market Debt	6.00%	4.76%
Real Estate Core	Real Estate	2.50%	3.86%
Real Estate Non-Core	Real Estate	2.50%	5.40%
International Credit	Foreign Alternatives	11.00%	7.10%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	7.10%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	10.10%
Private Equity	Domestic Alternatives/Foreign Alternative	18.00%	9.84%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	0.63%
	Total	**100.00%**	

(1) For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made based on the actuarially determined rates based on the SBCERA Board's funding policy, which establishes the contractually required rate based on statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the South Coast AQMD's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the South Coast AQMD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to Changes in the Discount Rate
As of June 30, 2025

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
South Coast AQMD's proportionate share of the net pension liability	$331,565,865	$175,970,160	$48,999,940

Pension Plan Fiduciary Net Position
Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA annual comprehensive financial report. That report may be obtained on the Internet at www.SBCERA.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415; or by calling (909) 885- 7980 or (877) 722-3721.

Payables to the Pension Plan
The amount payable to SBCERA at June 30, 2026 for the legally required contribution is $3,864,854.

Los Angeles County Employees' Retirement Association (LACERA)

Plan Description
South Coast AQMD participates in the LACERA Pension Plan (the plan) (LACERA operates as a cost-sharing multiple-employer defined benefit plan.) As of June 30, 2026, South Coast AQMD had no active members in this plan. For South Coast AQMD, LACERA is a closed plan which means no new members will be added to the plan. LACERA was established on January 1, 1938. It is governed by the California Constitution; CERL of 1937; and the regulations, procedures, and policies adopted by LACERA's Board of Retirement and Board of Investments. The Los Angeles County (County) Board of Supervisors may also adopt resolutions, as permitted by CERL, which may affect the benefits of LACERA members.

South Coast AQMD has no balances for the proportionate share of net pension liability, pension expense, or related deferred outflows and inflows of resources.

XII. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description
SBCERA does not provide any post-employment benefits to South Coast AQMD retirees. LACERA, however, in addition to providing pension benefits, essentially provides a comprehensive health care benefits program to its retirees that include several medical, dental, vision, and death benefits. LACERA administers the defined benefit OPEB on behalf of Los Angeles County and its participating agencies. South Coast AQMD is one of the participating agencies. Prior to fiscal year 2019-20, the OPEB was under a cost sharing multiple-employer structure. Starting in fiscal year 2019-20, the OPEB was changed to an

agent plan structure. The first South Coast AQMD agent report was for fiscal year ending June 30, 2020.

South Coast AQMD is subject under the April 20, 1982 agreement between Los Angeles County and LACERA (County Agreement). In April 1982, Los Angeles County adopted an ordinance pursuant to the CERL of 1937 that provided for a retiree health insurance program and death/burial benefits for retired employees and their eligible dependents. In 1982, Los Angeles County and LACERA entered into an agreement whereby LACERA would administer the program subject to the terms and conditions of the agreement. In 1994, Los Angeles County amended the agreement to continue to support LACERA's retiree insurance benefits program, regardless of the status of the active member insurance. In 2018, this agreement was further updated to specify the sharing of expenses between South Coast AQMD and Los Angeles County for South Coast AQMD retirees who also had Los Angeles County service credit.

LACERA is a closed plan to employees who were hired after December 31, 1979. Currently, there are 25 retirees covered by the benefit terms under the OPEB.

LACERA is a legally separate entity from South Coast AQMD, not a component unit, and there is no financial interdependency with Los Angeles County. For these reasons, the South Coast AQMD's annual comprehensive financial report excludes the LACERA OPEB as of June 30, 2026. LACERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, which can be obtained by writing LACERA at 300 N. Lake, Pasadena, CA 91101 or visiting the website at: www.LACERA.com.

Benefits Provided

LACERA OPEB program offers members choice of medical plan as well as dental/vision plans. Medical and dental/vision are provided through third-party insurance carriers with the participant's cost for medical and dental/vision insurance varying according to the years of retirement service credit, the plan selected, and the number of persons covered. There is a one-time lump-sum $5,000 death/burial benefit payable to the designated beneficiary upon the death of a retiree.

Contributions

South Coast AQMD and/or Los Angeles County and each retired employee participating in the OPEB contributes a portion of the total cost per month of the premium for the plan in which the retiree is enrolled according to the terms of the Retiree Health Care Program under the County Agreement. The portion of the premium to be paid by South Coast AQMD and/or the Los Angeles County is calculated based on the years of retirement service credit under the terms of the County Agreement, as they may change from time to time. LACERA subsidizes the retiree's cost starting at 10 years of service credit and up

to a maximum of 100% for a member with 25 years of service credit with the County. LACERA, at its own discretion, may increase the premium to cover additional expenses.

Total OPEB Liability

The total OPEB liability was measured at $1,796,000 as of June 30, 2026. South Coast AQMD's total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was projected forward to the measurement date. The total OPEB liability is the same as the net OPEB liability since the fiduciary net position is zero.

OPEB Expense and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2026, the South Coast AQMD recognized OPEB revenue (expense) of $237,726. As of June 30, 2026, South Coast AQMD's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Differences between expected and actual economic experience	$ -	$ 18,000
Changes of assumptions	-	30,000
South Coast AQMD contributions paid to LACERA subsequent to the measurement date	169,358	-
Total	$ 169,358	$ 48,000

* See note VI for summary

The $169,358 reported as deferred outflows of resources related to South Coast AQMD's contributions made to LACERA subsequent to the measurement date but before the reporting period ended June 30, 2026. This contribution amount of $169,358 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended June 30:	
2027	$ (48,000)
2028	-
2029	-
2030	-
2031	-
Thereafter	-

Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total OPEB's liability are as follows:

Actuarial Valuation Date	July 1, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry age normal, level percent of pay
Inflation	2.75%
Salary Increases	3.25%
Investment Rate of Return	5.20%

Mortality rates were based on the PubG-2010 Healthy and Disabled mortality tables and including projection for expected future mortality improvement using the MP-2021 Ultimate Projection Scale.

Healthcare Cost Trend Rates:

	FY 2025 to FY 2026
LACERA Medical Under 65	6.80%
LACERA Medical Over 65	6.00%
Part B Premiums	11.70%
Dental Under and Over 65	3.70%

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of a 2022 actuarial retirement experience study and a 2023 OPEB actuarial experience study.

Discount Rate

The discount rate used to measure the net OPEB liability under the agent structure was 5.20%. The discount rate was determined from the 20-year tax-exempt municipal bond yield.

Sensitivity of the South Coast AQMD's Net OPEB Liability to Changes in the Discount Rate

The following presents the South Coast AQMD's net OPEB liability as well as what the South Coast AQMD's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability	$1,941,000	$1,796,000	$1,669,000

Sensitivity of the South Coast AQMD's Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the South Coast AQMD's net OPEB liability, calculated using the healthcare cost trend rates as reported on the July 1, 2023 OPEB Actuarial Valuation Health Cost Trend Assumptions, as well as what the net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$1,664,000	$1,796,000	$1,944,000

OPEB Plan Fiduciary Net Position

Detailed information about LACERA's fiduciary net position is available as a separately issued LACERA annual comprehensive financial report. That report may be obtained on the internet at www.LACERA.com; by writing to LACERA at 300 N. Lake, Pasadena, CA 91101; or by calling (626) 564-6000.

Payable to the OPEB Plan

At June 30, 2026, the amount payable to LACERA for the legally required contribution is $20,567.

XIII. DEFERRED COMPENSATION PLAN

South Coast AQMD offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Starting in January 2023, South Coast AQMD provides employer matching in Internal Revenue Code Section 401(a) for non-represented employees. The plan permits them to defer a portion of their salary until future years. These funds are not available to employees until termination, retirement, death or unforeseen emergency.

The deferred compensation plan monies are invested in various investment funds as selected by the participating employees. All amounts of compensation deferred under the plan and all income attributed to those amounts are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Effective January 1, 1999, federal legislation requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. South Coast AQMD's deferred compensation administrator, Empower Retirement LLC. qualifies as the plan trustee to meet the federal requirements. In accordance with GASB Statement No. 32, South Coast AQMD no longer reports the plan assets and liabilities in its financial statements. As of June 30, 2026, investments with a fair value of $300,525,944 are held in a trust.

XIV. HEALTH REIMBURSEMENT ARRANGEMENT PLAN

On December 4, 2009, South Coast AQMD's Governing Board approved the establishment of a Health Reimbursement Arrangement (HRA) plan for South Coast AQMD employees. This allows active employees to save on a tax-free basis for their future post-retirement health care costs. Empower serves as South Coast AQMD's HRA service provider. Currently, both South Coast AQMD and the SBCERA do not offer a health reimbursement program nor post-retirement health care to help the employees afford health care in retirement.

Initially, the program was made available to non-represented employees with the understanding that it could be expanded to cover represented employees, based on their approval. In compliance with the rules establishing the HRA, each defined group covered by the plan is required to establish its own criteria on what earnings would be contributed. As of June 30, 2026, the Executive Officer, General Counsel, Assistant Designated Deputies (excludes Deputy Executive Officer) and professional bargaining unit members (excludes Assistant Air Quality Engineer, Air Quality Engineer, Air Quality Engineer II) were the eligible employee classifications that were set up and approved by South Coast AQMD. Under the professional bargaining unit, contributions are 100% holiday and sick leave payouts at termination and/or compensation payout at separation

of service. For the Executive Officer, General Counsel, and Assistant Designated Deputies, contributions of eligible sick leave payout at separation of employment.

XV. COMMITMENTS

Guaranteed Loans

The Air Quality Assistance Fund (AQAF) was originally established to comply with state legislation which required South Coast AQMD to allocate a portion of the funds it receives as penalties and settlements from violators of air pollution regulations and to provide financing assistance to small businesses that require financing in order to comply with South Coast AQMD requirements. This legislation was repealed on January 1, 1999. In June 2000, the Governing Board authorized staff to continue to use the funds to assist small businesses with an improved program for greater participation. Financing assistance includes guaranteeing or otherwise reducing the financial risks of lenders in providing financial assistance to small businesses. The funds are not used for direct loans to small businesses.

In June 2001, South Coast AQMD entered into an agreement with the California Pollution Control Financing Authority (CPCFA) to be an "independent contributor" to the California Capital Access Program (CalCAP). South Coast AQMD transferred $100,000 to the CPCFA to cover borrower fees on any qualified small business CalCAP loans for air quality-related equipment or processes.

In October 2007, the Governing Board authorized the transfer of $1 million to the Dry Cleaners Financial Incentives Grant Program to supplement the existing incentive grant programs. This incentive program assists dry cleaners in making early transitions from perchloroethylene (perc) to alternative cleaning technologies. AQAF's fund balance amounted to $1,949,893 at fiscal year ended June 30, 2026.

XVI. PENDING LITIGATION

A number of other lawsuits and claims are pending against South Coast AQMD for alleged damages to persons and property and for other alleged liabilities arising out of its normal operations. South Coast AQMD's management believes that any liability that may arise from the ultimate resolution of such legal actions will not have a material adverse impact on the financial position as of June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) SCHEDULE
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance Original vs. Final Positive	Actual Amounts	Variance with Final Budget Positive
Revenues:	Original	Final	(Negative)	Budgetary Basis	(Negative)
Emission fees	$ 22,039,380	$ 22,039,380	$ -	$ 22,162,138	$ 122,758
Annual renewal fees	87,911,470	88,504,621	593,151	86,771,467	(1,733,154)
Area Sources	2,235,100	2,235,100	-	2,346,456	111,356
Permit processing fees	21,008,620	21,008,620	-	23,131,424	2,122,804
Mobile sources/clean fuels	34,489,170	34,489,170	-	31,557,647	(2,931,523)
Air toxics "Hot Spots"	3,000,000	3,000,000	-	3,443,847	443,847
Transportation programs	932,050	932,050	-	995,969	63,919
State subvention	3,822,530	3,822,530	-	3,856,414	33,884
Federal grant	8,612,680	9,905,373	1,292,693	7,119,329	(2,786,044)
State grant	18,506,930	21,087,535	2,580,605	15,785,380	(5,302,155)
Interest revenue	2,731,020	2,731,020	-	6,120,371	3,389,351
Lease revenue	82,950	82,950	-	80,433	(2,517)
Source test/analysis fees	633,660	633,660	-	797,716	164,056
Hearing Board fees	600,660	600,660	-	216,771	(383,889)
Penalties and settlements	4,600,000	4,600,000	-	7,064,388	2,464,388
Other revenues	1,192,350	1,192,350	-	2,238,214	1,045,864
Total revenues	212,398,570	216,865,019	4,466,449	213,687,964	(3,177,055)
Expenditures:					
Current:					
Salaries and employee benefits	183,377,267	183,752,267	(375,000)	180,624,616	3,127,651
Insurance	3,147,080	3,002,080	145,000	2,600,481	401,599
Rent	1,488,039	1,726,711	(238,672)	493,915	1,232,796
Supplies	4,278,406	8,082,256	(3,803,850)	4,923,396	3,158,860
Contract and special services	15,971,766	15,288,061	683,705	12,512,379	2,775,682
Maintenance	1,958,189	2,255,545	(297,356)	1,973,682	281,863
Travel and auto	958,342	1,210,329	(251,987)	877,882	332,447
Utilities	1,965,620	1,949,395	16,225	2,104,117	(154,722)
Communications	1,213,040	1,110,739	102,301	798,550	312,189
Uncollectible accounts	-	-	-	869,011	(869,011)
Other expenditures	1,720,496	1,836,689	(116,193)	1,294,746	541,943
Capital outlay	1,550,000	5,519,654	(3,969,654)	5,261,434	258,220
Capital outlay - Lease and SBITA	-	-	-	3,781,621	(3,781,621)
Debt service:					
Lease and SBITA Principal	-	-	-	3,087,416	(3,087,416)
Lease and SBITA Interest	-	-	-	220,979	(220,979)
Total expenditures	217,628,245	225,733,726	(8,105,481)	221,424,225	4,309,501
Excess (deficiency) of revenues over (under) expenditures	(5,229,675)	(8,868,707)	(3,639,032)	(7,736,261)	1,132,446
Other Financing Sources (Uses)					
Transfers in	3,042,770	5,262,861	2,220,091	4,901,817	(361,044)
Transfers out	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Leases and SBITA	-	-	-	3,781,621	3,781,621
Total other financing sources	1,042,770	3,262,861	2,220,091	6,683,438	3,420,577
Net change in budgetary fund balances	$ (4,186,905)	$ (5,605,846)	$ (1,418,941)	$ (1,052,823)	$ 4,553,023

See accompanying notes to required supplementary information.

Required Supplementary Information
Schedule of South Coast AQMD's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	Measurement Date**									
SBCERA Pension Plan	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**
South Coast AQMD's proportion of the net pension liability	9.441%	8.649%	8.525%	9.032%	10.54%	8.368%	8.625%	8.613%	8.123%	8.09%
South Coast AQMD's proportionate share of the net pension liability	$ 175,970,160	$ 183,478,592	$ 202,290,111	$ 209,969,044	$ 138,924,385	$ 335,429,877	$ 233,891,403	$ 218,228,092	$ 214,076,570	$ 199,589,723
South Coast AQMD's covered payroll	$ 97,193,143	$ 86,801,728	$ 81,596,762	$ 81,922,566	$ 84,187,926	$ 80,454,708	$ 77,342,109	$ 73,329,109	$ 71,657,793	$ 71,247,083
South Coast AQMD's proportionate share of the net pension liability as a percentage of its covered payroll	181.05%	211.38%	247.91%	256.30%	165.02%	416.92%	302.41%	297.60%	298.75%	280.14%
SBCERA's fiduciary net position as a percentage of the total pension liability	84.96%	83.64%	81.37%	80.21%	86.48%	66.99%	75.24%	75.85%	74.94%	74.10%

	Measurement Date**									
LACERA Pension Plan	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**
South Coast AQMD's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
South Coast AQMD's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
South Coast AQMD's covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,839	$ 60,610	$ 59,557
South Coast AQMD's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
LACERA's fiduciary net position as a percentage of the total pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

** GASB Statement No. 68 requires this information to be presented as of the measurement date of the net pension liability, which is not the current fiscal year end.

See accompanying notes to required supplementary information.

Required Supplementary Information
Schedule of South Coast AQMD's Contributions - Pensions
Last 10 Fiscal Years

	Reporting Date**									
SBCERA Pension Plan	**June 30, 2026**	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**
Contractually required contribution	$ 39,746,190	$ 40,346,624	$ 37,949,174	$ 36,497,985	$ 37,811,240	$ 33,603,205	$ 33,202,615	$ 30,295,487	$ 25,332,734	$ 23,319,256
Contributions in relation to the contractually required contributions	39,746,190	40,346,624	37,949,174	36,497,985	37,811,240	33,603,205	33,202,615	30,295,487	25,332,734	23,319,256
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
South Coast AQMD's covered payroll*	$ 108,542,265	$ 97,193,143	$ 86,801,728	$ 81,596,762	$ 81,922,566	$ 84,187,926	$ 80,454,708	$ 77,342,109	$ 73,329,109	$ 71,657,793
Contributions as a percentage of covered payroll	36.62%	41.51%	43.72%	44.73%	46.15%	39.91%	41.27%	39.17%	34.55%	32.54%

	Reporting Date**									
LACERA Pension Plan	**June 30, 2026**	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**
Contractually required contribution	$ -	$	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,300	$ 11,000
Contributions in relation to the contractually required contributions	-	-	-	-	-	-	-	-	8,300	11,000
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
South Coast AQMD's covered payroll*	$ -	$	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,839	$ 60,610
Contributions as a percentage of covered payroll	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.99%	18.15%

*Covered payroll is different from that shown in previously issued reports due to updated information.

**GASB Statement No. 68 requires this information to be presented as of the most recent fiscal year end.

See accompanying notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the South Coast AQMD's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	Measurement Date**						
LACERA OPEB Plan* **	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**
Total OPEB Liability:							
Interest	$ 80,000	$ 83,000	$ 84,000	$ 62,000	$ 73,000	$ 123,000	$ 135,000
Effects of assumptions, changes or inputs	(97,000)	(29,000)	(47,000)	(370,000)	(185,000)	292,000	136,000
Effects of economic/demographic (gains) or losses	(120,000)	(111,000)	64,000	20,000	(62,000)	(386,000)	-
Benefit payments	(193,000)	(192,000)	(208,000)	(231,000)	(239,000)	(242,000)	(267,000)
Net change in total OPEB liability	(330,000)	(249,000)	(107,000)	(519,000)	(413,000)	(213,000)	4,000
Total OPEB liability, beginning	2,126,000	2,375,000	2,482,000	3,001,000	3,414,000	3,627,000	3,623,000
Total OPEB liability, ending (a)	$ 1,796,000	$ 2,126,000	$ 2,375,000	$ 2,482,000	$ 3,001,000	$ 3,414,000	$ 3,627,000
South Coast AQMD's covered-employee payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB liability as (a) % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**GASB Statement No. 75 requires this information to be presented as of the measurement date of the net OPEB liability, which is not the current fiscal year end.

***OPEB liability for fiscal year 2019 and prior was reported based on a cost sharing structure. In fiscal year 2020 (measurement date at June 30, 2019), the plan was changed from a cost sharing structure to an agent structure. This is the inaugural year of the OPEB information to be reported under an agent structure. The beginning OPEB liability balance was changed to reflect the impact under the agent structure. The following is the historical information under the cost sharing structure:

Schedule of South Coast AQMD's Proportionate Share of the Net OPEB Liability

	Measurement Date		
LACERA OPEB Plan	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**
South Coast AQMD's proportion of the collective net OPEB liability	0.01286%	0.01335%	0.01396%
South Coast AQMD's proportionate share of the collective net OPEB liability	$ 3,180,000	$ 3,534,000	$ 3,721,000
South Coast AQMD's covered-employee payroll	$ 48,839	$ 60,610	$ 59,557
South Coast AQMD's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	6511.19%	5830.72%	6247.80%
LACERA's fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%

Required Supplementary Information
Schedule of South Coast AQMD's Contributions - OPEB
Last 10 Fiscal Years*

LACERA OPEB Plan	Reporting Date **									
	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30,2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution	$ 169,358	$ 165,275	$ 193,644	$ 210,466	$ 221,162	$ 237,584	$ 240,984	$ 232,780	$ 232,715	$ 234,967
Contributions in relation to the contractually required contributions	(169,358)	(165,275)	(193,644)	(210,466)	(221,162)	(237,584)	(240,984)	(232,780)	(232,715)	(234,967)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
South Coast AQMD's covered-employee payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,839	$ 60,610
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	476.49%	387.67%

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

** GASB Statement No. 75 requires this information to be presented as of the most recent fiscal year-end.

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

South Coast AQMD has a comprehensive annual budget process which establishes goals and objectives and monitors expenditures associated with meeting those goals and objectives.

Up to and including the budget adoption hearing by South Coast AQMD's Governing Board, the public and the business community have several opportunities to participate in the budget process. These opportunities include Budget Advisory Committee meetings made up of business and environmental representatives, public consultation, a Governing Board workshop and a public hearing.

Following input from the public, the Budget Advisory Committee, and Governing Board, the draft budget for fiscal year 2025-26 was prepared and subsequently adopted at the May 2025 meeting of the Governing Board. The fiscal year 2025-26 Adopted Budget and the final fee schedules became effective on July 1, 2025.

South Coast AQMD's annual budget is adopted for the General Fund at the Major Object levels of Salaries and Employee Benefits, Services and Supplies, Capital Outlays, and Building Remodeling. The Governing Board has delegated expenditure authority to the Executive Officer for all budgeted expenditures of $100,000 or less within a major object. All appropriations to the budget and transfers between major objects must be approved by the Governing Board. Transfers within a major object are delegated to the Executive Officer. Monthly expenditure reports are issued to each Office. The Governing Board receives a General Fund Budget status report on a quarterly basis.

South Coast AQMD presents a comparison of the original adopted budget to final budget, and the final budget to actual amounts for the General Fund. The budgeted expenditure represents the adopted budget adjusted for Governing Board approved supplemental appropriations. The budgeted revenue represents the adopted budget modified for Governing Board approved adjustments which were based upon new or additional revenue sources. Supplemental expenditure appropriations of $8,105,481 and revenue adjustments of $6,686,540 were approved by the Governing Board in fiscal year 2025-26.

South Coast AQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. Special Revenue Fund appropriations are approved by the Governing Board on an as-needed basis at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure.

NOTE 2 – GENERAL FUND BUDGETARY HIGHLIGHTS

Significant Differences Between Original and Final Budgets

Increases in budgeted revenues were primarily attributable to additional Board approved appropriations for federal and state grants for air monitoring programs and related activities. These included approximately $2.58 million in AB 617 funding to develop an air monitoring plan and identify priority locations for community air monitoring systems, and $1.29 million in U.S. Environmental Protection Agency (EPA) funding to support various air quality monitoring and research initiatives, including particulate matter and air toxics monitoring, low-cost air sensors, and the development of an air monitoring equipment testing and education center.

Increases in budgeted expenditures were primarily attributable to mid-year budget amendments approved by the Board for supplies and capital outlays supporting Rule 1180 and AB 617 programs, as well as other air monitoring initiatives. Major budget amendments included funding for an Optical Remote Sensing Mobile Laboratory, equipment for Photochemical Assessment Monitoring Stations, various air monitoring instruments and systems under Rule 1180 and Rule 1180.1 programs, and office data cable infrastructure improvements.

Significant Differences Between Final Budget and Actual Amounts

Actual annual renewal fees were less than anticipated due to a decrease in the number of operating facilities from the prior year. Actual permit processing fees revenues exceeded the final budget primarily due to increased operational efficiency in processing permits. The Federal Grants revenue is less than anticipated due to the end of the BioWatch grant. The variance for Mobile sources and state grant is attributed to less than anticipated activity in the programs. In addition, interest income was higher than budgeted and revenues from penalties and settlements vary from year to year.

The expenditure savings can be primarily attributed to prudent purchase decisions and postponing contract work and services. The variance in rent expenditure is due to year-end adjustments for GASB 87. The variance in salaries and employee benefits is due to cost savings from vacancies. South Coast AQMD does not budget Capital Outlay – Lease and SBITA or Debt Service accounts.

NOTE 3 – GENERAL FUND BUDGETARY BASIS RECONCILIATION

The General Fund Budgetary Basis under Required Supplementary Information presents comparisons of the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing expenditures data on a budgetary basis differ from those used to present financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The basis of budgeting that differs from GAAP is modified accrual basis plus encumbrances.

The following is a reconciliation of differences for the fiscal year ended June 30, 2026:

Expenditures and encumbrances (budgetary basis) June 30, 2026	$221,424,225
Add: payments on encumbrances open at July 1, 2025	9,154,306
Less: encumbrances open at June 30, 2026	(8,569,296)
Expenditures (GAAP basis), June 30, 2026	$222,009,235

A reconciliation of revenue is not presented since budgetary practices and GAAP do not differ with respect to revenue.

NOTE 4 – USE OF BUDGETARY FUND BALANCE

When the Fiscal Year 2025-26 budget was adopted, the Governing Board approved expenditures of $219.6 million and revenues of $215.4 million, with budgeted use of $4.2 million from the General Fund balance. Mid-year adjustments appropriated an additional $1,418,941 from the General Fund's Unassigned Fund Balance

NOTE 5 – FACTORS AFFECTING PENSION TRENDS SOUTH COAST AQMD'S PROPORTION

As of the June 30, 2025 measurement date, South Coast AQMD's proportionate share of SBCERA's net pension liability changed from 8.649% to 9.441%. There were no changes in the benefit terms. The inflation rate had no change and remains at 2.5%. The actuarial assumptions used in the June 30, 2025 valuation report was based on the results of an experience study for the period from July 1, 2019 through June 30, 2022.

Nonmajor Governmental Funds

Special Revenue Funds:

- Air Toxics Fund – Used to account for fees received from industrial toxic air emitters. These funds are spent on planning and performing health risk evaluations for the purpose of developing a toxic emissions inventory for the South Coast Air Basin.

- Advanced Technology, Outreach and Education Fund – Used to account for monies contributed by companies in lieu of paying fines for violating South Coast AQMD rules. Contributed amounts must be used to pay costs associated with South Coast AQMD-sponsored research and development in cleaner burning fuels and other advanced technologies and public outreach and education related to advanced technology and air pollution and its impacts.

- Air Quality Assistance Fund – Used to account for funds set aside for the purpose of underwriting, guaranteeing, or otherwise participating in the provision of financial assistance to small businesses as required by Section 40448.7 of the California Health and Safety Code. (This legislation was repealed by its own terms January 1, 1999). In June 2000, the Governing Board authorized staff to revise the program to increase participation of small businesses. Certain revisions, including participation in the California Capital Access Program (CalCAP) to assist small businesses, were implemented in June 2001.

- Air Quality Improvement Fund – Used to account for 40% of the revenue received by the South Coast AQMD from motor vehicle registration fees under the provisions of Sections 44243 and 44244 of the California Health and Safety Code. This money is distributed on a quarterly basis to cities and counties within the South Coast Air Basin to implement programs to reduce air pollution from motor vehicles.

- Mobile Sources Air Pollution Reduction Fund – Used to account for 30% of the revenue received by South Coast AQMD from the motor vehicle registration fees under the provisions of Sections 44243 and 44244 of the California Health and Safety Code. This money is used to provide grants to fund projects for the purpose of reducing air pollution from motor vehicles within the jurisdiction of the South Coast AQMD. Total projects to date amount to over $534 million and over 16,300 tons of emissions reduced. This special fund was established in fiscal year 1992.

- Air Quality Investment Fund – To account for revenue from employers with 250 or more employees at a worksite who are subject to Rule 2202. This revenue is used to purchase emissions reductions credits to meet the required target. To date, $54.3 million in projects have been awarded to purchase over 34,136 tons of emission

reductions. Starting April 2017, this fund was used to process rebates for South Coast AQMD's Residential Electric Lawn Mower Rebate Program. As of June 2026, a total of 6,635 lawn & garden equipment were exchanged and $1,431,731.66 spent, resulting in 0.45 tons per year of NOx and 4.99 tons per year of ROG in emission reductions.

- RECLAIM AQIP – Established in fiscal year 2001 to separately account for the generation of NO_x (Oxides of Nitrogen) credits at stationary and mobile sources for use by certain small or new RECLAIM (Regional Clean Air Incentives Market) participants. AQIP stands for Air Quality Investment Program.

- RECLAIM and Executive Order Mitigation – Established in fiscal year 2001 to account for mitigation fee payments made by power generators in lieu of emission offsets. Proceeds are used to generate RECLAIM Trading Credits (RTCs) to offset excess emissions.

- Rule 1121 Mitigation Fee Program – Established in fiscal year 2004 to issue program announcements for projects under the Rule 1121 Mitigation Fee Program. Under Rule 1121 - Control of Nitrogen Oxides (NO_x) from Residential Type, Natural Gas Fired Water Heaters, emission mitigation fees are collected from water heater manufacturers to fund stationary and mobile source emission reduction projects targeted at offsetting NO_x emission.

- Rule 1111 Mitigation Fee Program – Used to account for mitigation fee payments made by manufacturers for fan-type central furnaces. Rule 1111 requires manufacturers to certify that each furnace model offered for sale complies with the emission limit. In lieu of meeting the lower emission limit, Rule 1111 provided manufacturers an alternate compliance option of paying a per-unit mitigation fee for up to 4 to 4.5 years past the applicable compliance date for non-condensing, condensing, and weatherized furnaces, and more years for mobile home furnaces. The mitigation fee period ended for non-condensing, condensing, and weatherized furnaces prior to October 1, 2021. For FY 25-26, manufacturers paid mitigation fee for mobile home furnaces. The mitigation fee option for mobile home furnaces will end on September 30, 2030.

- Clean Fuels Program Fund – Established as a special revenue fund in fiscal year 2000 to account for contract activities and revenues of the Clean Fuels Program. These are activities associated with implementing Clean Fuels stationary source and mobile source research, development, demonstration and deployment projects approved by the Governing Board. Since 1988, the Clean Fuels Program has provided funds for 1,612 projects totaling $276.2 million.

- Lower-Emission School Bus Fund – Established in fiscal year 2001 to administer state funds set aside in the South Coast Air Basin for the replacement and retrofit of high-emitting diesel-fueled school buses. Since 2001, over $407 million of Lower Emissions School Bus funds has been provided for the replacement of school buses, and the retrofit of newer diesel buses with PM traps. In total, approximately 2,200 highly polluting school buses have been replaced with new near zero or zero emission school buses and nearly 3,460 newer diesel school buses were retrofitted with PM traps.

- Zero Emission Vehicle Incentive Program – Established in fiscal year 2001 to administer the State funds set aside for the implementation of the Zero Emission Vehicle (ZEV) Incentive Program.

- AES Settlement Projects Fund – Established in fiscal year 2001 for the purpose of accounting for the one-time penalty settlement with AES Corporation for air pollution violations.

- Rule 1309.1 Priority Reserve Fund – Established in fiscal year 2001 to account for mitigation fees paid for Particulate Matter ≤ 10 microns (PM_{10}) credits. Due to the state energy crisis in 2001, Rule 1309.1 was amended to allow new electric generating facilities temporary access to South Coast AQMD's Priority Reserve Account to offset their PM_{10} emission increases provided that they meet specific criteria and pay appropriate mitigation fees.

- CARB ERC Bank Fund – Established in fiscal year 2001 to account for the proceeds from the issuance of the Emission Reduction Credits (ERCs) to natural gas turbine power plant peaker units. CARB established the ERC Bank for peaker power plants that need emission offsets to add new or expanded capacity. Proceeds from the issuance of these ERCs will fund emission reduction programs where the new or expanded facility is located.

- LADWP Settlement Fund – Established in fiscal year 2001 for the purpose of accounting for the monies received from the Los Angeles Department of Water and Power as part of the settlement agreement.

- State-Emissions Mitigation Fund – Established during fiscal year 2002 to account for the funds received from California Air Resources Board (CARB) to fund CARB selected projects on emission reductions within the South Coast Air Basin. This is in response to the Governor's statewide program to mitigate excess emissions from peaker power generation units to alleviate the power crisis in California.

- State Backup Generators (BUG) Program Fund – Established in fiscal year 2003 to account for the funds received from CARB's Diesel-Fueled Electrical Backup Generator Emissions

Mitigation Program. This program funds emission related projects as part of an ongoing effort to expeditiously reduce public exposure to air toxics and other pollutants.

- Rule 1173 Mitigation Fee Fund – Established in fiscal year 2004 to account for Rule 1173 mitigation fee payments to be used in funding air quality projects which directly benefit the community surrounding the facility. Amendments in December 2002 to Rule 1173 for Refineries and Chemical Plants established a mitigation fee payment provision relating to the release of Volatile Organic Compound (VOC) from an atmospheric Pressure Relief Device (PRD).

- Communities for Better Environment (CBE)/Our Children's Earth (OCE) Settlement Agreement Fund – Established in FY 2004 as part of the settlement agreement to fund P_{M10} (Particulate Matter ≤ 10 microns) and/or N_{Ox} (Oxides of Nitrogen) reduction projects in disproportionately impacted areas.

- BP ARCO Settlement Projects Fund – Established in fiscal year 2005 to account for the $25 million civil penalties received in 2005 as part of the settlement with BP ARCO for air pollution violations.

- Health Effects Research Fund – The Health Effects Research Fund was established in fiscal year 2008 to receive 20% of all penalty/settlement monies in excess of $4 million recognized annually in South Coast AQMD's General Fund beginning in fiscal year 2009, subject to annual Board approval.

- CEQA Green House Gas Mitigation Fund – This fund was established in fiscal year 2009 under Rule 2702 for Green House Gas (GHG) emission reductions. It received $1.5 million from Chevron Products Company to offset Green House Gas emission as part of its Product Reliability and Optimization (PRO+) Project Mitigation Monitoring Plan.

- Emission Reduction and Outreach Fund – This fund was established in fiscal year 2010 due to a $1,000,000 Supplemental Environmental Project Settlement. These funds are used to enhance compliance of emission reduction policies by providing source education and consumer education.

- Rule 1118 Mitigation Fund – Established in fiscal year 2010 to account for mitigation fees from petroleum refineries that exceed sulfur dioxide emission thresholds from flares and future Rule 1118 mitigation fees and to track the projects funded through these fees.

- HEROS II Fund – Established in fiscal year 2011, this fund is used to track funds received and expenditures for South Coast AQMD's vehicle scrap and replacement program. This voluntary program reduces emissions from high-emitting light and medium-duty vehicles in South Coast AQMD.

- AB 1318 Mitigation Fees Fund – Created in fiscal year 2011 to account for revenue of $53.3 million from a mitigation fee payment for the transfer of emission credits under AB 1318.

- Voucher Incentive Program (VIP) Fund – Established in fiscal year 2012 due to transfer of funds from the Carl Moyer Multidistrict funds originally recorded in Carl Moyer Program Fund, to separately administer the On-Road Heavy-Duty Vehicle Voucher Incentive Program.

- Advanced Technology Goods Movement Fund – Established in fiscal year 2012 to administer funds received through an agreement with Port of Los Angeles and Port of Long Beach to fund projects consistent with the development and demonstration of zero emissions goods movement technologies, including the demonstration of Linear Synchronous Motor (LSM) technology to move cargo containers and the development of two discrete hybrid electric drive systems for heavy-duty vehicles.

- Rule 1470 Risk Reduction Fund – Established in fiscal year 2012 to help fund control equipment costs for public agencies, such as cities, counties, and schools, required to install control equipment on new emergency standby engines in order to comply with Rule 1470.

- Rule 1420.1 Special Revenue Fund – Established in fiscal year 2014 to account for monies received from Exide Technologies and Quemetco to finance the Multi-Metals continuous emission monitoring system (CEMS) and continuous Multi-Metals Ambient Air Monitoring Demonstration Programs.

- Rule 1304.1 Special Revenue Fund – Established in fiscal year 2016 to track the deposit of fees paid and the withdrawal of funds for approved projects, pursuant to Rule 1304.1 - Electrical Generating Facility Fee for Use of Offset Exemption.

- Green House Gas (GHG) Reduction Projects Special Revenue Fund – Established in fiscal year 2016 to account for the projects funded by CARB's Low Carbon Transportation GHG Reduction Fund Investments.

- ExxonMobil Settlement Projects Special Revenue Fund – Established in fiscal year 2016 for the purpose of accounting for the monies received pursuant to a settlement agreement with ExxonMobil for Supplemental Environmental Project (SEP).

- LADWP Variance Special Revenue Fund – Established in fiscal year 2017 to receive environmental fees from the Los Angeles Department of Water and Power as part of a South Coast AQMD Hearing Board variance. The variance allowed LADWP to burn diesel

to 1) recommission and test the turbines, and 2) subsequently to operate them on diesel fuel, only if the natural gas supply to LADWP was curtailed by SoCal Gas.

- Air Filtration Special Revenue Fund – Established in fiscal year 2017, a Supplemental Environmental Project (SEP) agreement was executed between CARB and the Burlington Northern Santa Fe Railway Company (BANSF) to install air filtration systems at schools in an Environmental Justice community in the South Coast region.

- SoCal Gas Settlement Special Revenue Fund – Established in fiscal year 2017 to execute a contract with KORE Infrastructure Inc in an amount not to exceed $1 million from the SoCal Gas Settlement Special Revenue Fund to cost-share the commercial field test project.

- Rule 1180 Special Revenue Fund – Established in fiscal year 2018 to account for the Rule 1180 initial and final payments for implementation of the community air monitoring stations near petroleum refineries.

- VW Mitigation Special Revenue Fund – Established in fiscal year 2019 to recognize revenue of up to $150 million into the fund, to administer and implement two project funding categories identified in CARB's Beneficiary Mitigation Plan for the VW Environmental Mitigation Trust. The funded projects are intended to mitigate the excess NOx emissions caused by VW vehicles.

- Prop 1B Goods Movement Fund – Established in fiscal year 2008 to account for voter approved transportation bond dollars. A portion of these were allocated to CARB and passed through to South Coast AQMD to implement programs that reduce emissions from movement of freight or "goods" along California's trade corridors. Over $500 million in goods movement projects have been and are being implemented within the South Coast AQMD.

- Clean Shipping Technology Demonstration Special Revenue Fund – Established in FY2020 for the purpose of implementing clean shipping projects.

- Aliso Canyon Air Filtration Special Revenue Fund – Established in fiscal year 2021 to recognize $7.1 million from the Aliso Supplemental Environmental Project (SEP) Fund and facilitate program tracking and auditing. This funded project is to install air filtration systems at schools in Environmental Justice communities in Los Angeles County.

- Aliso Fund Porter Ranch SEP Special Revenue Fund – Established in fiscal year 2021 to recognize up to $1.5 million from the Aliso Fund Committee and transfer $1 million from SoCalGas Settlement Special Revenue Fund. This fund is used to implement a

Supplemental Environmental Project (SEP) in Porter Ranch and the communities surrounding the SoCalGas Aliso Canyon natural gas storage facility.

- Rule 2305 Mitigation Fees Special Revenue Fund – Established in fiscal year 2021 to recognize the mitigation fees paid by owner and operators of warehouses located in the South Coast AQMD jurisdiction with greater than or equal to 100,000 square feet to provide incentives toward the purchase of near zero and zero emission trucks and zero emission charging and fueling infrastructure, including administrative fees to cover South Coast AQMD's costs of administering the Warehouse Actions and Investments to Reduce Emissions (WAIRE) Mitigation Fee Program.

- CARB SEP Special Revenue Fund – Established in fiscal year 2022 to facilitate program tracking and auditing and recognize up to $1.275 Million into the fund for installing and maintaining air filtration systems at private schools and daycare facilities in AB 617 communities.

- At-Berth Regulation Remediation Special Fund – Established in fiscal year 2023 to be a Remediation Fund Administrator per CARB Ocean-Going Vessels At-Berth Regulation and to fund incentive programs designed to achieve emission reduction.

- US EPA Climate Pollution Reduction Grant (CPRG) Special Revenue Fund – Established in fiscal year 2025 to recognize the new grant award from U.S. EPA Climate Pollution Reduction Grant (CPRG) program to implement South Coast AQMD's INVEST CLEAN Program.

- Warehouse Indirect Source Rule (Rule 2305) Penalty Special Revenue Fund – Established in fiscal year 2025 to recognize upon receipt penalty funds from Rule 2305 violations received on or after January 1, 2025.

- POLA/POLB Electric Vehicle Supply Equipment (EVSE) Infrastructure Project Special Revenue Fund – Established in fiscal year 2025 to recognize upon receipt funds from Port of Los Angeles and Port of Long Beach for MSRC's administration of heavy-duty zero emission drayage truck charging infrastructure projects.

Capital Projects Fund

- Infrastructure Improvement Fund – Established in fiscal year 2013 to separately account for large-scale and/or multi-year infrastructure improvement projects.

- Debt Service Fund – Established in 2009 to replace the terminated Guaranteed Investment Contract with the Municipal Bond Insurance Association (MBIA, Inc.) due to

changes in financial markets. This is used for the defeasance of a portion of South Coast AQMD's debt service on Pension Obligation Bonds.

- Component Unit – South Coast AQMD Building Corporation – Established in fiscal year 1978 for the acquisition and improvement of South Coast AQMD headquarters. The South Coast AQMD. Building Corporation is a legally separate entity, but for financial statement purposes, it is shown as a blended component unit in the governmental funds.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	Air Toxics Fund	Advanced Tech Outreach & Education Fund	Air Quality Assistance Fund	Air Quality Improvement Fund	Mobile Sources Air Pollution Reduction Fund
Cash and cash equivalents	$ 6,169,565	$ 7,790,877	$ 1,934,791	$ 2,001,391	$ 138,533,328
Investments	-	-	-	-	-
Interest receivable	36,006	62,500	15,102	19,277	1,098,915
Due from other governmental agencies	-	181,719	-	3,775,690	2,831,768
Due from other funds	-	-	-	-	-
Accounts receivable, net	516,216	-	-	-	-
Total assets	$ 6,721,787	$ 8,035,096	$ 1,949,893	$ 5,796,358	$ 142,464,011
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 6,721,787	$ 8,035,096	$ 1,949,893	$ 5,796,358	$ 142,464,011
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 355,097	$ 106,657	$ -	$ 5,688,264	$ 419,973
Due to other funds	3,685,315	75,061	-	-	262,351
Total liabilities	4,040,412	181,718	-	5,688,264	682,324
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	7,853,378	-	108,094	141,781,687
Committed	-	-	-	-	-
Assigned	2,681,375	-	1,949,893	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,681,375	7,853,378	1,949,893	108,094	141,781,687
Total liabilities and fund balances	$ 6,721,787	$ 8,035,096	$ 1,949,893	$ 5,796,358	$ 142,464,011

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	Air Quality Investment Fund	Clean Fuels Program Fund	Lower-Emission School Bus Fund	Zero Emission Vehicle Incentive Fund	AES Settlement Projects Fund
Cash and cash equivalents	$ 87,355,400	$ 79,301,969	$ 10,396,808	$ 812,960	$ 32,917
Investments	29,559,344	29,371,910	-	-	-
Interest receivable	651,164	644,347	82,377	6,441	428
Due from other governmental agencies	-	2,357,667	-	-	-
Due from other funds	-	1,597,574	-	-	-
Accounts receivable, net	50,682	-	-	-	-
Total assets	$ 117,616,590	$ 113,273,467	$ 10,479,185	$ 819,401	$ 33,345
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 117,616,590	$ 113,273,467	$ 10,479,185	$ 819,401	$ 33,345
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 2,342,294	$ 174,516	$ -	$ -	$ -
Due to other funds	-	1,216,970	-	-	-
Total liabilities	2,342,294	1,391,486	-	-	-
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	-	10,479,185	819,401	-
Committed	17,511,733	7,851,316	-	-	33,345
Assigned	97,762,563	104,030,665	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	115,274,296	111,881,981	10,479,185	819,401	33,345
Total liabilities and fund balances	$ 117,616,590	$ 113,273,467	$ 10,479,185	$ 819,401	$ 33,345

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue			
Assets	Rule 1309.1 Priority Reserve Fund	CARB ERC Bank Fund	LADWP Settlement Fund	State-Emissions Mitigation Fund
Cash and cash equivalents	$ 5,480,341	$ 110,205	$ 526,357	$ 125,280
Investments	-	-	-	-
Interest receivable	43,427	879	4,171	992
Due from other governmental agencies	-	-	-	-
Due from other funds	-	-	-	-
Accounts receivable, net	-	-	-	-
Total assets	$ 5,523,768	$ 111,084	$ 530,528	$ 126,272
Deferred Outflow of Resources:				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	$ 5,523,768	$ 111,084	$ 530,528	$ 126,272
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflow of Resources				
Long-term receivables	-	-	-	-
Fund Balances:				
Restricted	-	-	-	126,272
Committed	366,407	6,824	-	-
Assigned	5,157,361	104,260	530,528	-
Unassigned	-	-	-	-
Total fund balances	5,523,768	111,084	530,528	126,272
Total liabilities and fund balances	$ 5,523,768	$ 111,084	$ 530,528	$ 126,272

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	State BUG Program Fund	Rule 1173 Mitigation Fee Fund	CBE/OCE Settlement Agreement Fund	BP ARCO Settlements Project Fund	Health Effects Research Fund
Cash and cash equivalents	$ 26,640	$ 3,999,903	$ 200,183	$ 509,497	$ 5,333,740
Investments	-	-	-	-	-
Interest receivable	212	31,692	-	4,037	42,261
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	$ 26,852	$ 4,031,595	$ 200,183	$ 513,534	$ 5,376,001
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 26,852	$ 4,031,595	$ 200,183	$ 513,534	$ 5,376,001
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	26,852	-	-	-	-
Committed	-	-	200,183	-	-
Assigned	-	4,031,595	-	513,534	5,376,001
Unassigned	-	-	-	-	-
Total fund balances	26,852	4,031,595	200,183	513,534	5,376,001
Total liabilities and fund balances	$ 26,852	$ 4,031,595	$ 200,183	$ 513,534	$ 5,376,001

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	CEQA Green House Gas Mitigation Fund	Emission Reduction and Outreach Fund	Rule 1118 Mitigation Fund	HEROS II Fund	AB 1318 Mitigation Fees Fund
Cash and cash equivalents	$ 152,026	$ 1,097	$ 21,448,064	$ 12,241,516	$ 3,288,683
Investments	-	-	-	-	-
Interest receivable	1,204	8	170,066	103,752	26,058
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	$ 153,230	$ 1,105	$ 21,618,130	$ 12,345,268	$ 3,314,741
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 153,230	$ 1,105	$ 21,618,130	$ 12,345,268	$ 3,314,741
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 374,827	$ 535,000
Due to other funds	-	-	-	128,669	-
Total liabilities	-	-	-	503,496	535,000
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	-	-	11,841,772	-
Committed	-	-	3,520,411	-	749,979
Assigned	153,230	1,105	18,097,719	-	2,029,762
Unassigned	-	-	-	-	-
Total fund balances	153,230	1,105	21,618,130	11,841,772	2,779,741
Total liabilities and fund balances	$ 153,230	$ 1,105	$ 21,618,130	$ 12,345,268	$ 3,314,741

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	Voucher Incentive Program (VIP) Fund	Advanced Technology Goods Movement Fund	Rule 1470 Risk Reduction Fund	Rule 1420.1 Special Revenue Fund	Rule 1304.1 Special Revenue Fund
Cash and cash equivalents	$ 17,164,766	$ 1,961,595	$ 2,917,956	$ 109,435	$ 68,666,683
Investments	-	-	-	-	59,118,689
Interest receivable	136,002	15,543	23,120	868	548,861
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	$ 17,300,768	$ 1,977,138	$ 2,941,076	$ 110,303	$ 128,334,233
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 17,300,768	$ 1,977,138	$ 2,941,076	$ 110,303	$ 128,334,233
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	157,500	-	-	-
Total liabilities	-	157,500	-	-	-
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	17,300,768	-	-	110,303	128,334,233
Committed	-	572,255	-	-	-
Assigned	-	1,247,383	2,941,076	-	-
Unassigned	-	-	-	-	-
Total fund balances	17,300,768	1,819,638	2,941,076	110,303	128,334,233
Total liabilities and fund balances	$ 17,300,768	$ 1,977,138	$ 2,941,076	$ 110,303	$ 128,334,233

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

Assets	Special Revenue				
	GHG Reduction Projects Special Revenue Fund	ExxonMobil Settlements Projects Special Rev Fund	LADWP Variance Special Revenue Fund	Air Filtration Fund	SoCal Gas Settlement Special Revenue Fund
Cash and cash equivalents	$ 5,746,299	$ 213,508	$ 990,451	$ 1,513,742	$ 83,315
Investments	-	-	-	-	-
Interest receivable	47,473	1,692	9,743	12,140	662
Due from other governmental agencies	25,757	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	$ 5,819,529	$ 215,200	$ 1,000,194	$ 1,525,882	$ 83,977
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 5,819,529	$ 215,200	$ 1,000,194	$ 1,525,882	$ 83,977
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 61,766	$ -	$ -	$ -	$ -
Due to other funds	1,079,451	-	-	12,068	-
Total liabilities	1,141,217	-	-	12,068	-
Deferred Inflow of Resources					
Long-term receivables	25,757	-	-	-	-
Fund Balances:					
Restricted	4,652,555	-	-	-	-
Committed	-	-	299,657	1,079,297	-
Assigned	-	215,200	700,537	434,517	83,977
Unassigned	-	-	-	-	-
Total fund balances	4,652,555	215,200	1,000,194	1,513,814	83,977
Total liabilities and fund balances	$ 5,819,529	$ 215,200	$ 1,000,194	$ 1,525,882	$ 83,977

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	Rule 1180 Special Revenue Fund	VW Mitigation Special Revenue Fund	Prop 1B Goods Movement Fund	Clean Shipping Tech Demos Special Rev Fund	Aliso Canyon Air Filtration Special Revenue Fund
Cash and cash equivalents	$ 2,699,084	$ 110,594,392	$ 52,062,025	$ 3,143,539	$ 4,362,968
Investments	-	-	-	-	-
Interest receivable	23,788	955,799	412,837	64,875	34,973
Due from other governmental agencies	-	-	-	8,287	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	538,876	-	-	-	-
Total assets	$ 3,261,748	$ 111,550,191	$ 52,474,862	$ 3,216,701	$ 4,397,941
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 3,261,748	$ 111,550,191	$ 52,474,862	$ 3,216,701	$ 4,397,941
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 2,015,286	$ -	$ -	$ 729,507
Due to other funds	-	291,690	-	128,182	-
Total liabilities	-	2,306,976	-	128,182	729,507
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	3,261,748	109,243,215	52,474,862	3,088,519	-
Committed	-	-	-	-	3,485,258
Assigned	-	-	-	-	183,176
Unassigned	-	-	-	-	-
Total fund balances	3,261,748	109,243,215	52,474,862	3,088,519	3,668,434
Total liabilities and fund balances	$ 3,261,748	$ 111,550,191	$ 52,474,862	$ 3,216,701	$ 4,397,941

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue				
Assets	Aliso Fund Porter Ranch Special Revenue Fund	Rule 2305 Mitigation Fee Alternate Fund	CARB SEP Special Revenue Fund	At-Berth Reg Remediation Fund	US EPA CPRG Fund
Cash and cash equivalents	$ 961,023	$ 86,703,879	$ 4,554,984	$ 62,725,790	$ 20,933
Investments	-	-	-	-	-
Interest receivable	7,920	651,855	36,092	469,197	191
Due from other governmental agencies	-	-	-	-	433,026
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	2,500,833	-	6,004	-
Total assets	$ 968,943	$ 89,856,567	$ 4,591,076	$ 63,200,991	$ 454,150
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 968,943	$ 89,856,567	$ 4,591,076	$ 63,200,991	$ 454,150
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 30,000	$ -	$ -	$ -	$ 94,860
Due to other funds	14,068	-	4,537	25,606	358,167
Total liabilities	44,068	-	4,537	25,606	453,027
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	-	-	-	1,123
Committed	684,565	-	198,336	-	-
Assigned	240,310	89,856,567	4,388,203	63,175,385	-
Unassigned	-	-	-	-	-
Total fund balances	924,875	89,856,567	4,586,539	63,175,385	1,123
Total liabilities and fund balances	$ 968,943	$ 89,856,567	$ 4,591,076	$ 63,200,991	$ 454,150

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue		Capital Project		Component Unit	
Assets	Rule 2305 Penalty Special Revenue Fund	POLA/POLB EVSE Infrastructure Project Special Rev Fund	Infrastructure Improvement Fund	Debt Service Fund	SCAQMD Building Corporation	Total
Cash and cash equivalents	$ 2,638,261	$ 32,118	$ 1,002,846	$ 8,875,139	$ 187,111	$ 827,705,380
Investments	-	-	-	-	-	118,049,943
Interest receivable	16,589	1,476	7,938	79,740	-	6,604,690
Due from other governmental agencies	-	-	-	-	-	9,613,914
Due from other funds	-	-	-	-	-	1,597,574
Accounts receivable, net	16,521	-	-	-	-	3,629,132
Total assets	$ 2,671,371	$ 33,594	$ 1,010,784	$ 8,954,879	$ 187,111	$ 967,200,633
Deferred Outflow of Resources:						
Deferred outflow of resources	-	-	-	-	-	-
Combined assets and deferred outflow of resources	$ 2,671,371	$ 33,594	$ 1,010,784	$ 8,954,879	$ 187,111	$ 967,200,633
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ 12,928,047
Due to other funds	-	-	-	-	-	7,439,635
Total liabilities	-	-	-	-	-	20,367,682
Deferred Inflow of Resources						
Long-term receivables	-	-	-	-	-	25,757
Fund Balances:						
Restricted	-	33,594	-	8,954,879	-	500,492,440
Committed	-	-	2,970	-	-	36,562,536
Assigned	2,671,371	-	1,007,814	-	187,111	409,752,218
Unassigned	-	-	-	-	-	-
Total fund balances	2,671,371	33,594	1,010,784	8,954,879	187,111	946,807,194
Total liabilities and fund balances	$ 2,671,371	$ 33,594	$ 1,010,784	$ 8,954,879	$ 187,111	$ 967,200,633

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
Revenues:	Air Toxics Fund	Advanced Tech Outreach & Education Fund	Air Quality Assistance Fund	Air Quality Improvement Fund	Mobile Sources Air Pollution Reduction Fund
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	16,703,694
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	1,226,658	-	-	-
State grant	-	-	-	-	-
Interest revenue	97,359	258,697	63,028	80,333	4,393,332
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	97,359	1,485,355	63,028	80,333	21,097,026
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	6,697	1,704,615	-	129,590	7,066,919
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	781,716	-	-	-	-
Other expenditures	6,033	27,462	-	-	877,563
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	794,446	1,732,077	-	129,590	7,944,482
Excess (deficiency) of revenues over (under) expenditures before transfers	(697,087)	(246,722)	63,028	(49,257)	13,152,544
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(241,469)	-	-	-	-
Total other financing sources (uses)	(241,469)	-	-	-	-
Net change in fund balance	(938,556)	(246,722)	63,028	(49,257)	13,152,544
Fund balances, July 1, 2025, as previously reported	$ 3,619,931	$ 8,100,100	$ 1,886,865	$ 157,351	$ 128,629,143
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	3,619,931	8,100,100	1,886,865	157,351	128,629,143
Fund balances, June 30, 2026	$ 2,681,375	$ 7,853,378	$ 1,949,893	$ 108,094	$ 141,781,687

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
	Air Quality Investment Fund	Clean Fuels Program Fund	Lower-Emission School Bus Fund	Zero Emission Vehicle Incentive Fund	AES Settlement Projects Fund
Revenues:					
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	9,698,746	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	313,650	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	3,685,795	-	-	-
State grant	-	-	-	-	-
Interest revenue	3,891,197	3,598,265	332,905	26,031	2,301
Penalties and settlements	-	-	-	-	-
Other revenues	1,115,536	-	-	-	-
Total revenues	5,320,383	16,982,806	332,905	26,031	2,301
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	9,494,885	6,545,673	-	-	22,133
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	150,000	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	9,494,885	6,695,673	-	-	22,133
Excess (deficiency) of revenues over (under) expenditures before transfers	(4,174,502)	10,287,133	332,905	26,031	(19,832)
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(1,665,446)	-	-	-
Total other financing sources (uses)	-	(1,665,446)	-	-	-
Net change in fund balance	(4,174,502)	8,621,687	332,905	26,031	(19,832)
Fund balances, July 1, 2025, as previously reported	$ 119,448,798	$ 103,260,294	$ 10,146,280	$ 793,370	$ 53,177
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	119,448,798	103,260,294	10,146,280	793,370	53,177
Fund balances, June 30, 2026	$ 115,274,296	$ 111,881,981	$ 10,479,185	$ 819,401	$ 33,345

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue			
	Rule 1309.1 Priority Reserve Fund	CARB ERC Bank Fund	LADWP Settlement Fund	State-Emissions Mitigation Fund
Revenues:				
Emission fees	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-
Mitigation Fees	-	-	-	-
Remediation Program	-	-	-	-
Federal grant	-	-	-	-
State grant	-	-	-	-
Interest revenue	177,241	5,854	16,854	4,011
Penalties and settlements	-	-	-	-
Other revenues	-	-	-	-
Total revenues	177,241	5,854	16,854	4,011
Expenditures:				
Salaries and employee benefits	-	-	-	-
Insurance	-	-	-	-
Rent	-	-	-	-
Supplies	-	-	-	-
Contract and special services	-	231,250	-	-
Maintenance	-	-	-	-
Travel and auto	-	-	-	-
Utilities	-	-	-	-
Communications	-	-	-	-
Uncollectible accounts	-	-	-	-
Other expenditures	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	231,250	-	-
Excess (deficiency) of revenues over (under) expenditures before transfers	177,241	(225,396)	16,854	4,011
Other Financing Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	177,241	(225,396)	16,854	4,011
Fund balances, July 1, 2025, as previously reported	$ 5,346,527	$ 336,480	$ 513,674	$ 122,261
Change from Major to Nonmajor Fund	-	-	-	-
Error Correction	-	-	-	-
Fund balances, July 1, 2025, as adjusted	5,346,527	336,480	513,674	122,261
Fund balances, June 30, 2026	$ 5,523,768	$ 111,084	$ 530,528	$ 126,272

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
	State BUG Program Fund	Rule 1173 Mitigation Fee Fund	CBE/OCE Settlement Agreement Fund	BP ARCO Settlements Project Fund	Health Effects Research Fund
Revenues:					
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	853	128,094	-	16,335	170,786
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	853	128,094	-	16,335	170,786
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	-	-	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures before transfers	853	128,094	-	16,335	170,786
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(2,000)	-
Total other financing sources (uses)	-	-	-	(2,000)	-
Net change in fund balance	853	128,094	-	14,335	170,786
Fund balances, July 1, 2025, as previously reported	$ 25,999	$ 3,903,501	$ 200,183	$ 499,199	$ 5,205,215
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	25,999	3,903,501	200,183	499,199	5,205,215
Fund balances, June 30, 2026	$ 26,852	$ 4,031,595	$ 200,183	$ 513,534	$ 5,376,001

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
Revenues:	CEQA Green House Gas Mitigation Fund	Emission Reduction and Outreach Fund	Rule 1118 Mitigation Fund	HEROS II Fund	AB 1318 Mitigation Fees Fund
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	26,347,500	-
Interest revenue	4,868	35	694,956	339,624	105,303
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	256,726	-
Total revenues	4,868	35	694,956	26,943,850	105,303
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	679,815	26,224,081	535,000
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	-	679,815	26,224,081	535,000
Excess (deficiency) of revenues over (under) expenditures before transfers	4,868	35	15,141	719,769	(429,697)
Other Financing Sources (uses):					
Transfers in	-	-	-	2,000	-
Transfers out	-	-	-	(946,956)	-
Total other financing sources (uses)	-	-	-	(944,956)	-
Net change in fund balance	4,868	35	15,141	(225,187)	(429,697)
Fund balances, July 1, 2025, as previously reported	$ 148,362	$ 1,070	$ 21,602,989	$ 12,066,959	$ 3,209,438
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	148,362	1,070	21,602,989	12,066,959	3,209,438
Fund balances, June 30, 2026	$ 153,230	$ 1,105	$ 21,618,130	$ 11,841,772	$ 2,779,741

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
	Voucher Incentive Program (VIP) Fund	Advanced Technology Goods Movement Fund	Rule 1470 Risk Reduction Fund	Rule 1420.1 Special Revenue Fund	Rule 1304.1 Special Revenue Fund
Revenues:					
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	549,615	62,810	93,433	3,504	4,321,723
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	549,615	62,810	93,433	3,504	4,321,723
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	-	-	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures before transfers	549,615	62,810	93,433	3,504	4,321,723
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	549,615	62,810	93,433	3,504	4,321,723
Fund balances, July 1, 2025, as previously reported	$ 16,751,153	$ 1,756,828	$ 2,847,643	$ 106,799	$ 124,012,510
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	16,751,153	1,756,828	2,847,643	106,799	124,012,510
Fund balances, June 30, 2026	$ 17,300,768	$ 1,819,638	$ 2,941,076	$ 110,303	$ 128,334,233

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
Revenues:	GHG Reduction Projects Special Revenue Fund	ExxonMobil Settlements Projects Special Rev Fund	LADWP Variance Special Revenue Fund	Air Filtration Fund	SoCal Gas Settlement Special Revenue Fund
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	629,780	-	-	-	-
Interest revenue	159,247	6,837	43,437	50,752	2,668
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	789,027	6,837	43,437	50,752	2,668
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	1,097,860	-	407,861	97,775	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	80,823	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,178,683	-	407,861	97,775	-
Excess (deficiency) of revenues over (under) expenditures before transfers	(389,656)	6,837	(364,424)	(47,023)	2,668
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(53,032)	-	-	(12,068)	-
Total other financing sources (uses)	(53,032)	-	-	(12,068)	-
Net change in fund balance	(442,688)	6,837	(364,424)	(59,091)	2,668
Fund balances, July 1, 2025, as previously reported	$ 1,900,231	$ 208,363	$ 1,364,618	$ 1,572,905	$ 81,309
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	3,195,012	-	-	-	-
Fund balances, July 1, 2025, as adjusted	5,095,243	208,363	1,364,618	1,572,905	81,309
Fund balances, June 30, 2026	$ 4,652,555	$ 215,200	$ 1,000,194	$ 1,513,814	$ 83,977

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
Revenues:	Rule 1180 Special Revenue Fund	VW Mitigation Special Revenue Fund	Prop 1B Goods Movement Fund	Clean Shipping Tech Demos Special Rev Fund	Aliso Canyon Air Filtration Special Revenue Fund
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	-	-	-	-
Remediation Program	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	4,625,510	-
Interest revenue	77,334	4,135,956	1,668,533	86,152	155,862
Penalties and settlements	-	-	-	-	-
Other revenues	2,639,842	-	26,000	-	-
Total revenues	2,717,176	4,135,956	1,694,533	4,711,662	155,862
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	21,915,156	-	1,891,982	1,663,250
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	1,591,764	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	23,506,920	-	1,891,982	1,663,250
Excess (deficiency) of revenues over (under) expenditures before transfers	2,717,176	(19,370,964)	1,694,533	2,819,680	(1,507,388)
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(1,325,518)	-	(75,060)	(119,895)	(71,224)
Total other financing sources (uses)	(1,325,518)	-	(75,060)	(119,895)	(71,224)
Net change in fund balance	1,391,658	(19,370,964)	1,619,473	2,699,785	(1,578,612)
Fund balances, July 1, 2025, as previously reported	$ 1,870,090	$ -	$ 50,855,389	$ 388,734	$ 5,247,046
Change from Major to Nonmajor Fund	-	128,614,179	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	1,870,090	128,614,179	50,855,389	388,734	5,247,046
Fund balances, June 30, 2026	$ 3,261,748	$ 109,243,215	$ 52,474,862	$ 3,088,519	$ 3,668,434

Continued

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue				
	Aliso Fund Porter Ranch Special Revenue Fund	Rule 2305 Mitigation Fee Alternate Fund	CARB SEP Special Revenue Fund	At-Berth Reg Remediation Fund	US EPA CPRG Fund
Revenues:					
Emission fees	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Mitigation Fees	-	26,090,856	-	-	-
Remediation Program	-	-	-	42,290,553	-
Federal grant	-	-	-	-	369,479
State grant	-	-	-	-	-
Interest revenue	33,940	2,216,222	146,645	1,444,461	460
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	33,940	28,307,078	146,645	43,735,014	369,939
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	172,137	-	-	-	369,479
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	359,165	-	-	-
Other expenditures	-	402,369	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	172,137	761,534	-	-	369,479
Excess (deficiency) of revenues over (under) expenditures before transfers	(138,197)	27,545,544	146,645	43,735,014	460
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(14,068)	-	(4,537)	(372,544)	-
Total other financing sources (uses)	(14,068)	-	(4,537)	(372,544)	-
Net change in fund balance	(152,265)	27,545,544	142,108	43,362,470	460
Fund balances, July 1, 2025, as previously reported	$ 1,077,140	$ 62,311,023	$ 4,444,431	$ 19,812,915	$ 663
Change from Major to Nonmajor Fund	-	-	-	-	-
Error Correction	-	-	-	-	-
Fund balances, July 1, 2025, as adjusted	1,077,140	62,311,023	4,444,431	19,812,915	663
Fund balances, June 30, 2026	$ 924,875	$ 89,856,567	$ 4,586,539	$ 63,175,385	$ 1,123

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Special Revenue		Capital Project		Component Unit	
	Rule 2305 Penalty Special Revenue Fund	POLA/POLB EVSE Infrastructure Project Special Rev Fund	Infrastructure Improvement Fund	Debt Service Fund	SCAQMD Building Corporation	Total
Revenues:						
Emission fees	$ -	$ -	$ -	$ -	$ -	$ -
Mobile sources/clean fuels	-	-	-	-	-	26,402,440
Air Toxics "Hot Spots"	-	-	-	-	-	-
Mitigation Fees	-	-	-	-	-	26,404,506
Remediation Program	-	-	-	-	-	42,290,553
Federal grant	-	-	-	-	-	5,281,932
State grant	-	-	-	-	-	31,602,790
Interest revenue	42,929	23,594	31,934	321,688	6,411	30,094,409
Penalties and settlements	2,040,577	-	-	-	-	2,040,577
Other revenues	-	6,000,000	7,686	-	-	10,045,790
Total revenues	2,083,506	6,023,594	39,620	321,688	6,411	174,162,997
Expenditures:						
Salaries and employee benefits	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Contract and special services	-	5,990,000	-	-	-	86,246,158
Maintenance	-	-	-	-	-	-
Travel and auto	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Communications	-	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-	1,140,881
Other expenditures	-	-	-	-	4,008	3,140,022
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	5,990,000	-	-	4,008	90,527,061
Excess (deficiency) of revenues over (under) expenditures before transfers	2,083,506	33,594	39,620	321,688	2,403	83,635,936
Other Financing Sources (uses):						
Transfers in	-	-	-	2,000,000	-	2,002,000
Transfers out	-	-	-	-	-	(4,903,817)
Total other financing sources (uses)	-	-	-	2,000,000	-	(2,901,817)
Net change in fund balance	2,083,506	33,594	39,620	2,321,688	2,403	80,734,119
Fund balances, July 1, 2025, as previously reported	$ 587,865	$ -	$ 971,164	$ 6,633,191	$ 184,708	734,263,884
Change from Major to Nonmajor Fund	-	-	-	-	-	128,614,179
Error Correction	-	-	-	-	-	3,195,012
Fund balances, July 1, 2025, as adjusted	587,865	-	971,164	6,633,191	184,708	866,073,075
Fund balances, June 30, 2026	$ 2,671,371	$ 33,594	$ 1,010,784	$ 8,954,879	$ 187,111	$ 946,807,194

STATISTICAL SECTION

This part of South Coast AQMD's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about South Coast AQMD's overall financial health.

Contents

Financial Trends

Four schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader understand the concentration of South Coast AQMD's largest emission-based fee payers.

Debt Capacity

This schedule presents information to help the reader assess the affordability of South Coast AQMD's current levels of outstanding debt. Please see footnote under Schedule 7.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which South Coast AQMD's financial activities take place.

Operating Information

These schedules contain data to help the reader understand how the information in South Coast AQMD's financial report relates to the services South Coast AQMD provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules was derived from South Coast AQMD's annual comprehensive financial reports for the relevant year.

Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Governmental Activities:										
Net investment in capital assets	$ 36,127,300	$ 35,756,464	$ 35,501,602	$ 38,515,021	$ 37,258,925	$ 36,034,490	$ 33,286,497	$ 34,484,800	$ 35,394,499	$ 37,430,699
Restricted for long-term emission-reduction projects	607,438,908	676,857,257	785,722,419	850,523,778	892,386,082	1,076,293,986	1,134,391,758	1,432,415,844	1,551,160,251	1,810,948,990
Unrestricted	(141,541,447)	(129,700,877)	(128,938,591)	(126,463,599)	(151,497,814)	(122,315,341)	(111,664,409)	(95,021,270)	(76,223,278)	(47,722,321)
Total governmental activities net position	$ 502,024,761	$ 582,912,844	$ 692,285,430	$ 762,575,200	$ 778,147,193	$ 990,013,135	$ 1,056,013,846	$ 1,371,879,374	$ 1,510,331,472	$ 1,800,657,368
Business-type Activities:*										
Unrestricted	$ 1,235,284	$ 1,253,178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total business-type activities net position	$ 1,235,284	$ 1,253,178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Primary Government:										
Net investment in capital assets	$ 36,127,300	$ 35,756,464	$ 35,501,602	$ 38,515,021	$ 37,258,925	$ 36,034,490	$ 33,286,497	$ 34,484,800	$ 35,394,499	$ 37,430,699
Restricted for long-term emission-reduction projects	607,438,908	676,857,257	785,722,419	850,523,778	892,386,082	1,076,293,986	1,134,391,758	1,432,415,844	1,551,160,251	1,810,948,990
Unrestricted	(140,306,163)	(128,447,699)	(128,938,591)	(126,463,599)	(151,497,814)	(122,315,341)	(111,664,409)	(95,021,270)	(76,223,278)	(47,722,321)
Total primary government net position	$ 503,260,045	$ 584,166,022	$ 692,285,430	$ 762,575,200	$ 778,147,193	$ 990,013,135	$ 1,056,013,846	$ 1,371,879,374	$ 1,510,331,472	$ 1,800,657,368

*The Business-type Activates section reports transactions relating to the CNG fueling station. The CNG fueling station was closed in fiscal year 2017-2018.

Schedule 2
Changes in Net Position – Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenses										
Governmental Activities:										
Advance clean air technology	$ 7,825,599	$ 9,271,026	$ 11,520,547	$ 12,827,393	$ 14,560,468	$ 11,484,237	$ 13,897,495	$ 15,608,973	$ 16,266,433	$ 16,278,433
Ensure compliance with clean air rules	49,316,129	50,528,522	52,353,479	55,167,960	59,823,114	46,714,649	52,818,828	53,138,925	58,086,799	54,681,026
Customer service and business assistance	9,260,504	9,743,294	11,637,664	13,032,003	14,979,824	10,488,458	13,897,970	11,802,012	10,705,320	9,002,018
Develop programs to achieve clean air	11,335,498	8,636,784	9,407,869	12,471,639	15,522,501	12,387,784	13,408,190	14,694,946	15,660,797	14,800,492
Develop rules to achieve clean air	7,604,041	10,013,098	14,275,590	14,131,578	17,228,755	12,435,707	15,884,660	17,095,583	15,391,623	13,891,636
Monitoring air quality	17,856,869	20,822,380	26,547,245	31,910,536	36,114,354	29,106,009	32,963,667	32,209,013	37,408,858	36,576,457
Timely review of permits	31,520,083	33,301,565	33,951,378	35,511,594	38,832,790	31,042,335	36,208,322	39,546,541	41,685,967	40,183,674
Policy support	885,773	667,046	1,028,495	1,945,852	1,773,352	736,426	835,445	415,034	607,085	368,474
Interest on long-term debt	3,906,955	3,731,589	3,605,251	3,463,254	3,302,637	700,202	353,141	230,579	255,730	270,412
Long-term emission reduction projects	101,008,426	101,304,229	163,187,839	206,806,917	231,305,871	146,966,402	135,414,259	137,222,958	161,775,883	140,920,784
Total governt'l activities expenses	$ 240,519,877	$ 248,019,533	$ 327,515,357	$ 387,268,726	$ 433,443,666	$ 302,062,209	$ 315,681,977	$ 321,964,564	$ 357,844,495	$ 326,973,406
Business-type Activities:*										
CNG fueling station	$ 128	$ 31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total business-type activities expenses	128	31	-	-	-	-	-	-	-	-
Total primary government expenses	$ 240,520,005	$ 248,019,564	$ 327,515,357	$ 387,268,726	$ 433,443,666	$ 302,062,209	$ 315,681,977	$ 321,964,564	$ 357,844,495	$ 326,973,406
Program Revenues										
Governmental Activities:										
Fees and Charges										
Stationary sources	$ 94,279,518	$ 100,354,910	$ 101,804,325	$ 106,450,095	$ 106,917,251	$ 109,776,713	$ 117,309,958	$ 123,622,856	$ 133,699,442	$ 138,869,820
Mobile sources	28,087,131	26,026,673	26,106,160	29,214,922	26,995,162	27,772,271	29,308,987	31,230,917	33,655,280	32,553,616
Operating grants and subventions	222,070,040	185,367,622	295,516,665	303,621,322	304,766,572	365,668,049	220,132,286	464,436,224	311,476,121	424,380,590
Total governmental activities prog. revenues	$ 344,436,689	$ 311,749,205	$ 423,427,150	$ 439,286,339	$ 438,678,985	$ 503,217,033	$ 366,751,231	$ 619,289,997	$ 478,830,843	$ 595,804,026

Schedule 2
Changes in Net Position – Last Ten Fiscal Years
(accrual basis of accounting) (continued)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Business-type Activities:*										
CNG fueling station	$ 18,022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total business-type activities prog. revenues	18,022	-	-	-	-	-	-	-	-	-
Total primary government prog. revenues	$ 344,454,711	$ 311,749,205	$ 423,427,150	$ 439,286,339	$ 438,678,985	$ 503,217,033	$ 366,751,231	$ 619,289,997	$ 478,830,843	$ 595,804,026
Net (Expense) Revenue										
Governmental activities	$ 103,916,812	$ 63,729,672	$ 95,911,793	$ 52,017,613	$ 5,235,319	$ 201,154,824	$ 51,069,254	$ 297,325,433	$ 120,986,348	$ 268,830,620
Business-type activities	17,894	(31)	-	-	-	-	-	-	-	-
Total primary govnt net (expenses) revenue	$ 103,934,706	$ 63,729,641	$ 95,911,793	$ 52,017,613	$ 5,235,319	$ 201,154,824	$ 51,069,254	$ 297,325,433	$ 120,986,348	$ 268,830,620
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Grants and subventions not restricted to specific stationary source programs	$ 2,885,535	$ 2,879,520	$ 2,864,992	$ 2,879,664	$ 2,885,173	$ 2,857,629	$ 2,820,744	$ 2,745,349	$ 2,762,971	$ 2,796,859
Interest	644,574	1,041,333	1,976,414	1,791,178	596,953	586,992	3,722,493	6,620,336	7,790,900	6,120,371
One time non-program penalties/settlements	11,511,570	14,316,145	7,196,194	12,178,184	4,714,520	5,361,416	6,007,021	6,819,690	8,288,952	7,064,388
Subscriptions	1,097	436	970	972	-	676	81	-	-	-
Other	1,621,419	1,153,863	1,422,223	1,422,159	2,140,028	1,904,405	2,381,118	2,354,720	2,764,543	2,318,646
Transfers	-	1,253,147	-	-	-	-	-	-	-	-
Total governmental activities	$ 16,664,195	$ 20,644,444	$ 13,460,793	$ 18,272,157	$ 10,336,674	$ 10,711,118	$ 14,931,457	$ 18,540,095	$ 21,607,366	$ 18,300,264
Total primary government revenue	$ 16,664,195	$ 20,644,444	$ 13,460,793	$ 18,272,157	$ 10,336,674	$ 10,711,118	$ 14,931,457	$ 18,540,095	$ 21,607,366	$ 18,300,264
Change in Net Position										
Governmental activities	$ 120,581,007	$ 84,374,116	$ 109,372,586	$ 70,289,770	$ 15,571,993	$ 211,865,942	$ 66,000,711	$ 315,865,528	$ 142,593,714	$ 287,130,884
Business-type activities*	17,894	(1,253,178)	-	-	-	-	-	-	-	-
Total primary government	$ 120,598,901	$ 83,120,938	$ 109,372,586	$ 70,289,770	$ 15,571,993	$ 211,865,942	$ 66,000,711	$ 315,865,528	$ 142,593,714	$ 287,130,884

*The Business-type Activates section reports transactions relating to the CNG fueling station. The CNG fueling station was closed in fiscal year 2017-2018.

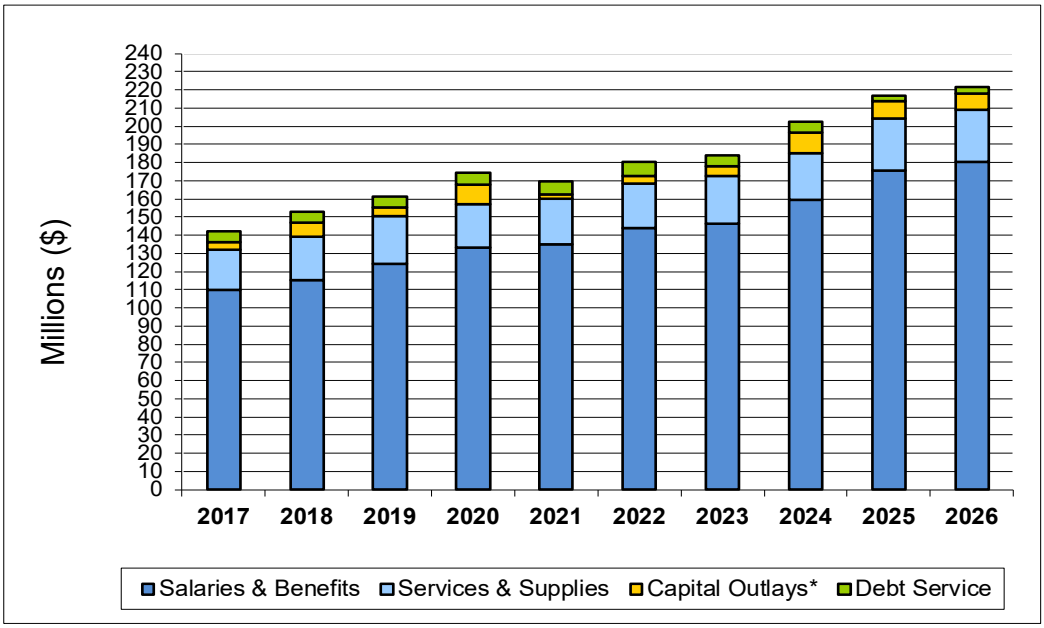
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Fund										
Nonspendable	$ 63,688	$ 56,684	$ 64,226	$ 65,321	$ 70,097	$ 62,658	$ 56,457	$ 97,689	$ 79,835	$ 72,251
Committed	7,382,453	11,237,530	12,295,440	12,365,231	11,068,442	11,353,639	12,235,251	15,276,812	16,477,730	14,100,604
Assigned	6,303,899	7,228,892	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673
Unassigned	38,741,459	47,532,700	52,514,979	65,957,001	72,450,590	76,255,337	81,626,687	84,835,394	92,172,632	92,919,509
Total general fund	$ 52,491,499	$ 66,055,806	$ 71,024,318	$ 84,537,226	$ 89,738,802	$ 93,821,307	$ 100,068,068	$ 106,359,568	$ 114,879,870	$ 113,242,037
All Other Governmental Funds										
Restricted	$ 412,358,550	$ 464,158,310	$ 532,966,299	$ 587,283,400	$ 616,505,435	$ 811,767,338	$ 843,706,083	$ 1,122,986,528	$ 1,179,456,593	$ 1,364,634,233
Committed	54,549,958	51,447,457	67,570,416	52,652,530	63,535,402	55,115,903	49,990,744	30,408,528	26,800,642	36,562,536
Assigned	142,085,357	161,309,146	185,578,704	210,587,848	212,345,245	209,410,745	240,694,931	279,020,788	344,903,019	409,752,218
Unassigned	(1,554,957)	(57,656)	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 607,438,908	$ 676,857,257	$ 786,115,419	$ 850,523,778	$ 892,386,082	$ 1,076,293,986	$ 1,134,391,758	$ 1,432,415,844	$ 1,551,160,254	$ 1,810,948,987

Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Emission fees	$ 18,964,371	$ 22,786,661	$ 19,542,168	$ 20,781,427	$ 20,215,773	$ 20,433,832	$ 21,667,612	$ 21,380,049	$ 22,394,782	$ 22,162,138
Annual renewal fees	48,930,776	52,182,769	57,028,631	60,450,564	64,570,338	66,827,635	71,761,209	76,945,135	82,498,491	86,771,467
Area Sources	2,090,207	2,293,947	2,257,755	1,859,185	2,369,926	2,479,978	1,969,927	2,190,750	2,314,406	2,346,456
Permit processing fees	20,729,207	19,538,295	20,030,307	19,666,601	16,675,965	16,789,411	17,885,299	19,194,955	21,707,533	23,131,424
Mobile sources / Clean fuels	75,104,035	74,450,510	76,071,690	76,113,061	81,932,965	81,205,230	83,026,098	83,557,430	85,567,481	85,118,434
Air Toxics "Hot Spots"	2,645,644	2,538,246	2,184,519	2,933,672	2,727,444	2,867,455	3,141,051	3,164,130	3,252,717	3,443,847
Transportation program	840,322	845,718	977,223	1,069,607	704,936	618,838	637,405	1,094,749	795,937	995,969
Mitigation fees	-	-	-	-	-	-	-	-	30,790,477	26,404,506
Remediation program	-	-	-	-	-	-	-	-	19,183,044	42,290,553
State subvention	3,945,090	3,939,075	3,924,547	3,939,219	3,944,728	3,917,184	3,880,299	3,804,905	3,822,526	3,856,414
Federal grant	15,399,372	11,887,333	11,588,113	13,491,576	9,840,259	17,538,864	20,158,662	9,922,928	25,865,945	12,401,261
State grant	125,988,646	83,101,876	176,582,411	188,315,029	210,415,959	168,612,407	95,753,343	324,615,363	123,636,916	223,416,990
Interest revenue	6,296,761	10,739,589	18,059,326	15,364,892	5,302,646	6,084,783	34,871,955	56,298,860	63,699,439	59,280,939
Lease revenue	156,204	147,660	162,879	150,164	124,285	131,140	154,533	107,860	74,104	80,433
Source test/analysis fees	734,258	663,011	574,007	427,852	265,860	174,711	728,260	430,590	879,600	797,716
Hearing Board fees	187,733	351,979	187,308	357,937	274,352	286,331	322,319	818,469	785,375	216,771
Penalties and settlements	11,511,570	15,801,455	8,266,671	13,939,501	11,953,070	8,136,416	9,781,221	6,859,691	8,874,903	9,104,965
Subscriptions	1,097	436	970	972	-	676	81	-	-	-
Other revenues	27,575,590	29,871,943	39,449,420	38,697,237	17,697,155	118,591,822	15,943,413	27,447,986	10,067,374	12,284,004
Total revenues	$ 361,100,883	$ 331,140,503	$ 436,887,945	$ 457,558,496	$ 449,015,661	$ 514,696,713	$ 381,682,687	$ 637,833,850	$ 506,211,050	$ 614,104,287
Expenditures:										
Salaries and employee benefits	$ 110,040,224	$ 115,342,430	$ 124,376,220	$ 133,296,239	$ 135,197,844	$ 143,692,079	$ 146,549,272.00	$ 159,688,983	$ 175,406,791	$ 180,624,616
Insurance	1,131,980	1,503,440	1,733,653	1,059,265	1,203,093	1,815,361	1,447,642.00	2,288,753	2,818,507	2,588,228
Rent	540,386	550,641	606,592	676,950	797,754	402,588	385,583.00	382,239	405,636	441,758
Supplies	3,035,619	3,375,314	3,779,066	4,186,926	2,737,608	3,048,748	3,662,715.00	3,634,204	4,993,802	4,850,819
Contract and special services	108,413,444	109,427,946	172,084,692	215,238,478	241,794,852	158,176,955	144,328,551.00	146,409,853	170,250,564	147,665,656
Maintenance	1,287,341	1,787,868	2,109,924	1,784,818	1,938,322	1,771,200	2,354,512.00	2,103,225	2,306,482	2,364,066
Travel and auto	877,137	1,107,393	1,141,882	877,886	459,515	621,348	715,073.00	846,647	909,812	855,856
Utilities	1,411,075	1,520,114	1,427,124	1,429,880	1,542,238	1,590,643	1,599,383.00	1,985,398	1,872,518	1,936,630
Communications	577,753	614,018	647,865	821,324	1,001,554	1,213,368	1,008,959.00	875,776	863,121	788,712
Uncollectible accounts	400,929	412,184	479,519	590,803	691,419	957,286	667,194.00	928,392	1,268,688	2,009,892
Other expenditures	2,023,075	1,996,218	2,110,673	3,611,532	2,077,377	2,661,906	5,008,487.00	1,862,527	7,961,512	4,423,185
Capital outlay	4,669,042	4,583,914	4,973,661	8,872,504	5,316,656	3,083,193	3,880,971.00	6,357,220	7,120,707	7,290,586
Capital outlay - lease and SBITA	-	-	-	-	-	2,631,488	2,872,677.00	2,653,290	2,491,380	3,781,621
Debt service:										
Principal	3,331,010	3,432,798	3,553,110	3,686,641	3,840,443	4,006,881	3,780,000.00	4,010,000	-	-
Interest	3,863,482	3,756,716	3,637,290	3,503,983	3,353,106	3,186,361	348,736.00	118,896	-	-
Principal - lease and SBITA	-	-	-	-	-	434,423	1,541,375.00	1,800,730	2,520,565	3,087,416
Interest - lease and SBITA	-	-	-	-	-	43,964	59,701.00	225,421	247,633	220,979
Total expenditures	$ 241,602,497	$ 249,410,994	$ 322,661,271	$ 379,637,229	$ 401,951,781	$ 329,337,792	$ 320,210,831	$ 336,171,554	$ 381,437,718	$ 362,930,020
Excess (deficiency) of revenues over (under) expenditures	119,498,386	81,729,509	114,226,674	77,921,267	47,063,880	185,358,921	61,471,856	301,662,296	124,773,332	251,174,267
Other financing sources (uses):										
Transfer in	8,540,141	10,713,791	31,523,520	21,866,157	16,963,338	11,177,250	26,369,603	12,618,042	10,298,097	6,903,817
Transfer out	(8,540,141)	(9,460,644)	(31,523,520)	(21,866,157)	(16,963,338)	(11,177,250)	(26,369,603)	(12,618,042)	(10,298,097)	(6,903,817)
Lease and SBITA Financing	-	-	-	-	-	2,631,488	2,872,677	2,653,290	2,491,380	3,781,621
Total other financing sources (uses)	-	1,253,147	-	-	-	2,631,488	2,872,677	2,653,290	2,491,380	3,781,621
Net change in fund balances	$ 119,498,386	$ 82,982,656	$ 114,226,674	$ 77,921,267	$ 47,063,880	$ 187,990,409	$ 64,344,533	$ 304,315,586	$ 127,264,712	$ 254,955,888
Debt service as a percentage of noncapital expenditures	3.0%	2.9%	2.3%	1.9%	1.8%	2.4%	1.8%	1.9%	0.7%	0.9%

Schedule 5
Expenditures by Major Object
General Fund (Budgetary Basis)
Last Ten Fiscal Years



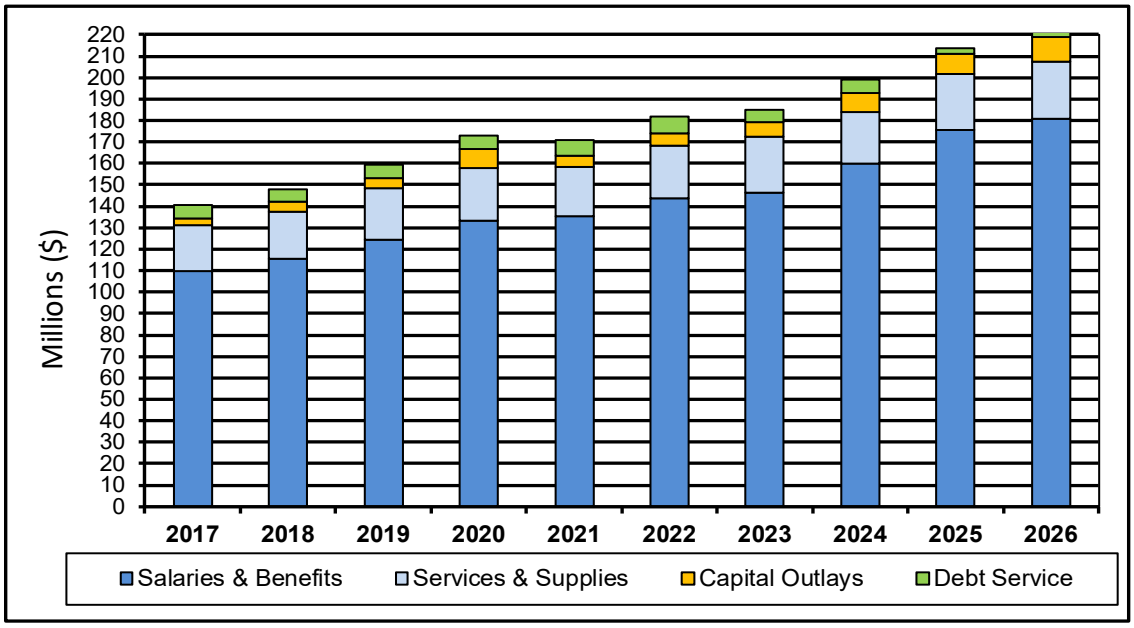
Year	Salaries & Benefits	Services & Supplies	Capital Outlays*	Debt Service	Total Expenditures
2017	$ 110,077,989	$ 21,757,613	$ 4,037,890	$ 6,194,492	$ 142,067,984
2018	115,425,019	23,951,490	7,301,002	6,189,514	152,867,025
2019	124,376,218	25,949,611	4,669,722	6,190,400	161,185,951
2020	133,296,238	23,474,861	11,172,630	6,190,624	174,134,353
2021	135,197,844	25,090,257	2,382,488	7,193,549	169,864,138
2022	143,692,079	24,726,818	3,984,927	7,671,629	180,075,453
2023	146,549,272	26,070,498	5,283,569	5,729,812	183,633,151
2024	159,688,983	25,601,994	11,048,245	6,155,048	202,494,270
2025	175,406,791	28,655,776	9,888,083	2,768,196	216,718,846
2026	180,624,616	28,448,159	9,043,055	3,308,395	221,424,225

*For year 2017-2023, capital outlays do not include GASB 87 leases and GASB 96 SBITA

See Notes Associated with Financial Charts page 112

Source:
South Coast Air Quality Management District Audited Financial Statements

Schedule 6
Expenditures by Major Object
General Fund (GAAP Basis)
Last Ten Fiscal Years



Year	Salaries & Benefits	Services & Supplies	Capital Outlays	Debt Service	Total Expenditures
2017	$ 110,040,224	$ 20,903,669	$ 3,455,686	$ 6,194,492	$ 140,594,071
2018	115,342,430	21,995,126	4,579,695	6,189,514	148,106,765
2019	124,376,220	23,933,151	4,973,661	6,190,400	159,473,432
2020	133,296,239	24,470,945	8,872,504	6,190,624	172,830,312
2021	135,197,844	22,937,861	5,316,656	7,193,549	170,645,910
2022	143,692,079	24,524,436	5,714,681	7,671,629	181,602,825
2023	146,549,272	25,763,835	6,753,648	5,729,812	184,796,567
2024	159,688,983	24,090,304	9,010,510	6,155,047	198,944,844
2025	175,406,791	26,101,920	9,612,087	2,768,198	213,888,996
2026	180,624,616	27,004,017	11,072,207	3,308,395	222,009,235

See Notes Associated with Financial Charts page 112

Source: South Coast Air Quality Management District Audited Financial Statements

Schedule 7
Debt Capacity
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)

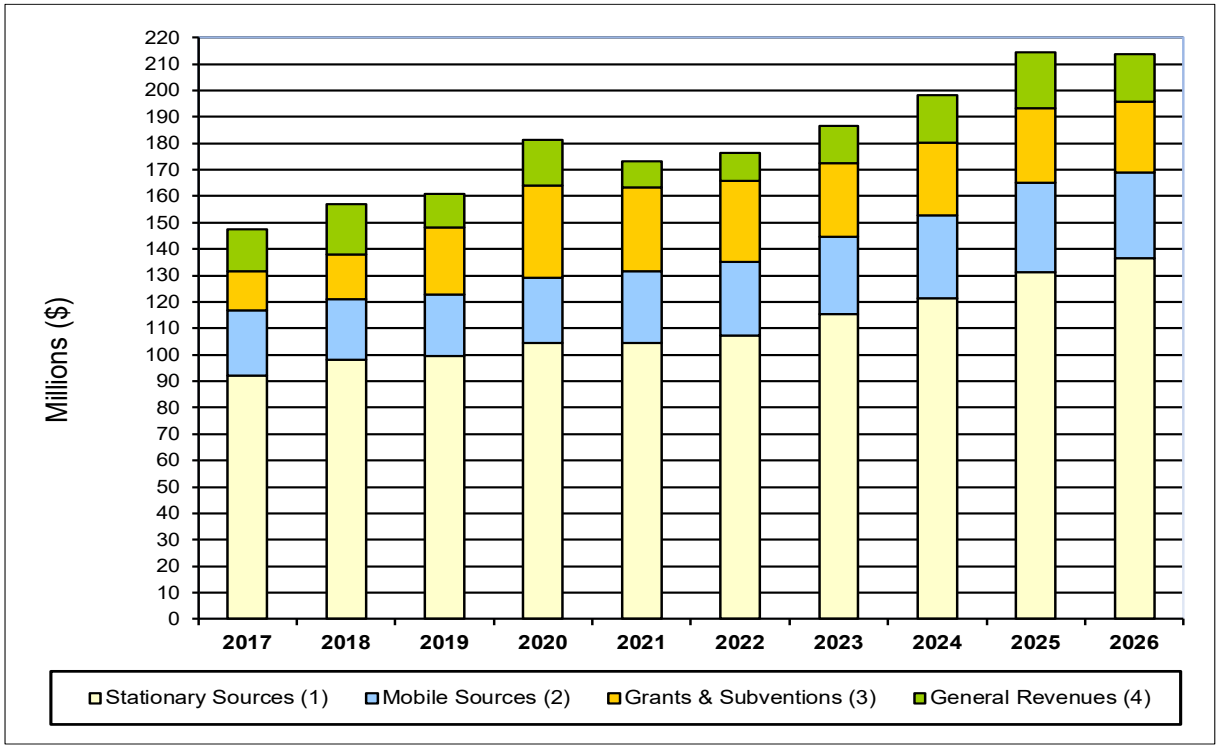
Fiscal Year	Pension Obligation Bonds	Lease Liability	Subscription Liability	Total Primary Government	Percentage of Total Revenues (*)	Number of Customers	Debt Per Customer
2017	26,310	-	-	26,310	17.86%	26	1.0
2018	22,877	-	-	22,877	14.58%	27	0.8
2019	19,324	-	-	19,324	12.01%	27	0.7
2020	15,637	-	-	15,637	8.63%	26	0.6
2021	11,797	-	-	11,797	6.82%	25	0.5
2022	7,790	2,197	-	9,987	5.66%	26	0.4
2023	4,010	2,298	1,311	7,619	4.08%	25	0.3
2024	-	3,316	1,121	4,437	2.24%	25	0.2
2025	-	2,587	1,941	4,528	2.11%	26	0.2
2026	-	2,171	3,002	5,173	2.42%	24	0.2

The South Coast Air Quality Management District is a regional government and is not authorized to issue long-term debt (General Obligation Bonds). The Pension Obligation Bonds are refunding bonds of outstanding debt owed the San Bernardino County Employees' Retirement Association. The South Coast Air Quality Management District has no long-term debt limits.

The Series 2004 Pension Obligation Bonds were paid in full as of June 30, 2024.

(*) These percentages are calculated using Total Revenues, Schedule 8.

Schedule 8
Revenues by Major Source
General Fund
Last Ten Fiscal Years



Year	Stationary Sources (1)	Mobile Sources (2)	Grants & Subventions (3)	General Revenues (4)	Total Revenues
2017	$ 92,189,311	$ 24,574,498	$ 14,768,699	$ 15,810,131	$ 147,342,639
2018	98,060,961	22,861,428	17,207,484	18,805,726	156,935,599
2019	99,546,576	23,198,491	25,350,511	12,853,554	160,949,132
2020	104,590,911	24,587,585	34,848,083	17,251,668	181,278,247
2021	104,547,326	26,905,822	31,759,255	9,821,427	173,033,830
2022	107,296,735	27,772,271	30,909,330	10,333,464	176,311,800
2023	115,340,032	29,308,987	27,804,097	14,080,638	186,533,754
2024	121,432,107	31,230,918	27,666,489	17,985,496	198,315,010
2025	131,385,034	33,655,280	28,293,372	21,158,802	214,492,488
2026	136,523,363	32,553,616	26,761,123	17,849,862	213,687,964

(1) Includes Emissions, Annual Operating, Permit, Air Toxics "Hot Spots," Source Test/Analysis, and Hearing Board fees

(2) Includes AB2766 Mobile Source, Clean Fuels, and Transportation Programs revenues

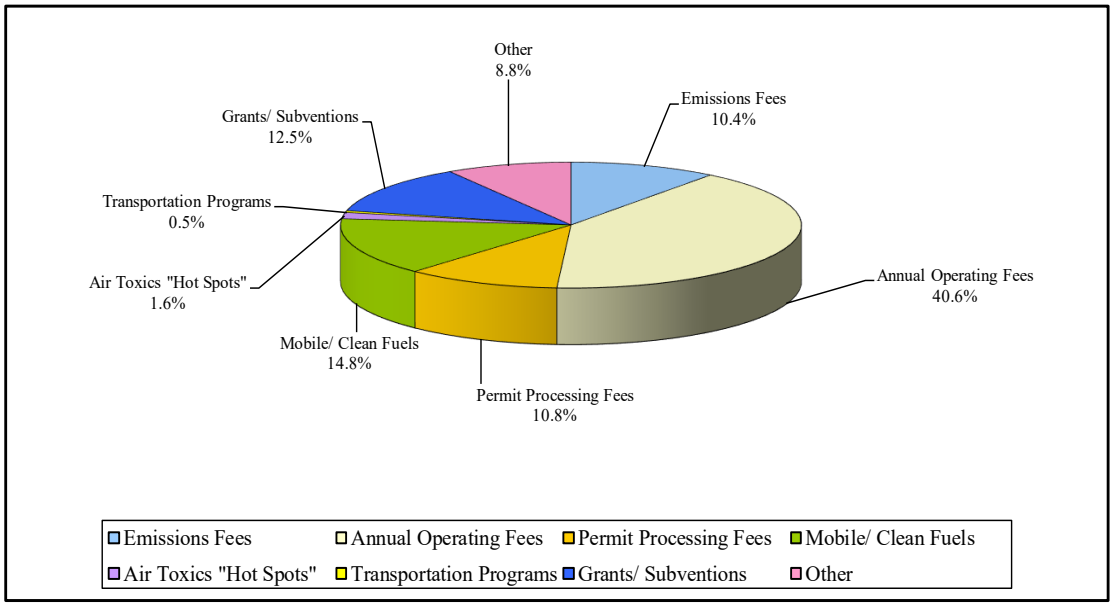
(3) Includes State Subventions, State Grants and Federal Grants

(4) Includes Area Sources, Penalties & Settlements, Interest, Lease Revenue, and Other Revenue

See Notes Associated with Financial Charts page 113

Source: South Coast Air Quality Management District Audited Financial Statements

Schedule 9
Revenues by Fee Source
General Fund
Last Ten Fiscal Years



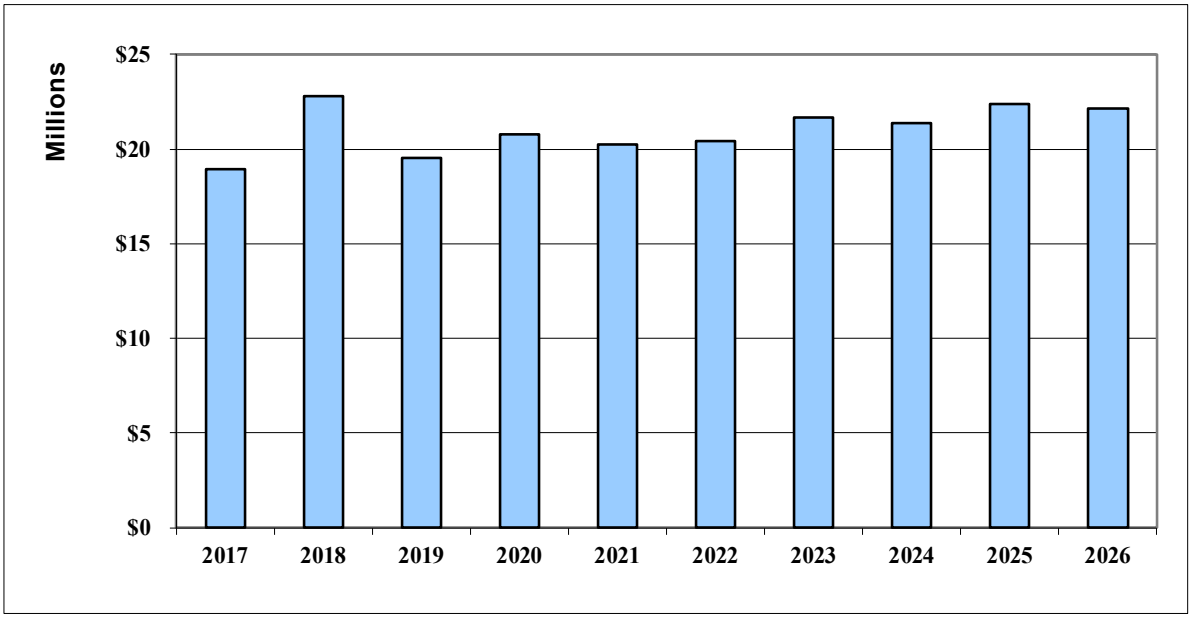
	Fee Source Revenue								
Year	Emissions Fees	Annual Operating Fees	Permit Processing Fees	Mobile/ Clean Fuels	Air Toxics "Hot Spots"	Transportation Programs	Grants/ Subventions	Other	Total
2017	$ 18,964,371	$ 48,930,776	$ 20,729,207	$ 23,734,176	$ 2,642,966	$ 840,322	$ 14,768,699	$ 16,732,122	$ 147,342,639
2018	22,786,661	52,182,769	19,538,295	22,015,710	2,538,246	845,718	17,207,484	19,820,716	156,935,599
2019	19,542,168	57,028,631	20,030,307	22,221,268	2,184,155	977,223	25,350,511	13,614,869	160,949,132
2020	20,781,427	60,450,564	19,666,601	23,517,978	2,906,530	1,069,607	34,848,083	18,037,457	181,278,247
2021	20,215,773	64,570,338	16,675,965	26,200,886	2,545,038	704,936	31,759,255	10,361,639	173,033,830
2022	20,397,707	66,827,635	16,789,411	27,153,433	2,820,940	618,838	30,909,330	10,794,506	176,311,800
2023	21,667,612	71,761,209	17,885,299	28,671,582	2,975,333	637,405	27,804,097	15,131,217	186,533,754
2024	21,380,049	76,945,135	19,194,955	30,136,169	2,662,910	1,094,749	27,666,487	19,234,556	198,315,010
2025	22,394,782	82,498,491	21,707,533	32,859,344	3,119,253	795,937	28,293,372	22,823,776	214,492,488
2026	22,162,138	86,771,467	23,131,424	31,557,647	3,443,847	995,969	26,761,123	18,864,349	213,687,964

* Other includes Area Sources, Penalties and Settlements, Interest, Source Test/Analysis Fees, Lease Revenue, Hearing Board, Other Revenue and Subscriptions.

See Notes Associated with Financial Charts page 114

Source:
South Coast Air Quality Management District Audited Financial Statements

Schedule 10
Emission Fee Revenues
Last Ten Fiscal Years



Year	Emission Fees
2017	$ 18,964,371
2018	22,786,661
2019	19,542,168
2020	20,781,427
2021	20,215,773
2022	20,433,832
2023	21,667,612
2024	21,380,049
2025	22,394,782
2026	22,162,138

See Notes Associated with Financial Charts page 114

Source: South Coast Air Quality Management District Audited Financial Statements

Schedule 5 - Expenditures by Major Object (General Fund Budgetary Basis)

- The increase in 2026 Salaries and Benefits is mainly due to higher costs associated with the labor.
- The increase in 2025 Salaries and Benefits is mainly due to higher costs associated with the labor agreements and rising retirement contribution rates. Series 2024 Pension Obligation Bonds was fully paid off in fiscal year 2024, which resulted in a decrease in debt service.
- The increase in 2024 Capital Outlay expenditures is due to large purchases of monitoring & analysis equipment for the MATES VI program. Salaries and benefits increased due to increase in funded positions, cost increases associated with labor agreements.
- The increased expenditures in 2023 Salaries and Benefits is mainly due to increase in funded positions, cost increases associated with labor agreement and increased retirement rates.
- The increase in 2022 Salaries and Benefits is due to the addition of funded positions, cost increases associated with labor agreement, and increased retirement rates.
- The decrease in 2021 Capital Outlays expenditures is due to large purchases of monitoring and analysis equipment in 2020 for AB 617 and Rule 1180 programs.
- The increase in both Salaries and Benefits and Capital Outlays from FY 2018-19 is due to the third year of a three-year labor agreement, and the continued implementation of revenue-offset programs such as AB 617, Rule 1180, and VW Mitigation Settlement.
- The increase is due to adding 47 positions for the Community Air Protection Program (CAPP) and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18. There is also an increase in Retirement Expenditure based on the contribution rates provided from the San Bernardino County Retirement Association (SBCERA).
- The increase in 2018 expenditures from 2017 is mainly due to the adding positions for the AB 617 and AB 134 programs and the costs associated with the three year labor agreement and with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare.
- The increase in 2017 expenditures from 2016 is mainly due to the hiring of some grant funded positions and the contribution rates provided from the SBCERA.

Schedule 6 – Expenditures by Major Object (General Fund GAAP Basis)

- The increase in 2026 Salaries and Benefits is mainly due to higher costs associated with the labor agreements and increase of capital outlays due to a large subscription agreement.
- The increase in 2025 Salaries and Benefits is mainly due to higher costs associated with the labor agreements and rising retirement contribution rates. Series 2024 Pension Obligation Bonds was fully paid off in fiscal year 2024, which resulted in a decrease in debt service.
- The increase in 2024 Capital Outlay expenditures is due to large purchases of monitoring & analysis equipment for the MATES VI program. Salaries and benefits increased due to increase in funded positions, cost increases associated with labor agreements.
- The increased expenditures in 2023 Salaries and Benefits is mainly due to the addition of funded positions, cost increases associated with labor agreement and increased retirement rates.
- The increase in 2022 Salaries and Benefits is due to the addition of funded positions, cost increases associated with labor agreement, and increased retirement rates.
- The decrease in 2021 Capital Outlays expenditures is due to large purchases of monitoring and analysis equipment in 2020 for AB 617 and Rule 1180 programs.

- The increase in both Salaries and Benefits and Capital Outlays from FY 2018-19 is due to the third year of a three-year labor agreement, and the continued implementation of revenue-offset programs such as AB 617, Rule 1180, and VW Mitigation Settlement.
- The increase is due to adding 47 positions for the CAPP and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18. There is also an increase in Retirement expenditure based on the contribution rates provided from SBCERA.
- The increase in 2018 expenditures from 2017 is mainly due to the adding positions for the AB 617 and AB 134 programs and the costs associated with the three year labor agreement and with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare. Also, the increase in Capital Outlays reflects anticipated needs.
- The increase in 2017 expenditures from 2016 is mainly due to the hiring of some grant funded positions and the contribution rates provided from SBCERA.

Schedule 8 - Revenues by Major Source (General Fund)

- The increase in 2026 stationary sources revenue is mainly due to the 3.0% CPI fee increase. The decrease in general revenue is primarily due to lower interest income and lower penalties and settlements. Interest rates are lower than prior year, and penalties and settlements vary from year to year.
- The increase in 2025 revenue is mainly due to annual operating and permit fees that were increased by a 3.5% CPI plus 2% fee increase approved in FY 2023-2024 and an additional 1.5% fee increase approved in FY 2024-2025. Increase in Mobile Source / Clean Fuels was due to increase in reimbursement to the general fund.
- The increase in 2024 revenue is mainly due to annual operating and permit fees that were increased by a 5.6% CPI plus 2% fee increase above CPI. Increase in Mobile Source/Transportation program was due to increase in reimbursement to the general fund.
- The increase in 2023 revenue is mainly due to a 6.5% CPI fee increase in most stationary source fees.
- The increase in 2022 revenue is mainly due to an increase in annual operating permit renewal fees which were based on the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- The decrease in 2021 revenue is mainly due to large one-time penalties/settlements received in 2020 under the General Revenue category. No large penalties/settlements were received in 2021.
- The increase in 2020 revenue reflects annual renewal fee increases under Stationary Sources and state grant increases under Grants & Subventions. South Coast AQMD received new funding from the operation portion of CAPP.
- The increase in 2019 revenue is mainly due to the increase in State Grants related to the new funding for the implementation portion of CAPP.
- The increase in 2018 revenue reflects emission fees increase under the stationary sources and large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations under the General Revenue category.
- The large increase in 2017 revenue reflects large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.

Schedule 9 - Revenues by Fee Source (General Fund)

- The increase in 2026 fee source revenue is mainly due to the 3.0% CPI fee increase. The decrease in other revenue is primarily due to lower interest income and lower penalties and settlements. Interest rates are lower than prior year, and penalties and settlements vary from year to year.
- The increase in 2025 revenue is mainly due to annual operating and permit fees that were increased by a 3.5% CPI plus 2% fee increase approved in FY 2023-2024 and an additional 1.5% fee increase approved in FY 2024-2025. Increase in Mobile Source / Clean Fuels was due to increase in reimbursement to the general fund.
- The increase in 2024 revenue is mainly due to annual operating permit renewal fees are increased based on a 5.6% CPI plus 2% fee increase, and Mobile Source / Transportation program increased because of reimbursement to the general fund expenditures.
- The increase in 2023 revenue is mainly due to a CPI increase of 6.5% for annual operating and permit fees.
- The increase in 2022 revenue is mainly due to an increase in annual operating permit renewal fees which were based on the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- The decrease in 2021 revenue is mainly due to large one-time penalties/settlements received in 2020. No large penalties/settlements were received in 2021.
- The increase in 2020 revenue is mainly due to the 3.5% CPI increase. Also included was 10.66% increase for Title V permits.
- The increase in 2019 revenue is mainly due to the 3.4% CPI increase. Also included was 4% increase on non-Title V annual operating permit renewal fees and 10.66% increase for Title V permits.
- The increase in 2018 revenue from 2017 is mainly due to the increase of emission fees. Other revenues increased because the South Coast AQMD received large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- Other revenues increased significantly in 2017 because the South Coast AQMD received large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.

Schedule 10 – Emission Fee Revenues

- There was a slight decrease in emission fees revenue in 2026 due to less facilities paying emission fees.
- The increase in 2025 emission fee revenue is mainly due to the 3.5% CPI increase.
- There was a slight decrease in emission fees revenue in 2024 due to less facilities paying emission fees.
- The increase in 2023 revenue is mainly due to a 6.5% CPI fee increase.
- There was a slight increase in emission fees revenue in 2022 due to an increase of the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- There was a slight decrease in emission fees revenue in 2021 due to decreasing emissions.

Notes Associated with Financial Charts

- The increase in 2020 emission fee revenue is mainly due to the 3.5% CPI increase.
- 2019 emission fees revenue was lower than 2018 because of an emissions audit conducted and additional emission fees were collected in 2018.
- There was an increase in emission fees revenue in 2018 related to fee increase.
- There was a small decrease in emission fees revenue in 2017 due to gradually decreasing emissions.

Schedule 11
Revenue Capacity
Largest Payers of Emission-Based Fees at a Single Location
Current Year and Ten Years Ago

Payer	FY 2025-2026			FY 2015-2016		
	Payment	Rank	% of Total Emission Fee	Payment	Rank	% of Total Emission Fee
Torrance Refinery Co LLC (Formerly Exxon Mobil Corporation)	$ 3,638,871	1	16.4%	$ 1,615,185	3	8.5%
Chevron Products	2,289,710	2	10.3%	1,725,097	2	9.1%
Tesoro Refining and Marketing *	2,258,245	3	10.2%	1,969,421	1	10.4%
Tesoro Refining and Marketing (Formerly Equilon)	1,133,896	4	5.1%	1,224,977	4	6.5%
Phillips 66 Company (Formerly Conoco and formerly Tosco Refining Co)*	780,192	5	3.5%	912,510	5	4.8%
Ultramar Incorporated	648,813	6	2.9%	543,804	7	2.9%
Phillips 66 Company (Formerly Conoco and formerly Tosco Refining Co)*	553,618	7	2.5%	730,636	6	3.8%
Chiquita Canyon LLC	324,134	8	1.5%			
Equilon Enterprises, LLC, Shell Oil Products US (formerly Texaco Refining)*	196,085	9	0.9%	104,023	19	0.5%
University of California, Los Angeles	134,498	10	0.6%			
SFPP, L.P.	117,591	11	0.5%			
Metal Container Corp	116,606	12	0.5%			
Anheuser-Busch Incorporated	109,107	13	0.5%	131,775	16	0.7%
OC Waste & Recycling, FRB	104,890	14	0.5%			
Kinder Morgan Liquids Terminals, LLC	103,736	15	0.5%			
LA County Sanitation District*	98,523	16	0.4%	167,345	11	0.9%
Calnev Pipe Line, LLC	95,383	17	0.4%			
US Government Department of Navy	91,693	18	0.4%			
California Steel Industries Inc.	91,646	19	0.4%			
Brea Parent 2007, LLC	85,603	20	0.4%			
Tesoro Refining and Marketing (formerly BP ARCO West Coast Products)*				465,331	8	2.5%
City of Long Beach, SERRF Project				237,235	9	1.2%
Southern California Edison (formerly Mountainview Generating Station)				216,534	10	1.1%
New Indy Ontario LLC				155,316	12	0.8%
Dart Container Corp of California				153,258	13	0.8%
Desert View Power				152,026	14	0.8%
Beta Offshore				147,756	15	0.8%
Cal Portland Cement Company				119,138	17	0.6%
Southern California Gas Company				105,820	18	0.6%
Owens Brockway Glass Container Inc				97,275	20	0.5%
Total Paid by Largest Payers at a Single Location	$ 12,972,840		58.5%	$ 10,974,462		57.8%
Total Emissions Based Fees Paid by All Emitters	$ 22,162,138			$ 18,984,919		

*Located at separate sites.

KEY AIR QUALITY AND DEMOGRAPHIC INFORMATION REGARDING THE REGION INCLUDED IN THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

The South Coast Air Quality Management District includes all of Orange County and parts of Los Angeles, Riverside and San Bernardino Counties. The section below provides a brief description of each county.

Measuring 4,084 square miles, ***Los Angeles County*** is one of the nation's largest counties. It is the most populated county in the state of California and contains the most populated city in the state, the City of Los Angeles. Before World War II, Los Angeles County was one of the nation's foremost agricultural producers. As agricultural production declined, the economy has evolved into diverse areas that include trade, transportation, and utilities, government, educational and health services, professional and business services, and manufacturing. Tourism and entertainment as well as international trade also play a vital role in the county's economy. The county is home to the twin seaports of Los Angeles and Long Beach, together the nation's largest, as well as the single largest fixed source of air pollution in the region. The two ports are responsible for more smog-forming nitrogen oxide emissions than 6 million passenger cars.

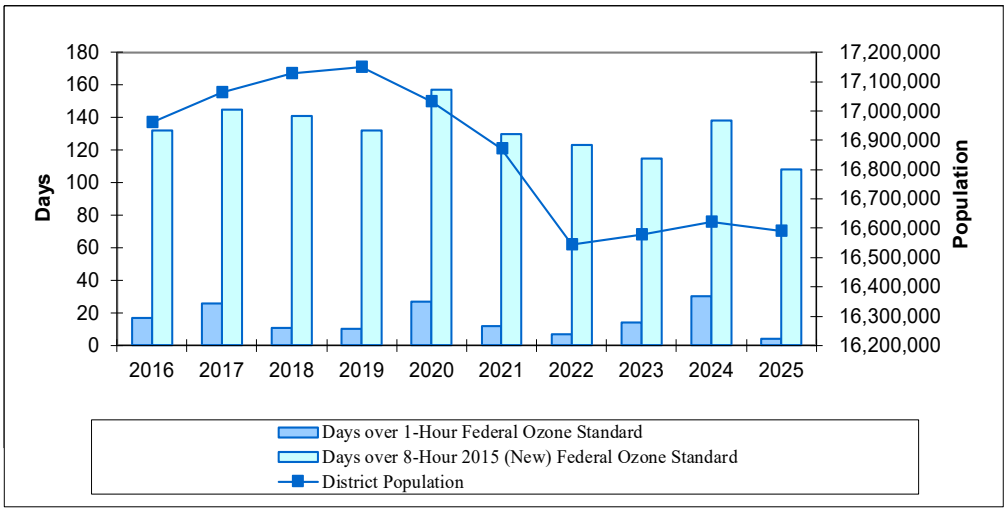
Orange County is the third most populated county in the state and lies south of Los Angeles County. When created in 1889, Orange County was named for its abundance of orange groves and thriving agricultural industry. Today, the largest industry employers are trade, transportation, and utilities, professional and business services, and manufacturing.

The varied topography of ***Riverside County*** is characterized by fertile river valleys to rolling plains and foothills to deserts below sea level and mountain peaks above 10,000 feet. Recent years have brought dramatic population growth to Riverside County. The population is expected to increase by 0.38 percent in 2025. Annual growth in the 2025 - 2030 period is expected to average 0.53 percent. The county's early years were linked to the agriculture industry, but commerce, construction, manufacturing, transportation, and tourism have contributed to the county's substantial growth. The County is also a major distribution center for Southern California and the Pacific Rim.

Roughly 90 percent of ***San Bernardino County*** is desert and the remaining portion consists of the San Bernardino Valley and San Bernardino Mountains. San Bernardino County and Riverside County are collectively known as the Inland Empire. San Bernardino population growth from 2025 to 2030 is expected to average 0.51 percent per year. The economy is led by services, government, retail trade, and manufacturing industries. Additionally, the county consistently ranks in the top fifteen agricultural-producing counties in the state.

All four counties within the South Coast Air Quality Management District's jurisdiction have experienced population growth in the last few years. The following charts illustrate air pollution, demographic, employment, and motor vehicle information relating to the South Coast Air Quality Management District region.

Schedule 12
South Coast Air Basin Smog Trend
Last Ten Calendar Years



Year	Days over 1-Hour Federal Ozone Standard	Days over 8-Hour 2015 (New) Federal Ozone Standard	District Population
2016	17	132	16,962,478
2017	26	145	17,063,249
2018	11	141	17,127,040
2019	10	132	17,150,993
2020	27	157	17,031,233
2021	12	130	16,870,867
2022	7	123	16,543,065
2023	14	115	16,578,000
2024	30	138	16,620,312
2025	4	108	16,591,470

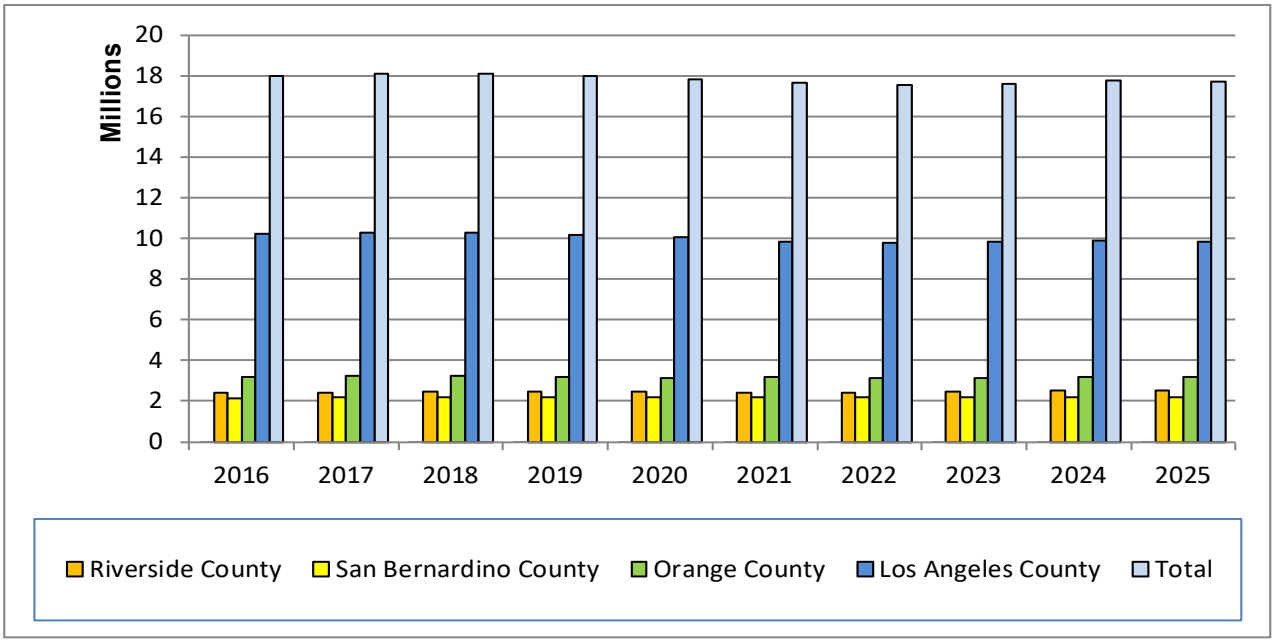
Notes:

- Favorable weather conditions and continued implementation of the air pollution control strategy contributed to the significant decrease in Days over the 1-Hour Ozone Standard in the recent decades.
- In 1997, the federal government implemented the 8-hour ozone National Ambient Air Quality Standard. The standard was revised in 2015 from 75 ppb to 70 ppb.

Source:

South Coast Air Quality Management District (www.aqmd.gov); State Subvention Guidance.

Schedule 13
Four-County Area Population
Last Ten Calendar Years

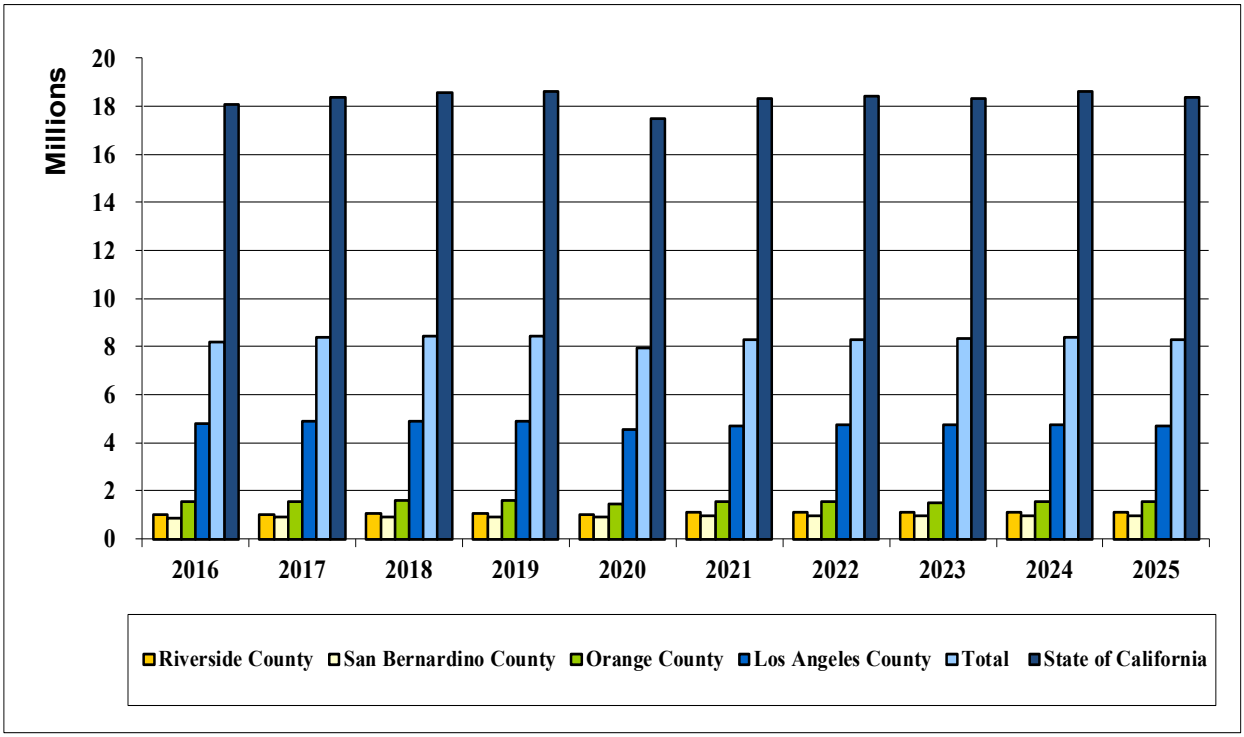


Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total	% Increase
2016	2,384,783	2,160,256	3,194,024	10,241,278	17,980,341	0.38%
2017	2,415,955	2,174,938	3,221,103	10,283,729	18,095,725	0.64%
2018	2,440,124	2,192,203	3,222,498	10,253,716	18,108,541	0.07%
2019	2,442,304	2,180,537	3,194,332	10,172,951	17,990,124	-0.65%
2020	2,454,453	2,175,909	3,153,764	10,044,458	17,828,584	-0.90%
2021	2,435,525	2,187,665	3,162,245	9,861,224	17,646,659	-1.02%
2022	2,439,234	2,182,056	3,137,164	9,761,210	17,519,664	-0.72%
2023	2,442,378	2,181,433	3,150,835	9,824,091	17,598,737	0.45%
2024	2,495,640	2,207,424	3,175,427	9,876,811	17,755,302	0.89%
2025	2,506,824	2,216,685	3,163,696	9,837,286	17,724,491	-0.17%

South Coast AQMD encompasses all of Orange County and parts of the Los Angeles, Riverside, and San Bernardino Counties, representing over 17 million residents.

Source:
California Department of Finance - Demographic Research Unit
www.dof.ca.gov/budgeting/documents

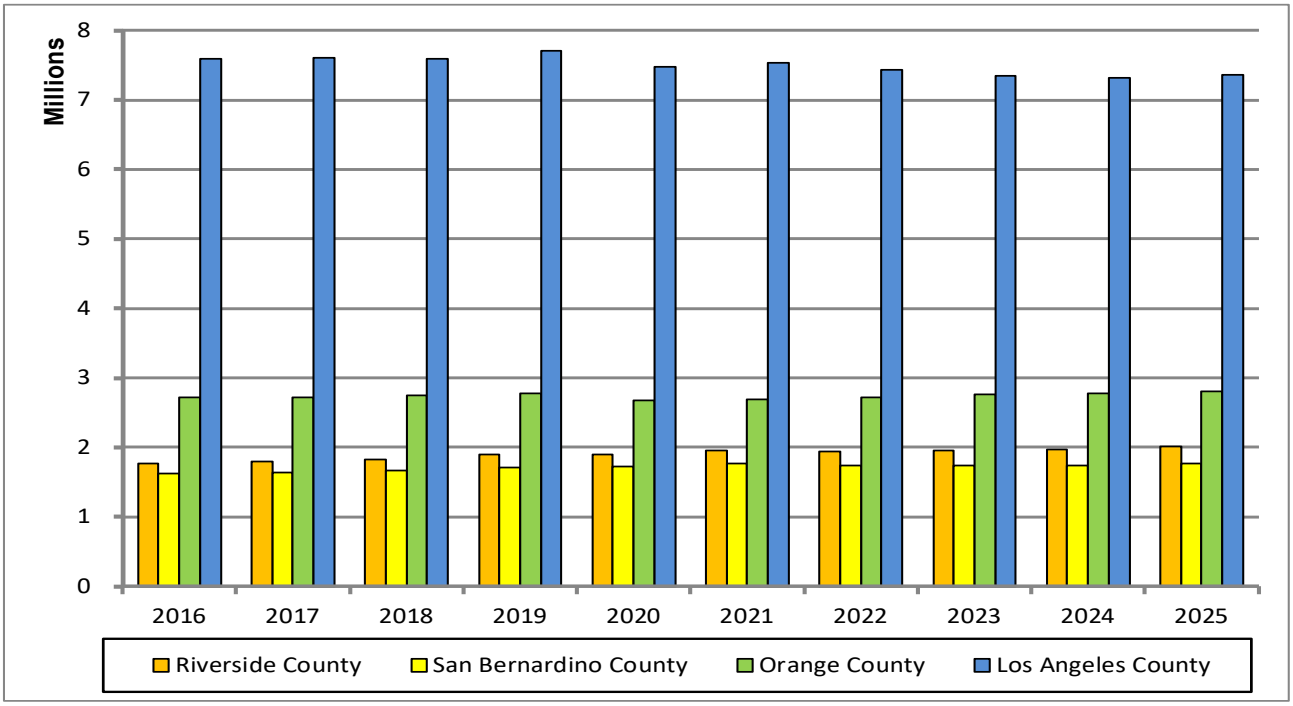
Schedule 14
Los Angeles, Orange, Riverside, San Bernardino Counties, and State of California Civilian Employment
Last Ten Calendar Years



Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total	State of California
2016	988,000	882,200	1,538,000	4,778,800	8,187,000	18,065,000
2017	1,016,200	904,200	1,562,600	4,883,600	8,366,600	18,393,100
2018	1,044,600	922,300	1,577,900	4,896,500	8,441,300	18,582,800
2019	1,057,900	930,700	1,578,300	4,894,300	8,461,200	18,627,400
2020	1,026,000	898,300	1,464,000	4,547,800	7,936,100	17,481,000
2021	1,101,000	962,200	1,530,200	4,703,800	8,297,200	18,346,900
2022	1,085,700	951,000	1,538,100	4,734,100	8,308,900	18,431,200
2023	1,093,100	958,600	1,525,200	4,760,400	8,337,300	18,317,300
2024	1,121,600	977,800	1,564,300	4,742,300	8,406,000	18,633,900
2025	1,111,900	962,500	1,533,200	4,690,500	8,298,100	18,382,100

Source:
State of California: Employment Development Department
www.labormarketinfo.edd.ca.gov/cgi/dataanalysis

Schedule 15
Vehicle Registrations (Automobiles & Trucks)
For Four County Area
Last Ten Calendar Years



Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total District
2016	1,765,545	1,618,573	2,716,672	7,585,269	13,686,059
2017	1,799,962	1,642,888	2,713,892	7,599,579	13,756,321
2018	1,831,189	1,666,102	2,744,304	7,586,587	13,828,182
2019	1,891,381	1,713,142	2,770,175	7,704,244	14,078,942
2020	1,902,358	1,721,067	2,671,539	7,479,059	13,774,023
2021	1,955,968	1,770,186	2,694,696	7,537,787	13,958,637
2022	1,941,935	1,745,986	2,712,599	7,428,020	13,828,540
2023	1,955,826	1,741,144	2,757,352	7,352,893	13,807,215
2024	1,966,852	1,739,245	2,777,267	7,323,240	13,806,604
2025	2,018,037	1,768,276	2,807,768	7,358,208	13,952,289

South Coast AQMD encompasses all of Orange County, and parts of the Los Angeles, Riverside, and San Bernardino Counties.

Source:
California Department of Motor Vehicles - Estimated Vehicles Registered by County

Schedule 16
Full-time Equivalent South Coast AQMD Employees by Function/Program
Last Ten Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
FUNCTION:										
Executive Office	6	5	5	5	7	11	8	5	6	5
Clerk of the Boards	6	5	6	5	4	3	3	3	6	5
Legal	27	28	29	25	25	28	30	29	28	30
Finance	42	44	43	40	44	47	45	46	48	47
Administrative & Human Resources	33	36	34	34	33	35	39	45	42	42
Information Management	45	47	48	52	52	52	58	63	60	60
Planning, Rule Development & Area Sources										
Area Sources	94	111	117	125	127	110	121	126	124	122
Legislative, Public Affairs & Media	44	41	43	48	51	49	49	51	49	47
Science & Technology Advancement *	145	159	160	188	187	184	209	-	-	-
Technology Advancement Office	-	-	-	-	-	-	-	68	70	73
Monitoring & Analysis Division	-	-	-	-	-	-	-	146	150	147
Engineering & Permitting	133	133	122	132	129	131	152	170	170	162
Compliance & Enforcement	127	119	129	129	120	124	134	161	155	151
Community Engagement Air Programs**	-	-	-	-	-	-	-	-	24	24
Total	702	728	736	783	779	774	848	913	932	915

* In fiscal year 2023, Science & Technology Advancement split into two divisions: Technology Advance Office and Monitoring & Analysis Division.

** In fiscal year 2025, CEAP Community Engagement Air Programs was established

Source: Administrative and Human Resources (vacancy and item control reports).

Schedule 17
Operating Indicators by Function
Last Ten Fiscal Years

Program Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Advance Clean Air Technology										
Contracts awarded	403	357	564	349	385	350	308	239	265	162
Total Funding awarded	$ 137,406,323	$ 170,391,084	$ 213,005,034	$ 127,879,802	$ 202,126,095	$ 172,638,535	$ 182,753,350	$ 77,394,895	$ 138,490,050	$ 122,089,017
Ensure Compliance with Clean Air Rules										
Inspections	21,419	24,692	24,289	27,595	25,658	31,310	30,790	45,395	44,783	38,554
Notices of Violations	632	1,626	2,724	2,076	838	899	1,173	1,655	2,169	1,776
Hearing Board Orders for Abatement	27	24	29	26	13	18	19	18	23	17
Hearing Board Appeals	3	1	2	3	2	1	-	-	3	-
Customer Service										
Public Information Requests	5,282	4,676	4,830	3,416	241	108	1,249	2,173	2,980	1,683
Community/Public Meetings attended	210	156	193	144	241	143	191	215	297	511
Small Business Assistance Contacts	2,834	4,073	3,043	3,357	3,840	3,184	2,761	3,261	3,852	3,854
Develop Programs to Achieve Clean Air										
Transportation Plans processed	1,348	1,356	1,357	1,335	1,319	1,126	1,091	1,171	1,275	1,250
Emission Inventory Updates**	244	343	294	269	336	1139	5,983	933	4,679	1,710
Develop Rules to Achieve Clean Air										
Rules Developed	15	28	44	14	19	32	28	32	29	40
Monitoring Air Quality										
Samples Analyzed by the Laboratory	38,541	36,342	33,258	30,225	25,501	23,185	21,098	19,887	40,354	33,432
Source Testing Analyses/Evaluations/Reviews	952	714	632	562	498	495	738	624	859	836
Timely Review of Permits										
Applications Processed	11,780	10,913	9,463	8,345	6,727	7,391	6,230	7,716	7,491	7,869
Applications Received-Small Business	535	605	541	485	438	381	362	456	361	346
Applications Received-All Others	8,376	9,172	8,131	8,070	6,767	8,030	6,627	7,934	6,562	7,786
Policy Support										
News Releases	86	120	99	126	179	197	125	135	170	176
Media Calls	1,201	-	-	-	-	-	-	-	-	-
Media Inquiries Completed	1,201	-	-	-	-	-	-	-	-	-
News Media Interactions*	-	1,235	633	672	2204	1,789	1,044	1,374	3,201	3,258

* Tracking of News Media Interactions began in 2018. This will replace the tracking of media calls and media inquiries completed.

** Beginning with 2022, "Emission Inventory Updates" will include the entire emissions inventory that staff received and processed instead of only a subcategory of reports. Significant increase to reports in 2023 attributed to CARB's CTR regulation requiring many more facilities to report emissions.

Source: South Coast AQMD departments' records

Schedule 18
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Ensure Compliance with Clean Air Rules										
Number of vehicles assigned to field inspection	98	100	97	105	98	96	100	117	114	102
Monitoring Air Quality										
Number of air monitoring stations	43	41	41	43	42	43	37	34	34	32
Number of air monitoring instruments installed in the air monitoring stations to measure air quality	222	224	224	260	256	260	250	228	225	198

Source: South Coast AQMD Human Resources and Monitoring and Analysis's records

Demographic and Miscellaneous Statistics
June 30, 2026

Established:	•February 1, 1977
Area Covered:	•10,743 Square Miles
Counties Included in District:	•All of Orange County and parts of Los Angeles, Riverside, and San Bernardino Counties
Population (in 2025):	•16,591,470
Average Unemployment Rate (in 2025):	•Los Angeles County (5.3%) •Orange County (4.1%) •Riverside County (5.4%) •San Bernardino County (5.2%)
Transportation:	•Two transcontinental railroads – Burlington Northern Santa Fe and the Union Pacific •Six Commercial Airports – Los Angeles International, Burbank, Long Beach, Ontario International, Orange County, and Palm Springs •Freeways – Three major interstate freeways including four bypass routes, U.S. 101, and nine State freeway routes •Two major adjoining ports – Port of Long Beach and Port of Los Angeles
Visitor Destinations:	•Disneyland, Knott's Berry Farm, Magic Mountain, Motion Picture and Television Studios and the Rose Bowl
Number of Registered Vehicles Within South Coast AQMD Jurisdiction (in 2025):	•13,952,289
Average Daily Miles Traveled Per Vehicle (CY 2025 data):	•26
Examples of Stationary Sources of Air Pollution Regulated:	•Oil Refineries, power plants, paint spray booths, incinerators, manufacturing facilities, dry cleaners, and service stations.
Number of Sources:	•24,309 operating locations with 67,102 permits.
Number of Air Monitoring Stations:	•32
Full-Time Authorized Positions:	•1,030
Adopted FY 2026-27 Budget:	•$225,195,464
Key Federal, State, and Local Air Agencies:	•EPA Region IX (Environmental Protection Agency) •CARB (California Air Resources Board) •CAPCOA (California Air Pollution Control Officer's Association) •NACAA (National Association of Clean Air Agencies) •ALAPCO (Association of Local Air Pollution Control Officials) •There are 35 local air pollution control districts in California.

Air Quality Historical Timeline



Photo courtesy of Los Angeles Times Collection, Department of Special Collections, UCLA Library

First recognized episodes of smog occur in Los Angeles in summer 1943

1943

1947

Los Angeles County Air Pollution Control District (APCD) established—the first of its kind in the nation

1950

Orange County APCD established

1957

San Bernardino and Riverside County APCDs formed

1966



California adopts first automobile tailpipe emission standards in the nation

1968

California Air Resources Board (CARB) holds its first meeting with Dr. Arie J. Haagen-Smit as its first chairman

1970

Federal Clean Air Act enacted, establishing the basic U.S. program for controlling air pollution

1971

U.S. EPA adopts first national air quality standards

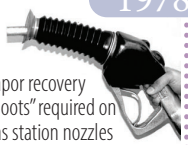
1975

Catalytic converters required for most gasoline-powered vehicles

1977

California legislature merges air pollution control districts of LA, Orange, Riverside and San Bernardino counties forming the South Coast Air Quality Management District

1978



Vapor recovery "boots" required on gas station nozzles

1986

South Coast AQMD launches first Multiple Air Toxics Exposure Study (MATES) to understand air toxics health impacts. Additional MATES studies conducted in 1999, 2006, 2013 and 2018

MATES

1987

Created a program to assess and reduce health risks from air toxic emissions under the Air Toxics "Hot Spots" Information and Assessment Act (AB 2588)

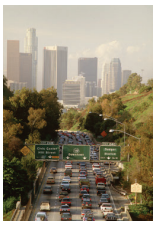


1989

South Coast AQMD adopts first Air Quality Management Plan to show attainment of clean air standards

1990

Federal Clean Air Act Amendments of 1990 enacted establishing new programs to reduce ozone, toxic emissions and vehicle emissions



1998

Carl Moyer Program established to reduce mobile source emissions



2006

California Global Warming Solutions Act of 2006 (AB 32) enacted to reduce greenhouse gases



2011

Federal agencies and the State of California establish single time frame for corporate average fuel economy (CAFE) and greenhouse gas standards for the next generation of cars and light-duty trucks

2013

Attained the 1997 24 hour and annual National Ambient Air Quality Standards for fine particulate matter two years ahead of schedule

2017

Assembly Bill 617 enacted to develop community plans and implement new technologies addressing the disproportionate impacts of air pollution sources in Environmental Justice communities

2022

South Coast AQMD releases its most ambitious strategy to cut air pollution. The 2022 AQMP is the first Zero-emissions plan, aiming to reduce emissions by 70% by 2037.





South Coast
Air Quality Management District

21865 Copley Drive
Diamond Bar, CA 91765-4178

www.aqmd.gov

SOUTH COAST AIR QUALITY

MANAGEMENT DISTRICT

Single Audit Reports

For the Year Ended June 30, 2026

(With Independent Auditor's Reports Thereon)

- PRELIMINARY DRAFT - SUBJECT TO REVISION PRIOR TO SUBMISSION OF FINAL REPORT TO BE RETURNED TO SIMPSON AND SIMPSON, LLP, AND NOT TO BE REPRODUCED OR DISTRIBUTED IN ANY FORM WITHOUT OUR PERMISSION DATE: 10.30.2026

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Single Audit Reports
For the Year Ended June 30, 2026

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SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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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*

The Board of Directors of the
South Coast Air Quality Management District

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, each major fund, the blended component unit, and the aggregate remaining fund information of the **South Coast Air Quality Management District** (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2026.

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Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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ANY FORM WITHOUT OUR PERMISSION
DATE: 10.30.2026

Los Angeles, California
October 30, 2026

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Directors of the
South Coast Air Quality Management District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **South Coast Air Quality Management District's** (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2026. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2026.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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DATE: 10.1.25

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 30, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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Los Angeles, California
October 30, 2026

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2026

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Environmental Protection Agency:				
Air Pollution Control Program Support				
EPA Section 105 Air Grant	66.001	A00909426-0	$ -	$ 3,296,678
EPA Section 105 Air Grant	66.001	A00909425-0	-	1,158,194
EPA Section 105 Air Grant	66.001	A00909424-3	-	134,139
EPA Section 105 Air Grant	66.001	A00909423-3	500,000	500,000
Subtotal ALN 66.001			500,000	5,089,011
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act				
PM 2.5 Monitoring	66.034	PM-97T49101-0	-	384,063
PM 2.5 Monitoring	66.034	PM-97T58501-0	-	289,337
National Air Toxics Trends Stations	66.034	XA-97T49201-0	-	266,046
Community Scale Air Toxics Monitoring-Mobile	66.034	XA-98T17501-3	-	3,631
IRA Monitoring Equipment	66.034	5A-98T63601-3	-	306,013
IRA Sensor Library	66.034	5X-98T58401-0	-	135,496
IRA Multipollutant Air Monitoring	66.034	5T-97T21901-0	-	178,665
Subtotal ALN 66.034			-	1,563,251
Diesel Emission Reduction Act (DERA) National Grants				
DERA-HD Truck Replacement (FY19)	66.039	DE-99T89501-3	-	1,961,277
DERA-Electrification Transport Refrigeration (FY20)	66.039	DE-98T08801-4	-	6,458
DERA Repl Diesel Cargo Handling Equipment (FY21)	66.039	DE-98T21501-3	-	577,397
DERA-ZE Heavy-Duty Drayage Truck Replacements (FY23)	66.039	DE-97T00301-3	-	4,934
Subtotal ALN 66.039			-	2,550,066
Climate Pollution Reduction Grants				
IRA-Climate Pollution Reduction Program (CPRG)	66.046	5E-97T15501-2	168,862	1,003,749
Subtotal ALN 66.046			168,862	1,003,749
Clean Heavy-Duty Vehicles Programs				
Clean HD Vehicle Program (CARE 4 Kids)	66.049	5Z-97T31101-0	-	22,635
Clean HD Vehicle Program (ELECTRIC)	66.049	5Z-97T31301-0	-	187,344
Subtotal ALN 66.049			-	209,979
State Environmental Justice Cooperative Agreement Program				
Title V Modernization	66.608	OS-84103001-0	-	7,200
Subtotal ALN 66.608			-	7,200
STAR (Science To Achieve Results) Program Passed through STAR UCLA: Development of a Reference Method for Open-Path Remote Sensing of Air Toxics	66.509	RD-84042601-3	-	25,796
Subtotal ALN 66.509			-	25,796

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2026

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Environmental Protection Agency:				
Congressionally Mandated Projects				
Targeted Air Shed - Volvo BE Excavator/Whl Loadr Pr	66.956	TA-99T92501-2	$ 270,000	$ 273,948
Targeted Air Shed - Daimler ZE Elect Delivery Truck	66.956	TA-99T92401-1	1,510,000	1,517,352
Targeted Air Shed - Volvo Switch-on Elect Freight Truck	66.956	TA-98T14801-1	-	28,022
Targeted Air Shed - Ocean Going Vessel/Buses	66.956	TA-98T17401-3	-	43,505
Targeted Air Shed - Lawn/Garden Equip Incentive/Exchange	66.956	TA-98T30401-0	-	15,357
Targeted Air Shed - Zero-Emission Freight Line-Haul Locomotive	66.956	TA-98T30601-0	-	3,996
Targeted Air Shed - Electric Truck Demo/School Buses	66.956	TA-98T36701-1	-	10,575
Targeted Air Shed - Plug in Hybrid Tugboat Project	66.956	TA-98T83801-0	-	46,688
Targeted Air Shed - Heavy Duty Fuel Cell Trucks Demonstration	66.956	TA-98T83901-0	-	1,427
Targeted Air Shed - Zero Emission Off-Road Asphalt Compactors	66.956	TA-98T84001-0	-	6,400
Subtotal ALN 66.956			1,780,000	1,947,270
Total U.S. Environmental Protection Agency			2,448,862	12,396,322
U.S. Department of Energy:				
Renewable Energy Research and Development				
Vessel Charging Infrastructure in the Port of Los Angeles	81.087	DE-EE0011400	-	2,405
Total U.S. Department of Energy			-	2,405
Total Expenditures of Federal Awards			$ 2,448,862	$ 12,398,727

See accompanying independent auditor's report and notes to schedule of expenditures of federal awards.

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2026

1. General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the South Coast Air Quality Management District (the District) for the year ended June 30, 2026. The District's reporting entity is defined in Note l of the District's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA.

2. Summary of Significant Accounting Policies

Basis of Accounting - Funds received under the various grant programs have been recorded within the governmental funds of the District. The accompanying SEFA is presented using the modified accrual basis of accounting for expenditures that are accounted for in the general fund and the special revenue fund, which are both governmental funds, as described in Note l of the District's basic financial statements.

Relationship to Financial Statements - Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the District's basic financial statements.

Assistance Listing - The Assistance Listing numbers included in the accompanying SEFA were determined based on the program name, review of grant or contract information, and the Office of Management and Budget's Compliance Supplement.

3. Pass-through Entities' Identifying Numbers

When federal awards are received from a pass-through entity, the SEFA indicates, if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

4. Indirect Cost Rate

The District has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2026

Section I - Summary of Auditor's Results

Financial statements:

1.	Type of auditor's report issued:	Unmodified
2.	Internal control over financial reporting:	
	• Material weakness(es) identified?	No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	No
3.	Noncompliance material to financial statements noted?	No

Federal Awards:

4.	Internal control over major programs:	
	• Material weakness(es) identified?	No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	No
5.	Type of auditor's report issued on compliance for major programs:	Unmodified

6. Identification of major programs:

Assistance Listing Number	Name of Federal Program
66.001	U.S. Environmental Protection Agency Air Pollution Control Program Support
66.039	U.S. Environmental Protection Agency Diesel Emission Reduction Act (DERA) National Grants
66.046	U.S. Environmental Protection Agency Climate Pollution Reduction Grants

7.	Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	No
8.	Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
9.	Auditee qualified as a low-risk auditee?	Yes

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Section II – Financial Statement Finding

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2026

Section II – Financial Statement Finding

There were no audit findings in the prior year.

Section III – Federal Award Findings and Questioned Costs

There were no audit findings in the prior year.

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November 4, 2026

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the South Coast Air Quality Management District (the District) as of and for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note I to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during Fiscal Year 2026.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

> Management's estimate of deferred outflows/inflows of resources, net pension liability, net OPEB liability/asset, pension expense, and OPEB expense is based on estimates that are prepared by the San Bernardino County Employees' Retirement Association (SBCERA) actuary based on information provided by participating employers, and Milliman, Inc. based on information provided by management.
>
> Management's estimate of the useful life of capital assets used for depreciation that are prepared by the District based on information from management's capitalization policy.

We evaluated the methods, assumptions, and data used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were none noted. Additionally, there were no misstatements detected as a result of audit procedures.

The following material misstatements detected was detected and corrected by management:

During fiscal year 2026, error correction resulted in adjustments to and restatements of beginning net position and fund balance. It was found by management that GHG Reduction Projects Special Revenue Fund incorrectly over-accrued an invoice in previous fiscal year, resulting in an overstatement of expenditures and liabilities.

The beginning balance has been adjusted in the amount of $3,195,012 to reflect an increase of the fund balance for the prior period.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 4, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis on pages 4 through 18 and the required supplementary information on pages 65 through 72, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information on pages 73 through 100, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the supplementary information on pages 101 to 125 which accompany the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Simpson & Simpson

Simpson and Simpson, LLP

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 14

PROPOSAL: Receive and File Annual Report on South Coast AQMD's Deferred Compensation Plans

SYNOPSIS: South Coast AQMD sponsors IRS-approved 457(b), 401(a) and Omnibus Budget Reconciliation Act of 1990 (OBRA) Deferred Compensation Plans for its employees. The Board is responsible for monitoring the activities of the Deferred Compensation Plan Committee and for ensuring the Committee carries out its fiduciary duties under the Committee Charter. In accordance with the Board's responsibilities, this action is to receive and file the Deferred Compensation Plan Annual Report for Plan Year Ending June 2026.

COMMITTEE: Administrative, November 13, 2026; Recommended for Approval

RECOMMENDED ACTION:
Receive and file Deferred Compensation Plan Annual Report for Plan Year Ending June 2026.

Wayne Nastri
Executive Officer

AJO:mm

Background
South Coast AQMD sponsors and administers 457(b), 401(a) and OBRA Deferred Compensation Plans (Plans) for its employees. These Plans are administered by Empower Retirement, LLC (Empower), one of the largest workplace retirement savings plan providers in the United States. State law governs the fiduciary requirements for the operation and investment of deferred compensation plans sponsored by governmental entities. The Board serves a fiduciary role, subject to the duties and obligations under Article XVI, Section 17 of the California Constitution.

To meet its fiduciary responsibilities, the Board has established a Deferred Compensation Plan Committee (Committee) to oversee the administration of the Plans. In 2008, the Board approved the Committee Charter, formalizing the fiduciary duties and responsibilities of the Committee. The four members of the Committee are the Chief Financial Officer, the Deputy Executive Officer/Administrative and Human Resources, the Human Resources Manager over employee benefits, and the General Counsel.

Empower provides record-keeping and administrative services for the Plans. In addition, South Coast AQMD utilizes the services of an independent, third-party consulting firm, Benefit Financial Services Group (BFSG), to provide services to the Plans as a fiduciary under a Registered Investment Advisor agreement.

Summary of Report
The Committee meets on a quarterly basis to review the design, investment options, asset allocation, and demographics of the Plans, and to make changes as necessary. During the 2025-26 fiscal year period, the Committee adopted emergency personal expense withdrawals per the Secure 2.0 Act, placed one fund on the Watch List due to underperformance, addressed changes to the Guaranteed Interest Account, and approved investment fund lineup changes. In addition, the Committee participated in fiduciary education training by BFSG.

As of June 30, 2026, the Plans have:

- 1,206 participants (employees and retirees)
- Approximately $300 million in assets
- Outperformed the 3-, 5- and 10-year Custom Category benchmark
- Outperformed the 10-year Custom Index* benchmark, and slightly underperformed (within 0.5%) the 3- and 5-year benchmarks
  * The Index benchmark does not account for costs for investment management expenses.

The Annual Report provides detailed information regarding Plan Assets/Demographics, Committee Actions, and Plan Performance.

Proposal
Staff recommends the Board receive and file the Deferred Compensation Plan Annual Report to the Board for Plan Year Ending June 2026.

Attachment
Deferred Compensation Plan Annual Report for Plan Year Ending June 2026



Report To The Board

Plan Year Ending: June 2026

Prepared for: South Coast Air Quality Management District
457(b) Deferred Compensation &
401(a) Defined Contribution Plans

South Coast AQMD

BFS Benefit Financial Services Group

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Plan Background

Section 1

South Coast Air Quality Management District Plan

South Coast Air Quality Management District Plan Overview	
Plan Name	South Coast Air Quality Management District 457 Deferred Compensation & 401(a) Defined Contribution Plans
Inception Date (457 Plan)	January 1, 1987
Inception Date (401 Plan)	January 1, 2017
Plan Features (457b Plan)	
Plan Year End	June 30th
Entry Date	Immediate
Employee Deferrals	Pre-tax & Roth
Catch-up	Age 50 & Special 457 Catch-up Contributions
Employer Contributions	Yes - determined in accordance with the terms of the employment contract
Default Investment Alternative	
Default Fund	T. Rowe Price Retirement Series
Service Providers	
Recordkeeper	Empower
Directed Trustee	Reliance Trust Company
Plan Advisor	Benefit Financial Services Group (“BFSG”)
Committee Oversight	
Membership	John Olvera (Chair), Bayron Gilchrist, Sujata Jain, and Raquel Arciniega
Duties	Settlor and Fiduciary
California Government Code 53213.5 Compliance	The Committee intends for the Plan to comply with the provisions of California Government Code 53213.5 providing Plan fiduciaries with relief from liability for the investment decisions made by participants.



Committee Meeting Summary & Plan Updates

Section 2

Fiduciary Updates

Meeting Date	Item	Update
November 19, 2025	Watch List	Placed American Beacon Small Cap Value on Watch due to underperformance.
	Share Class Changes & Fund Addition	Approved investment lineup updates, including moving three Vanguard funds to lower-cost share classes and adding the T. Rowe Price Retirement 2070 fund. The changes were effective February 16, 2026.
	Fiduciary Education	BFSG provided fiduciary education to the Committee, focusing on plan sponsor best practices and fiduciary risk mitigation.
June 2, 2026	Fixed Account	Reviewed the Guaranteed Interest Account's remaining rate supplement and approved a plan to issue 12-month termination notice while unanimously deciding to keep the current 1% supplement in place until depleted. The put expiration date is June 9, 2027.

Settlor Updates

Meeting Date	Item	Update
November 19, 2025	SECURE 2.0 Provision Adoption	Adopted Emergency Personal Expense Withdrawals.
June 2, 2026	Remote Participation Approval (Brown Act / SB 707)	Approved remote meeting participation for future meetings, subject to applicable requirements.



Plan Assets / Demographics

Section 3

Range of Investments

Lower risk/lower potential reward — *Higher risk/higher potential reward*

FIXED INCOME		BALANCED	EQUITY		
CAPITAL PRESERVATION	INCOME	HYBRID	VALUE	BLEND	GROWTH
DOMESTIC					
STABLE VALUE Guaranteed Interest Account	**INTERMEDIATE CORE BOND** Vanguard Total Bond Market Index I	**MODERATE ALLOCATION** American Funds American Balanced R-6	**LARGE VALUE** DFA US Large Cap Value I Hartford Dividend and Growth R5	**LARGE BLEND** Vanguard FTSE Social Index Admiral Vanguard Institutional Index I	**LARGE GROWTH** T. Rowe Price Blue Chip Growth I
	INTERMEDIATE CORE-PLUS BOND Dodge & Cox Income X		**MID VALUE** Vanguard Selected Value Inv	**MID BLEND** Vanguard Mid Cap Index Institutional	**MID GROWTH** Carillon Eagle Mid Cap Growth A
			SMALL VALUE American Beacon Small Cap Value R6 Vanguard Small Cap Value Index Admiral	**SMALL BLEND** Vanguard Small Cap Index Admiral Shares	**SMALL GROWTH** Fidelity Small Cap Growth K6
FOREIGN					
				FOREIGN LARGE BLEND Hartford International Opportunities R5 Vanguard Developed Markets Index Instl	
					FOREIGN SMALL/MID GROWTH MFS International New Discovery A
				DIVERSIFIED EMERGING MKTS Vanguard Emerging Mkts Stock Idx Adm	
SPECIALTY					
			UTILITIES Vanguard Utilities Index Adm	**REAL ESTATE** Vanguard Real Estate Index Admiral	**HEALTH** Vanguard Health Care Index Admiral
ALLOCATION					
		TARGET DATE SERIES T. Rowe Price Retirement I Series			

Funds listed in **Red** are scheduled to be removed.
Funds listed in **Green** are scheduled to be added.
Funds listed in **Blue** are frozen to contributions.
Funds listed in **Purple** represent Default Fund.

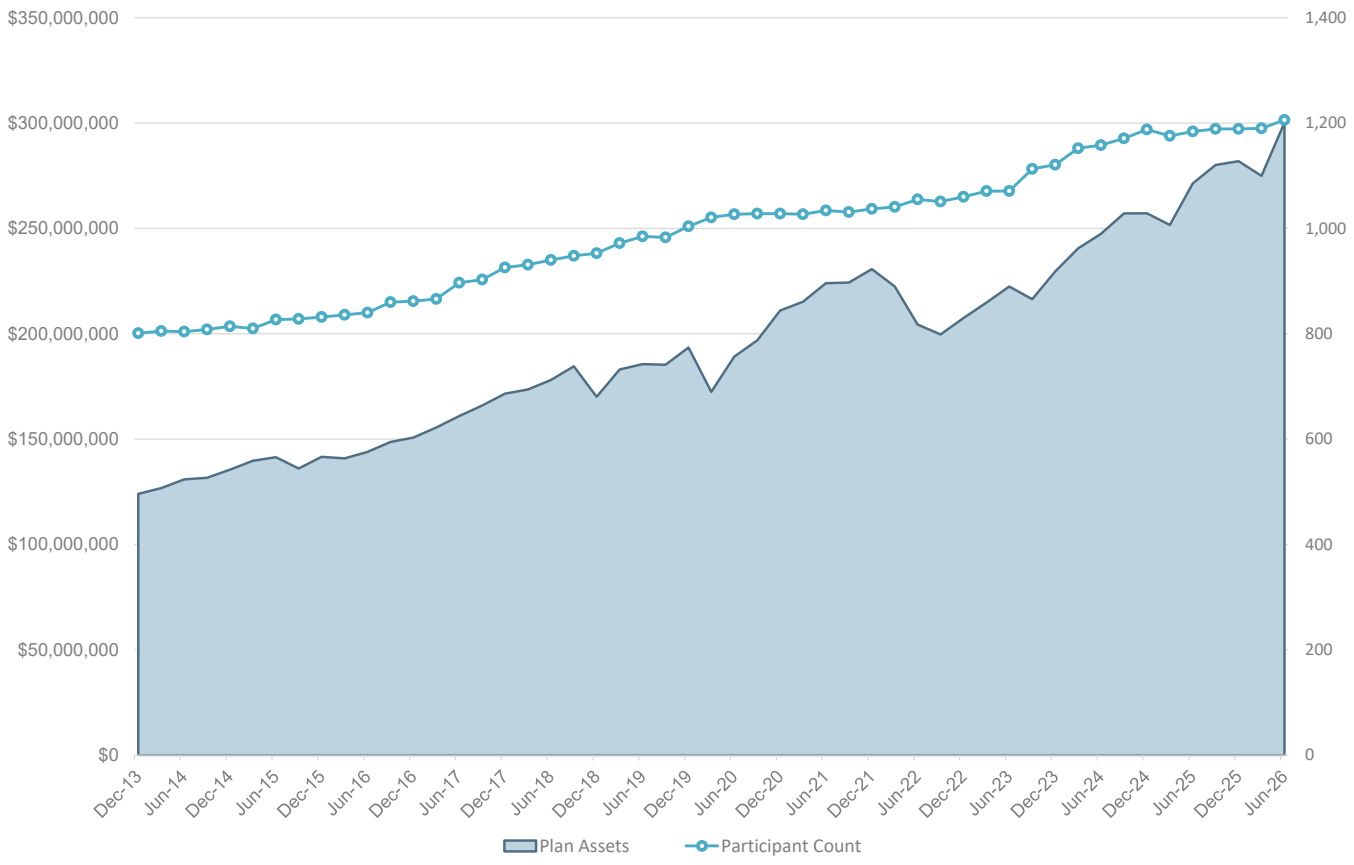
Asset Allocation by Fund

Investment Option	2Q 2026	% of Assets	# of Balances
Guaranteed Interest Account	$73,223,386	24.50%	606
Vanguard Institutional Index I	$55,673,024	18.63%	554
T. Rowe Price Blue Chip Growth I	$36,136,957	12.09%	524
Hartford Dividend and Growth R5	$12,834,831	4.29%	458
T. Rowe Price Retirement 2045 I	$9,851,162	3.30%	83
Vanguard Developed Markets Index Instl	$9,076,118	3.04%	308
Hartford International Opportunities R5	$8,126,682	2.72%	434
Vanguard Total Bond Market Index I	$7,569,761	2.53%	324
T. Rowe Price Retirement 2035 I	$7,466,078	2.50%	46
Carillon Eagle Mid Cap Growth A	$6,521,731	2.18%	402
Vanguard Mid Cap Index Institutional	$6,337,155	2.12%	352
American Funds American Balanced R-6	$6,329,967	2.12%	175
Vanguard FTSE Social Index Admiral	$5,473,703	1.83%	176
Fidelity Small Cap Growth K6	$4,727,260	1.58%	368
Vanguard Small Cap Index Admiral Shares	$4,569,695	1.53%	320
Dodge & Cox Income X	$4,388,748	1.47%	291
Vanguard Selected Value Inv	$3,886,423	1.30%	329
T. Rowe Price Retirement 2050 I	$3,783,530	1.27%	50
T. Rowe Price Retirement 2055 I	$3,501,546	1.17%	61
T. Rowe Price Retirement 2040 I	$3,441,806	1.15%	36
Vanguard Emerging Mkts Stock Idx Adm	$3,397,265	1.14%	257
Vanguard Health Care Index Admiral	$3,204,286	1.07%	85
T. Rowe Price Retirement 2060 I	$3,062,162	1.02%	77
American Beacon Small Cap Value R6	$2,919,716	0.98%	294
MFS International New Discovery A	$2,131,549	0.71%	183
Vanguard Utilities Index Adm	$2,106,491	0.70%	86
T. Rowe Price Retirement 2030 I	$2,090,043	0.70%	20
Vanguard Small Cap Value Index Admiral	$1,915,504	0.64%	66
DFA US Large Cap Value I	$1,477,495	0.49%	212
T. Rowe Price Retirement 2025 I	$1,414,815	0.47%	18
Vanguard Real Estate Index Admiral	$1,201,691	0.40%	131
T. Rowe Price Retirement 2065 I	$469,534	0.16%	36
T. Rowe Price Retirement 2020 I	$295,339	0.10%	8
T. Rowe Price Retirement 2015 I	$190,032	0.06%	4
T. Rowe Price Retirement 2005 I	$20,184	0.01%	5
T. Rowe Price Retirement 2010 I	$19,374	0.01%	3
T. Rowe Price Retirement 2070 I	$15,936	0.01%	3
Subtotal	**$298,850,979**	**100.00%**	**1,206**
Self-Directed Brokerage Account	$1,544,297		
Total	**$300,395,276**		
Total # of Participants	**1,206**		
Average Account Balance	**$249,084**		

Note: Funds listed in **Bold** *are included in the Target Date Models.*

Note: Personal Choice Retirement Account had 25 balances as of quarter end.

Growth of Plan Assets



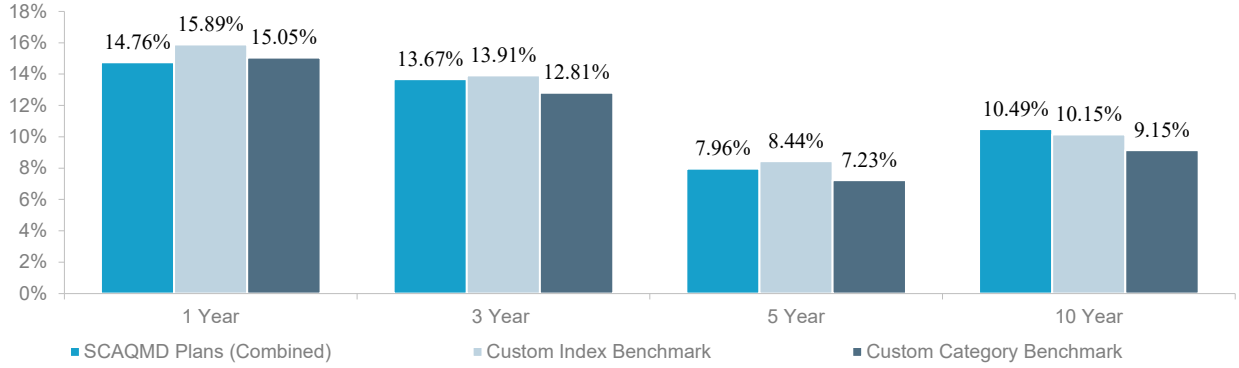


Plan Performance / Cost

Section 4

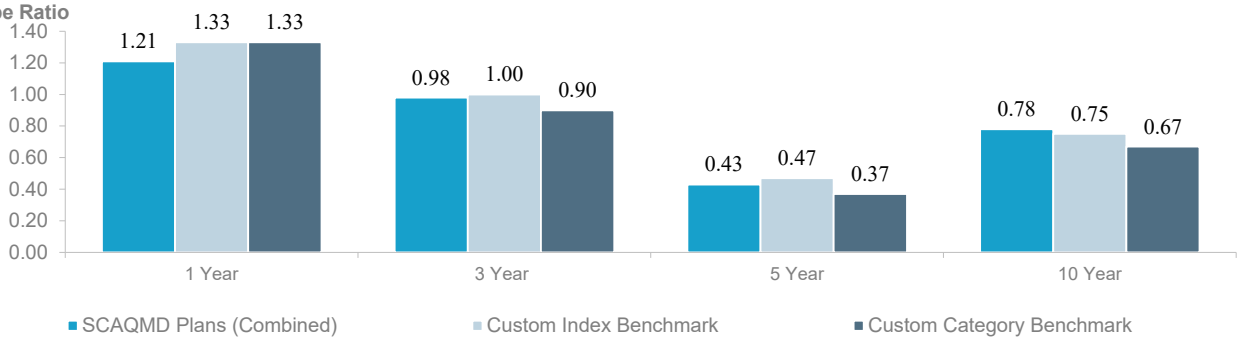
Portfolio Return vs. Custom Benchmark

Annualized Returns



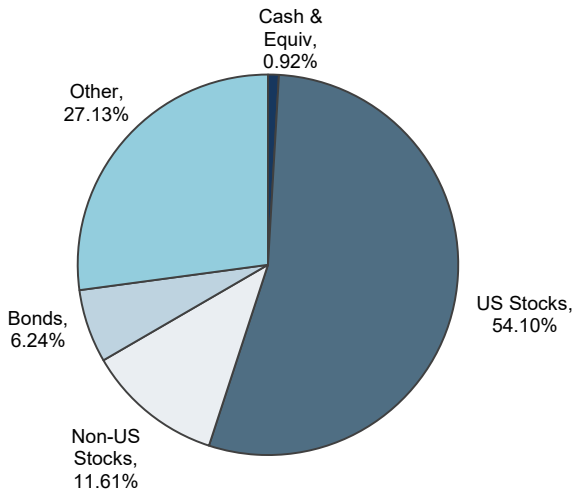
**Note: SCAQMD Plans (Combined) and Morningstar Category Custom Benchmark returns are net of their respective fees. Custom Benchmark Index returns have no fees associated and would be unavailable for direct investment."*

Sharpe Ratio



**Note: SCAQMD Plans (Combined) and Morningstar Category Custom Benchmark returns are net of their respective fees. Custom Benchmark Index returns have no fees associated and would be unavailable for direct investment."*

Current Quarter



Benchmark Weightings

Index	Category	Weight
BFSG Custom Stable Value	Stable Value	24.50%
Bloomberg US Agg Float Adj TR USD	Intermediate Core Bond	2.53%
Bloomberg US Agg Bond TR USD	Intermediate Core-Plus Bond	1.47%
40% BC Agg - 60% S&P 500	Moderate Allocation	2.12%
Russell 1000 Value TR USD	Large Value	0.49%
Russell 1000 Value TR USD	Large Value	4.29%
S&P 500 TR	Large Blend	1.83%
S&P 500 TR	Large Blend	18.63%
Russell 1000 Growth TR USD	Large Growth	12.09%
Russell Mid Cap Value TR USD	Mid Value	1.30%
CRSP US Mid Cap TR USD	Mid Blend	2.12%
Russell Mid Cap Growth TR USD	Mid Growth	2.18%
Russell 2000 Value TR USD	Small Value	0.98%
CRSP US Small Cap Value TR USD	Small Value	0.64%
CRSP US Small Cap TR USD	Small Blend	1.53%
Russell 2000 Growth TR USD	Small Growth	1.58%
MSCI ACWI Ex USA NR USD	Foreign Large Blend	2.72%
FTSE Dvlp ex US All Cap(US RIC)NR USD	Foreign Large Blend	3.04%
MSCI ACWI Ex USA Small Growth NR USD	Foreign Small/Mid Growth	0.71%
FTSE EMs AC China A Inclusion NR USD	Diversified Emerging Mkts	1.14%
MSCI US IMI/Health Care 25-50 GR USD	Health	1.07%
Real Estate Spliced Index	Real Estate	0.40%
MSCI US IMI/Utilities 25-50 GR USD	Utilities	0.70%
S&P Target Date Series	Target Date Series	11.92%

Evaluation Methodology

Per Investment Policy Statement

Returns (40%)

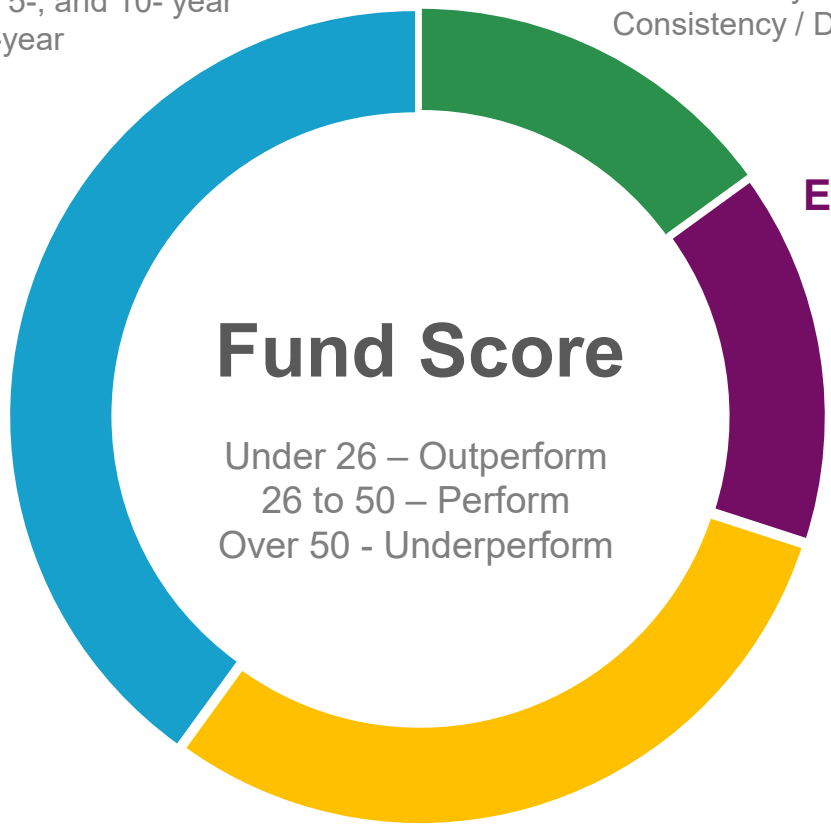
Trailing 3-, 5-, and 10- year
Rolling 10-year

Style (15%)

R^2
Credit Quality
Consistency / Dispersion

Expense (15%)

Net Expense Ratio



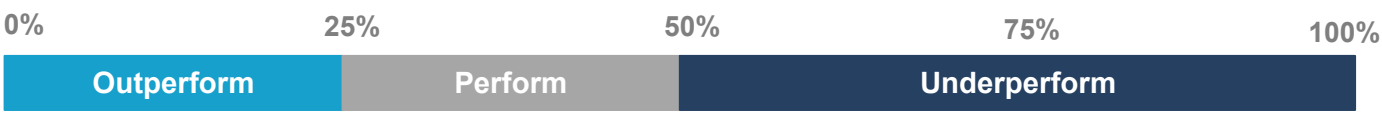
Risk (30%)

Sharpe Ratio
Up-Capture Ratio
Down-Capture Ratio

All data points are percentile ranking relative to the Custom Peer Group. The Custom Peer Group is the fund's Morningstar Category excluding Index Funds, fund-of-funds, and funds with less than 3 Years of Returns. Only the lowest expense share class is evaluated.

Evaluation Methodology Summary

Investment Name	Quarterly Ranking 2Q26	1Q26	4Q25	3Q25
Intermediate Core-Plus Bond				
Dodge & Cox Income Fund	0	0	0	0
Moderate Allocation				
American Funds American Balanced Fund	3	5	5	4
Large Value				
DFA US Large Cap Value Portfolio	26	32	38	42
Hartford Dividend and Growth Fund	24	30	18	24
Large Blend				
Vanguard FTSE Social Index Fund	8	12	5	4
Large Growth				
T. Rowe Price Blue Chip Growth Fund	27	14	14	21
Mid Value				
Vanguard Selected Value Fund	22	17	9	7
Mid Growth				
Carillon Eagle Mid Cap Growth Fund	30	23	25	21
Small Value				
American Beacon Sm Cap Val Fd	38	45	54	53
Small Growth				
Fidelity Small Cap Growth Fund	2	2	2	2
Foreign Large Blend				
Hartford International Opportunities Fd	41	46	50	53
Foreign Small/Mid Growth				
MFS International New Discovery Fund	46	41	38	45
Target Date Series				
T. Rowe Price Retirement Series	44	42	41	37
Average Rank	24	24	23	24
Plan Weighted Rank (Reweighted)	29	26	24	25



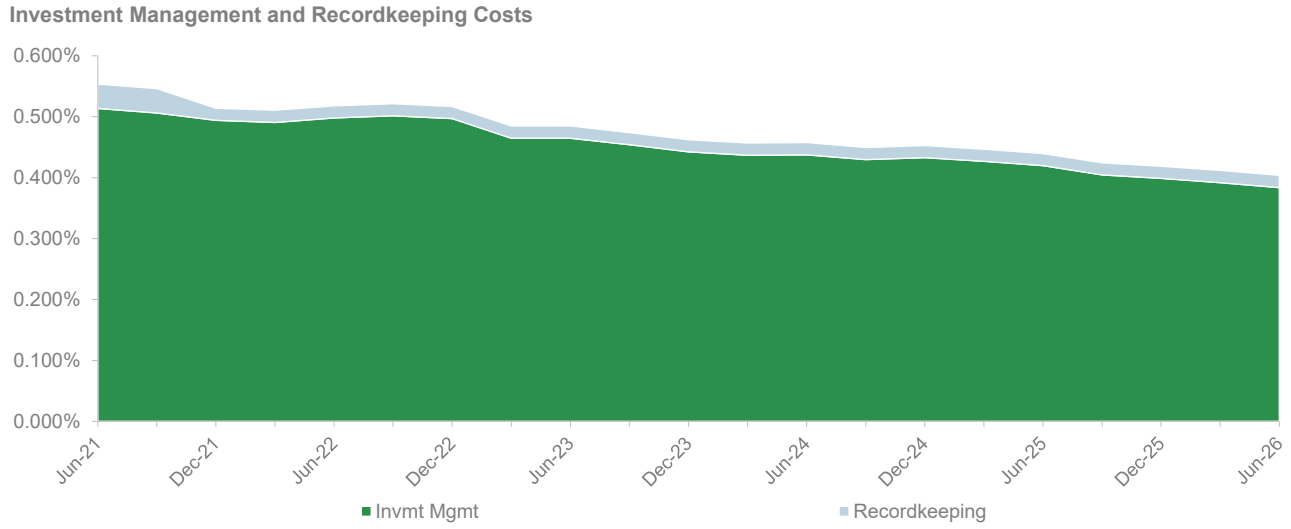
Note: Average and Plan-Weighted Average rankings shown above reflect the actual funds offered in the Plan (and their respective weightings) during the applicable quarter.

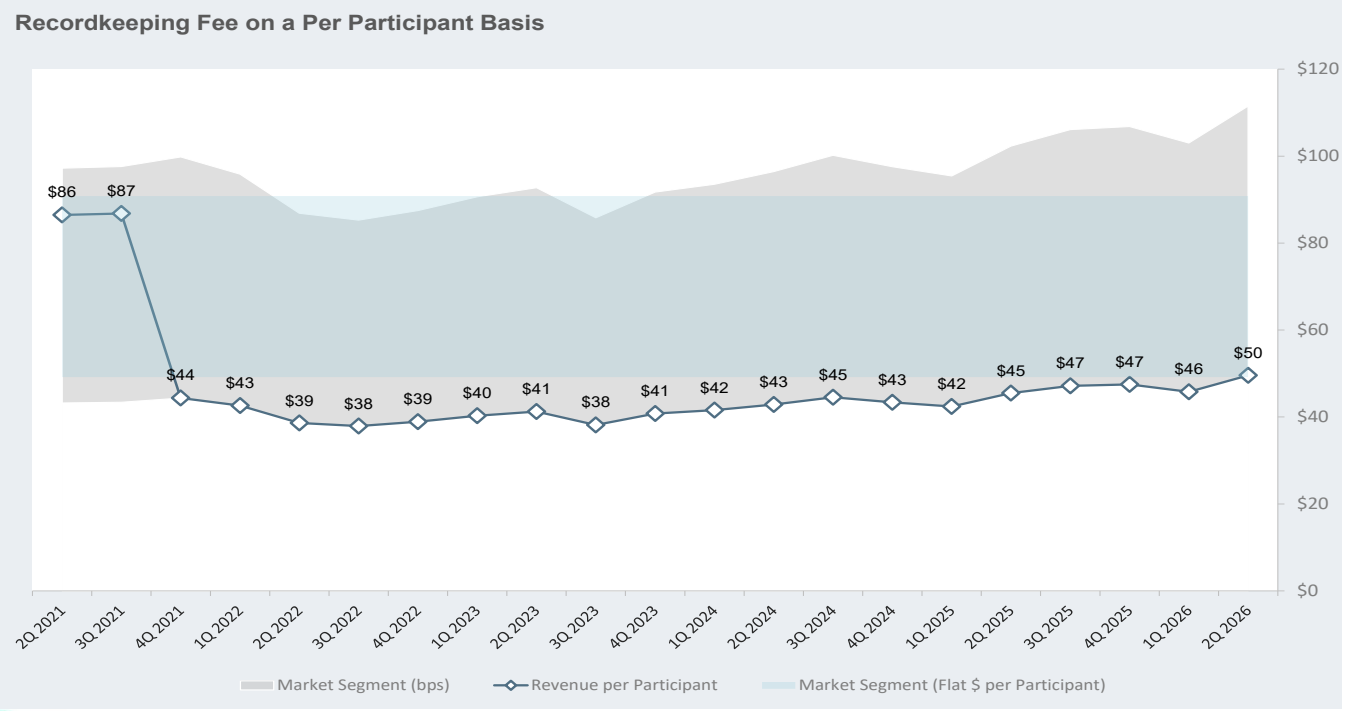
Fee Breakdown & Recordkeeping Costs

	Plan Assets 06/30/2026	Total Plan Expense (%)[2]	Total Plan Expense ($)	Revenue to Invmt. Mgmt. ($)	Revenue to RK / Admin. (Vendor)
South Coast Air Quality Management District Retirement Savings Plan	**$298,850,979**	**0.404%**	**$1,206,322**	**$1,146,552**	**$59,770**
				0.384%	**0.020%**
Industry Average [1]		*0.486%*	*$1,452,837*		

[1] *The Industry Average represents the weighted expense (based upon current allocation) of lowest cost Institutional and Retirement share classes in each asset category from Morningstar, plus the benchmark revenue requirement.*

[2] *Total Plan Expense does not include additional qualified Plan expenses or transaction costs.*







Appendix

Section 5

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: August 26, 2025

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on August 26, 2025, at 10:30 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager

Committee Members Absent
Bayron Gilchrist – General Counsel

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:40 am.

Approval of Prior Meeting Minutes
The Committee members in attendance unanimously approved the minutes from the meeting held on September 19, 2024, and March 18, 2025,

In Mr. Gilchrist's absence, the Committee deferred approval of May 27, 2025, meeting minutes to the next meeting.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 2nd Quarter 2025
The Committee members in attendance received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending June 30, 2025.

The Guaranteed Interest Account remained the Plan's largest single holding, representing 29% of total assets. The T. Rowe Price Retirement target date series, the Plan's default investment option, collectively accounted for over 10% of total assets.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. The Plan operates under a level fee arrangement where fund revenue sharing payments are credited directly to the participants invested in the fund. The review of fund share classes showed that, after accounting for these credits, all funds provide participant savings compared to the lowest-cost share class, with annualized savings exceeding $27,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS"). There were no funds on the Watch List as of the date of the Report.

American Beacon Small Cap Value slightly underperformed its peers and index for the quarter, causing its Evaluation Methodology rank to decline from 41 ("perform") to 50 ("perform"). While stock selection was poor across a majority of sectors for the quarter, the largest detractor was a significant overweight to Stagwell, a technology-based marketing company that was down more than 25% for the quarter. Sector allocation, including an overweight to technology and an underweight to healthcare stocks, was largely beneficial and offset many of the stock selection issues for the quarter. Intermediate-and long-term performance remain strong. No action was recommended.

The Committee reviewed the performance of the Target Date Models, the T. Rowe Price Retirement series, and point-in-time Plan-level performance. Based on participant allocations as of June 30, 2025, the Plan outperformed the custom category benchmark over all time periods measured in the Report.

American Airline Case Update
The Committee members in attendance agreed to defer discussion of this item to a future meeting, as warranted.

Participant Education Update
BFSG provided an update on recent and upcoming initiatives aimed at supporting participant financial wellness:

- In July 2025, BFSG hosted its annual National Summer Webinar Series, offering weekly sessions focused on key financial and retirement planning topics. The series covered Long-Term Care Insurance, Cybersecurity, Retirement Readiness, and Social Security & Medicare. Of the 108 individuals registered, 66 attended the sessions.

- On September 11, 2025, BFSG will conduct a session titled " Retirement Income Needs."

- On October 9, 2025, SCAQMD will hold its annual Benefit Fair, with BFSG scheduled to attend.

During the reporting period, BFSG's CFPs Keith Johnson and Sophia Liu held six one-on-one sessions with SCAQMD employees.

Quarterly Review 457 and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending June 30, 2025. Areas discussed included Plan assets, participant demographics, cash flow, asset allocation, savings and deferral rates, participation trends, loan utilization, and the use of Empower's Lifetime Income Score tool.

As of the end of the reporting period, Plan assets totaled $269.3 million (excluding brokerage assets), up from $249.5 million in the prior period. The number of participants with an account balance also increased, from 1,176 to 1,184.

Empower's account registration and protection report showed that 82 participants with a balance have registered their account online. Currently, 16 participants utilize Empower's managed account service.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account.

SETTLOR AGENDA

Annual Report
The Committee reviewed and discussed the Annual Report prepared by BFSG for the fiscal year ending June 30, 2025. The report is designed to assist the Governing Board in fulfilling its oversight role, as fiduciary and settlor responsibilities have been delegated to the Committee. The Committee members in attendance reviewed the key decisions made during the previous Plan year and unanimously approved the Annual Report as presented.

OTHER MATTERS:

Public Comments − No public comments were received.

Other Business − There was no other business.

Adjournment - The meeting adjourned at 12:00 p.m.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: November 19, 2025

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on November 19, 2025, at 10:30 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager
Bayron Gilchrist – General Counsel

Committee Members Absent
None

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:38 am.

Approval of Prior Meeting Minutes
The Committee unanimously approved the minutes of the meeting held on May 27, 2025. Mr. Gilchrist abstained due to his absence at that meeting.

The Committee unanimously approved the minutes of the meeting held on August 26, 2025. Ms. Arciniega abstained due to her absence at that meeting.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 3rd Quarter 2025
The Committee received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending September 30, 2025.

The Guaranteed Interest Account remained the Plan's largest single holding, representing 27% of total assets ($75 million). The T. Rowe Price Retirement target date series, the Plan's default investment option, collectively accounted for over 10% of total assets.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. Empower's annual fee requirement of 0.02% on each Plan's assets were below the benchmark of 0.03%.

The Plan operates under a level fee arrangement where fund revenue sharing payments are credited directly to the participants invested in the fund. The review of fund share classes showed that, after accounting for these credits, all funds provide participant savings compared to the lowest-cost share class, with annualized savings of $27,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS"). There were no funds on the Watch List as of the date of the Report.

American Beacon Small Cap Value underperformed its peer group for the quarter, with its Evaluation Methodology rank declining from 49 to 53, and it continues to lag peers across all measured periods - most notably over the last year. BFSG held a call with fund management on October 20, 2025, to discuss fund performance and shared their findings with the Committee. Management's focus on remaining style consistent from a market capitalization standpoint had caused underperformance earlier this year. This quarter's underperformance relative to the index was caused by a focus on quality. Softening monetary policy caused low quality, highly indebted, non-profitable businesses to significantly outperform their counterparts during the quarter.

ACTION: After discussion, the Committee unanimously voted to place the fund on the Watch List due to recent underperformance.

Hartford International Opportunities was on the Watch List from December 2023 through March 2025 due to underperformance and a manager change. It was removed in early 2025 after strong results under the new manager. Underperformance during the quarter was driven by stock selection in consumer discretionary and technology, along with a tilt toward growth-oriented stocks. Value has significantly outperformed growth in international markets over the last year. Overall, relative performance of the new manager remains strong, and no action was recommended.

MFS International New Discovery outperformed its category peers but trailed the index benchmark for the quarter. The fund remains consistent with its investment style and is positioned to perform well in down markets. Recent underperformance relative to the index was driven by an underweight to materials, an overweight to consumer staples, and the management team's tendency to avoid companies with debt. The fund is performing as expected given current market conditions. No action was recommended.

The Committee reviewed the performance of the Target Date Models, the T. Rowe Price Retirement series, and point-in-time Plan-level performance. Based on participant allocations as of September 30, 2025, the Plan outperformed the custom category benchmark over all time periods measured in the Report.

Proposed Share Class Changes and Addition of T. Rowe Price Retirement 2070
BFSG reviewed the newly available T. Rowe Price Retirement 2070 I Fund and recommended adding it to the default age charts. BFSG also noted that, due to asset growth (collectively across both Plans), three funds—Vanguard Total Bond Index Adm, Vanguard Developed Markets Index Adm, and Vanguard Mid Cap Index Adm—now qualify for lower-cost I share classes.

ACTION: After discussion, the Committee unanimously voted to approve all proposed changes for both Plans. Implementation is pending Vanguard's confirmation that assets from both Plans may be combined to qualify for the lower-cost share class.

Fiduciary Education - Fiduciary Liability
BFSG provided fiduciary education focused on fiduciary liability and best practices for risk mitigation. While governmental plans such as District's are not subject to the Employee Retirement Income Security Act (ERISA), they are governed by the California State Constitution and government code. However, it is considered best practice to follow the guidelines and regulations established for qualified plans.

The session included findings from a recent Aon survey of the 15 largest fiduciary liability insurance providers. The survey identified key practices that may positively impact fiduciary liability insurance pricing, including conducting regular fee benchmarking, maintaining formal governance processes (such as documented committee meetings), and engaging an investment advisor - particularly one serving in a discretionary capacity.

The Committee discussed BFSG's discretionary management services, under which BFSG would be responsible for the selection and de-selection of funds offered in the Plan. The Committee would retain oversight responsibility, monitoring BFSG through regular performance reports and BFSG Discretionary Committee meeting minutes. BFSG also noted that their Consulting Agreement would include indemnification for investment-related claims.

BFSG noted that the Plan currently offers one ESG option, the Vanguard FTSE Social Index Fund. The Committee briefly discussed the ESG guidance issued under the Biden administration and that new guidance is expected to be issued early next year by the current administration. BFSG clarified that the ESG-related rules primarily apply to qualified plans and will continue to monitor developments and communicate any implications for the Plan.

Participant Education Update: BFSG provided the following updates on employee education initiatives:

- **Benefit Fair Participation:** BFSG attended the Benefit Fair on October 9, 2025. Employees shared positive feedback on the regular webinars, noting the informative and easy-to-follow content, as well as helpful ongoing assistance provided by BFSG's Certified Financial Planner (CFP), Keith Johnson.

- **CFP Update:** During the quarter, CFP Keith Johnson has conducted 3 one-on-one consultations and delivered 3 comprehensive financial plans.

- **National Fall Webinar Series:** In October 2025, BFSG launched its annual National Fall Webinar Series, featuring weekly sessions on key financial and retirement planning topics, including cybersecurity, debt management and budgeting, tax planning, and understanding annuities and life insurance. Each session will be recorded, and the recordings will be shared once the series has concluded.

Quarterly Review 457 and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending September 30, 2025. Areas discussed included Plan assets, participant demographics, cash flow, asset allocation, savings and deferral rates, participation trends, loan utilization, and the use of Empower's Lifetime Income Score tool.

As of the end of the reporting period, Plan assets totaled $278.8 million (excluding brokerage assets), up from $269.3 million in the prior period. The number of participants with an account balance also increased, from 1,184 to 1,1849

Ms. Braun-Ward reported that the average account balance exceeds $230,000, significantly above Empower's internal benchmark of $92,000. The Plan's participation rate is 76%, compared to Empower's benchmark of 59%. In addition, 83% of participants with a balance have registered their accounts online. Loan utilization remains low.

The Committee reviewed the utilization of Empower's managed accounts service and noted that 29 participants were enrolled, representing $2.9 million in assets. Ms. Braun-Ward also reviewed utilization by age and shared that Empower representatives proactively contacted participants under age 30 and confirmed that each chose to remain in the service.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account.

SETTLOR AGENDA

SECURE 2.0. Optional Provision – Emergency Withdrawal
The Committee reviewed the optional Emergency Personal Expense Withdrawal provision under SECURE 2.0, which permits one annual withdrawal of up to $1,000 for immediate and unforeseeable financial needs such as medical expenses, casualty losses, eviction, funeral costs, or other urgent personal needs. No additional withdrawal is allowed for three years unless the prior amount is repaid or employee contributions equal the withdrawal. A plan amendment is required, with an election deadline of 12/15/2025 for a 1/29/2026 effective date.

ACTION: After discussion, the Committee unanimously voted to add this provision to their 457(b) Plan.

OTHER MATTERS:

Public Comments – No public comments were received.

Other Business – There was no other business.

Adjournment - The meeting adjourned at 12:10 p.m.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: March 10, 2026

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on March 10, 2026, at 10:35 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager
Bayron Gilchrist – General Counsel

Committee Members Absent
None

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:35 am.

Approval of Prior Meeting Minutes
The Committee unanimously approved the minutes of the meeting held on November 19, 2025.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 4th Quarter 2025
The Committee received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending December 31, 2025.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. Empower's annual fee requirement of 0.02% on each Plan's assets were below the benchmark of 0.03%.

The Plan operates under a levelized fee arrangement whereby revenue sharing generated by certain funds is credited directly to participants invested in those funds. The review of fund share classes indicated that, after accounting for these credits, all funds result in participant cost savings relative to the lowest-cost available share class, with estimated annualized savings exceeding $27,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS").

American Funds American Balanced Fund – The Committee discussed a portfolio manager change within one of the underlying strategies, where two managers were removed and one manager with over 10 years of experience managing similar strategies within the American Funds complex was added. The change affects approximately 7% of assets within the strategy and is not expected to materially impact overall performance. As of the end of the reporting period, the fund outperformed both its benchmark index and category peers across all time periods measured in the Report. No action was recommended.

American Beacon Small Cap Value was placed on the Watch List in November 2025, due to underperformance relative to its index and peers. The Committee reviewed the fund's recent performance, noting that while it slightly outperformed peers during the quarter, it continued to trail the Russell 2000 Value Index primarily due to stock selection within healthcare and an underweight to biotechnology. Strong stock selection within technology was able to offset much of the underperformance. After discussion, the Committee agreed to maintain the fund on the Watch List to continue monitoring performance.

Hartford International Opportunities Fund – The Committee reviewed the fund's performance, noting that it slightly trailed its benchmark but outperformed its peer group during the quarter. The current lead manager assumed responsibility in 2024 and has been involved with the strategy since 2010; longer-term performance largely reflects the prior manager's tenure. The fund has generated approximately 2% positive year-to-date performance and remains broadly in line with peers. No action was recommended.

BFSG noted that the following changes were implemented effective February 16, 2026:

- Transition to lower-cost share classes for the Vanguard Total Bond Index Fund, Vanguard Developed Markets Index Fund, and Vanguard Mid-Cap Index Fund.
- Addition of the T. Rowe Price Retirement 2070 I Fund to the Plan's investment lineup.

The Committee reviewed the performance of the T. Rowe Price Retirement series, which serves as the Plan's default investment option. The series represented 11% of total assets, and performance was strong across all time periods shown in the Report.

The Committee reviewed the performance of the Target Date Models and point-in-time Plan-level performance. Based on participant allocations as of December 31, 2025, the Plan outperformed the custom category benchmark over all time periods measured in the Report.

Quarterly Review 457 and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending December 31, 2025. As of the end of the reporting period, Plan assets totaled $280.5 million (excluding brokerage assets), up from $278.8 million in the prior period. The number of participants with an account balance remained unchanged at 1,189.

The participation rate was 76%, exceeding the benchmark of 59%, and the average deferral rate was 12.8%, also above Empower's benchmarks. The Committee noted that the Plan's average account balance of approximately $233,000 significantly exceeds both benchmark and top-decile averages for plans of similar size.

The Committee also reviewed participant engagement, investment utilization, and cash flow activity. Approximately 83% of participants have registered their accounts online with Empower, and the majority manage their own investments, with 23.8% invested in target date funds and a smaller portion utilizing advisory services. Loan utilization remained low at approximately 7% of participants, below the benchmark of 10%. The report also indicated a median retirement income replacement score of 88%, with approximately 42% of participants projected to meet a 75% income replacement target at retirement.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account.

OTHER MATTERS:

Public Comments − No public comments were received.

Other Business − There was no other business.

Adjournment - The meeting adjourned at 11.41 a.m.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: June 2, 2026

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on June 2, 2026, at 10:35 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager
Bayron Gilchrist – General Counsel

Committee Members Absent
None

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:35 am.

Approval of Prior Meeting Minutes
The Committee unanimously approved the minutes of the meeting held on March 10, 2026.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 1st Quarter 2026
The Committee received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending March 31, 2026.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. Empower's annual fee requirement of 0.02% on each Plan's assets were below the benchmark of 0.03%.

The Plan operates under a levelized fee arrangement whereby revenue sharing generated by certain funds is credited directly to participants invested in those funds. The review of fund share classes indicated that, after accounting for these credits, all funds result in participant cost savings relative to the lowest-cost available share class, with estimated annualized savings exceeding $26,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS").

Hartford Dividend and Growth Fund – The Committee reviewed the performance of the fund, noting short-term underperformance during the quarter driven by an overweight to, and poor selection in, technology. Management uses the S&P 500 instead of the Russell 1000 Value as an internal benchmark, often leading to heavier weights in growth-oriented stocks. This includes a meaningful position in Microsoft, which underperformed during the quarter due to investor fears of disruption by artificial intelligence. BFSG noted that the fund has already shown signs of recovery and continues to demonstrate strong intermediate- and long-term performance relative to peers. No action was recommended.

American Beacon Small Cap Value – The fund, which was placed on the Watch List in November 2025 due to underperformance relative to its benchmark and peers, was reviewed by the Committee. BFSG reported on its April 2026 meeting with fund management, including discussion of the fund's sub-advisor structure, performance drivers, and market outlook. The Committee noted strong relative performance during the reporting quarter, driven primarily by stock selection, as well as an improved Evaluation Methodology rank of 45 ("perform"). After discussion, the Committee unanimously agreed to maintain the fund on the Watch List for continued monitoring.

Vanguard FTSE Social Index Fund – BFSG provided an update regarding recent regulatory developments, including the Department of Labor's proposed regulation addressing fiduciary considerations in the selection and monitoring of retirement plan investment options. BFSG noted that the proposal did not impose specific

restrictions on socially responsible investment options but instead outlined a principles-based fiduciary framework and potential safe harbor considerations for investment evaluation and monitoring. BFSG further noted that the proposed framework is generally consistent with the Committee's existing prudent fiduciary practices, including evaluation of investment objectives, risk/return characteristics, fees, manager qualifications, and ongoing oversight. The Committee reviewed the fund's performance, noting some short-term underperformance primarily attributable to its lack of energy sector exposure. Intermediate- and long-term performance remained favorable relative to category peers and its benchmark index.

The Committee reviewed point-in-time Plan-level performance. Based on participant allocations as of March 31, 2026, the Plan outperformed the custom category benchmark on a one-, three-, five, and ten-year basis.

Fixed Account Crediting Rate and Notice Requirement
The Committee discussed the Plan's Guaranteed Interest Account, including the remaining rate supplement from the prior product transition. It was noted that the supplement is expected to be exhausted by the end of 2026, after which the account's base crediting rate would likely become less competitive relative to available alternatives. In light of this, the Committee reviewed potential replacement strategies and unanimously approved providing the required 12-month notice to terminate the current account, with the transition expected to occur around the end of June 2027. Replacement options will be evaluated at a future meeting.

The Committee also reviewed available approaches for applying the remaining rate supplement, including maintaining the current supplement until depleted, spreading the remaining amount over the next 12 months, or implementing a step-down approach. After discussion, the Committee unanimously approved maintaining the current 1% supplement to the annual rate for as long as available, with the understanding that the crediting rate is expected to decrease once the supplement is exhausted, currently anticipated to occur January 1, 2027.

Quarterly Review 457(b) and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending March 31, 2026. As of the end of the reporting period, Plan assets totaled $273.6 million (excluding brokerage assets), down from $280.5 million in the prior period, while the number of participants with an account balance increased from 1,182 to 1,190.

Ms. Braun-Ward reviewed Plan demographics and participant activity, noting 793 eligible participants, 77% participation, and an average contribution rate of 12.5%, all above applicable benchmarks. Although Plan assets declined during the quarter due to market performance, assets had subsequently recovered, and participant account balances remained strong relative to peers.

Ms. Braun-Ward also reviewed participant distributions, loans, rollovers, and managed account utilization. Distribution activity primarily reflected separated participants, required minimum distributions, and permitted in-service withdrawals, while loan activity remained low relative to benchmarks.

Managed account utilization was 4.6%, with most users having customized their profiles and provided supplemental financial information. The Committee discussed the importance of ensuring that participants enrolled in the managed account service receive the full value of the service and personalized advice appropriate to their circumstances. Accordingly, the Committee unanimously agreed to have Empower conduct proactive outreach to participants enrolled in the managed account service who have not fully completed their profiles or provided sufficient information necessary to support individualized recommendations.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account. Empower reviewed the quarterly reconciliation, including activity associated with the transition from the discontinued money market account to the Vanguard Federal Money Market Fund. At the end of the reporting period, the Vanguard Federal Money Market Fund balance was $4,919.

SETTLOR AGENDA

Brown Act / SB 707 Remote Participation Provisions

The Committee discussed Senate Bill 707 ("SB 707"), which amended certain provisions of the Ralph M. Brown Act related to teleconferencing and remote participation by members of local agency legislative bodies. The Committee discussed the availability of remote participation options for Committee members and the related public access and meeting requirements under applicable law.

Following discussion, the Committee unanimously approved permitting remote participation subject to applicable requirements.

OTHER MATTERS:

Public Comments − No public comments were received.

Other Business − There was no other business.

Adjournment - The meeting adjourned at 12.00 p.m.

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 15

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, November 13, 2026, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

RMM:XC:DD:HL:dc

Background
Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report
The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment
Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
December 4, 2026 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Agenda Tracking System	
Brief description:	Develop a new Agenda Tracking System for submittal, review, and approval of Governing Board meeting agenda items.
Estimated project cost	$250,000
Overall project status	Completed
Percentage complete	100%
LAST 30 days	• System is Live
NEXT 30 days	• Post-Production Support
Original estimated go-live date	11/15/24
Current estimated go-live date	11/20/26
Go-live date	
Notes	The schedule has been extended to incorporate additional user enhancements and to allow for additional training and testing. The parallel testing is ongoing with a plan to mirror board meeting cycles for two months prior to go-live.

Permit Workflow Automation	
Brief description:	Automate Permit Application acceptance and engineering evaluation processes into paperless workflows. This phase includes an electronic workflow that encompasses major functions of the Permit Application process.
Estimated project cost	$250,000
Overall project status	In Progress
Percentage complete	90%
LAST 30 days	• User Acceptance Testing
NEXT 30 days	• Working on Going Live
Original estimated go-live date	3/14/25
Current estimated go-live date	1/26/27
Go-live date	N/A
Notes	The schedule has been extended to incorporate new system requirements, design changes, and user testing. Next-phase functionality development is in progress.
Compliance System	

Brief description:	Develop a new Compliance System to help streamline the compliance business process. The new system will provide full integration of incident management, inspection process, field operations, and operations dashboard.
Estimated project cost	$450,000
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	• User Acceptance Testing and Training
NEXT 30 days	• User Acceptance Testing and Training
Original estimated go-live date	2/28/25
Current estimated go-live date	3/26/27
Go-live date	N/A
Notes	The schedule has been extended to accommodate new system requirements, design changes, and additional time for user adoption and testing.

Air Quality Data Platform Phase 3	
Brief description:	Integrate individual data systems into a cloud-based platform for efficient data management and the creation of interactive visualizations and dashboards for web access.
Estimated project cost	$386,800
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	• User Acceptance Testing
NEXT 30 days	• User Acceptance Testing and Working on Going Live
Original estimated go-live date	4/22/26
Current estimated go-live date	2/20/27
Go-live date	N/A
Notes	The schedule has been extended to incorporate additional user enhancements and to allow for additional training and testing.

CLASS Database Migration Phase II	
Brief description:	Migrate the CLASS application layer from Ingres to SQL Server, updating configurations, security, and

	application logic to ensure compatibility while maintaining existing functionality and performance.
Estimated project cost	$490,000
Overall project status	In Progress
Percentage complete	50%
LAST 30 days	• Application Migration Implementation
NEXT 30 days	• Application Migration Implementation
Original estimated go-live date	2/5/27
Current estimated go-live date	2/5/27
Go-live date	N/A
Notes	Project is on schedule.

Rule 1113 & Rule 314 Application Modernization	
Brief description:	Modernize the legacy system to enhance user experience, improve efficiency, and ensure seamless readiness for CLASS database migration.
Estimated project cost	$66,664
Overall project status	In Progress
Percentage complete	70%
LAST 30 days	• Project is on hold
NEXT 30 days	• Project is on hold
Original estimated go-live date	8/14/26
Current estimated go-live date	Project is on hold
Go-live date	N/A
Notes	Project is on hold pending development of a dependent infrastructure component.

Emergency Generator Replacement Incentive Program GMS	
Brief description:	This project includes developing a grant management system to support the solicitation to replace diesel-fueled backup generators with diesel/alt-fuel/hybrid, near-zero, and zero-emission technologies.

ATTACHMENT
December 4, 2026 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Estimated project cost	$37,520
Overall project status	Completed
Percentage complete	100%
LAST 30 days	• System is Live
NEXT 30 days	• Post-Production Support
Original estimated go-live date	11/6/26
Current estimated go-live date	11/6/26
Go-live date	
Notes	System in Post-Production Support.

ATTACHMENT
December 4, 2026 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Projects that have been completed within the last 12 months are shown below	
COMPLETED PROJECTS	
PROJECT	DATE COMPLETED
WAIRE Mitigation Program GMS	October 13, 2026
Prop 1B 2026	September 4, 2026
IDF Network Switch Refresh	August 30, 2026
CLASS Database Migration Phase I	July 7, 2026
Palos (Boyle Heights) Fire Monitoring Website	June 28, 2026
ADA Compliance	June 23, 2026
Salton Sea Monitoring Site	June 11, 2026
Carl Moyer Program GMS Phase IV	May 5, 2026
Enterprise Address Verification	April 21, 2026
Annual Emissions Reporting System Enhancements	March 12, 2026
Carl Moyer Program GMS Phase III	March 10, 2026
Finance Receivable Portal Enhancements	March 10, 2026
AB 617 Clean Community School Package Initiative Phase I	February 10, 2026
Annual Emissions Reporting for Reporting Year 2025	December 31, 2025
WAIRE POP Enhancement for Reporting Year 2025	December 26, 2025

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 16

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a hybrid meeting on Friday, November 13, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael A. Cacciotti, Chair
Administrative Committee

SN:cb

Call to Order
Chair Michael Cacciotti called the meeting to order at 10:00 a.m.

Roll Call

Committee Members
Present: Chair Michael Cacciotti, Committee Chair
Senator (Ret.) Vanessa Delgado
Supervisor Curt Hagman
Supervisor V. Manuel Perez

Absent: Vice Chair Larry McCallon, Committee Vice Chair

For additional details of the Administrative Committee Meeting, please refer to the Webcast.

DISCUSSION ITEMS:
1. **Board Members' Concerns:** There were no Board Member concerns.

2. **Chair's Report of Approved Travel:** No travel was reported.

3. **Report of Approved Out-of-Country Travel:** No travel was reported.

4. **Review December 4, 2026 Governing Board Agenda:** Executive Officer Nastri noted Set Public Hearings for Proposed Amended Rule 401 for visible emissions and Proposed Amended Regulation XXX to address the affirmative defense provisions for Title V facilities, and a Public Hearing for Proposed Amended Rule 1168 that are proposed based on the results of the technology check in for phasing out pCBtF and tBAc used in adhesives and sealants. For additional information, please refer to the Webcast at 3:29.

5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** There was no approval of compensation to report.

6. **Update on South Coast AQMD's Internal Engagement Activities:** Walter Shen, Director, Community Engagement and Air Programs, provided an update on agency efforts, seasonal events, cultural displays, Statewide Working Group, and discussed Dolores Huerta for Fabulous Female Friday. For additional information, please refer to the Webcast at 4:30.

7. **Annual Audited Financial Statements for FY Ended June 30, 2026:** Sujata Jain, Chief Financial Officer introduced Joseph Moussa from auditing firm Simpson & Simpson LLP to present the annual audited financial statements for fiscal year 2025-26. Mr. Moussa reported that South Coast AQMD received an unmodified opinion (the highest obtainable) on its financial statements. For additional information, please refer to the Webcast at 9:09.

8. **South Coast AQMD's FY 2026-27 First Quarter Ended September 30, 2026 Goals & Priority Objectives and Budget vs. Actual (Unaudited)** Sujata Jain, Chief Financial Officer, Ms. Jain presented the Governing Board Goals and Priority Objectives and budget versus actual results for the first quarter of fiscal year 2026-27. For additional information, please refer to the Webcast at 14:57.

   Chair Cacciotti asked a question on behalf of Vice Chair McCallon of why the Permitting Enhancement (PEP) was behind. Ms. Jain explained that it is the timing of this quarterly report and PEP catch up in the next quarterly report. For additional information, please refer to the Webcast at 16:49.

9. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Ron Moskowitz, Chief Information Officer, reported on the status of various Information Management projects. For additional information, please refer to the Webcast at 26:20.

Supervisor Hagman inquired if the security training done with other agencies would fulfill the requirement of our mandatory security training. Staff confirmed not at this time. For additional information, please refer to the Webcast at 28:22.

10. **Receive and File Annual Report on South Coast AQMD's Deferred Compensation Plans:** John Olvera, Deputy Executive Officer, Administrative & Human Resources, reported that this annual report is submitted in relation to the agency's deferred compensation plans and highlighted key aspects of the plans. |For additional information, please refer to the Webcast at 30:03.

ACTION ITEMS:

11. **Establish List of Prequalified Vendors for Automotive Mechanical Repair and Service and for Mailing Services, Amend Purchase Order for Lease and Maintenance of Mailing System Equipment:** Mr. Olvera reported that this item is to establish prequalified lists of vendors for automotive mechanical repair services and mailing services. This item is also to add $25,000 and $25,600 to a previously approved purchase order for mail processing equipment through Pitney Bowes, to cover taxes over the five-year lease period. For additional information, please refer to the Webcast at 31:13.

    Moved by Hagman; seconded by Perez, unanimously approved.

Ayes:	Cacciotti, Delgado, Hagman, Perez
Noes:	None
Absent:	McCallon

12. **Execute Contract for Janitorial Services at Diamond Bar Headquarters:** Mr. Olvera reported that this item is to execute a contract for janitorial services at Diamond Bar Headquarters. Five proposals were evaluated and Santa Fe Janitorial Maintenance Services received the highest overall score and is our current provider. This contract would be a new 42-month contract in the amount of $2.8 million and funding is included in this year's budget and will be requested in future budgets. For additional information, please refer to the Webcast at 32:29.

    Chair Cacciotti asked for confirmation that the agency is happy with the current services. Mr. Olvera confirmed that they have been our provider since 2013 and we are happy with their staff, work and ability to respond. For additional information, please refer to the Webcast at 33:17.

    Moved by Hagman; seconded by Perez, unanimously approved.

Ayes:	Cacciotti, Delgado, Hagman, Perez
Noes:	None
Absent:	McCallon

13. **Recognize Revenue, Transfer and Appropriate Funds, Issue Purchase Orders and Solicitation for Community Air Monitoring Near Refineries and Related Facilities:** Dr. Jason Low, Deputy Executive Officer, Monitoring & Analysis, reported that this item is to recognize revenue up to $2,309,469 into the General Budget, appropriate up to $2,121,316 from General Fund and Designated Fund balance to the Monitoring & Analysis budget, appropriate up to $372,000 from the General Fund Balance to the Monitoring & Analysis budget, transfer and appropriate $180,000 from the Rule 1180 Special Revenue Fund to the Monitoring & Analysis budget, and issue sole-source purchase orders for air monitoring and supporting equipment and service and supplies and issue purchase orders based upon results from a solicitation for office essentials. For additional information, please refer to the Webcast at 33:56.

    Moved by Hagman; seconded by Delgado, unanimously approved.

Ayes:	Cacciotti, Delgado, Hagman, Perez
Noes:	None
Absent:	McCallon

OTHER MATTERS:

14. **Other Business:** Executive Officer Nastri reported that there was an emergency incident over the Veteran's Day holiday and thanked and acknowledged staff which included Dr. Low for their service and support. For additional information, please refer to the Webcast at 36:11.

15. **Public Comment:** There was no public comment.

16. **Next Meeting Date:** The next regular Administrative Committee meeting is scheduled for Friday, December 11, 2026 at 10:00 a.m.

Adjournment

The meeting was adjourned at 10:35 a.m.

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 17

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, November 13, 2026. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
Proposed South Coast AQMD sponsored 2027 state legislation that would create the AIR Program.	APPROVE

Receive and file this report and approve agenda items as specified in this letter.

V. Manuel Perez, Committee Chair
Legislative Committee

LT:CG:PC:BK:MC:MC

Call to Order
Committee Chair V. Manuel Perez called the meeting to order at 9:00 a.m.

Roll Call

Committee Members
Present: Committee Chair V. Manuel Perez
Mayor Patricia Lock Dawson
Supervisor Curt Hagman
Councilmember Adrin Nazarian
Supervisor Janet Nguyen

Absent: Mayor Brenda Olmos

For additional details of the Legislative Committee Meeting, please refer to the Webcast.

ACTION/DISCUSSION ITEM:

1. **Proposed Sponsored State Bill Concepts for 2027**
   Philip Crabbe, Senior Public Affairs Manager, Legislative, Public Affairs and Media presented on proposed South Coast AQMD sponsored state legislation for 2027.

   Staff recommended the reintroduction of legislation similar to AB 2349 (Solache, 2026), that was vetoed by the Governor last session. The proposed legislation would create a statewide Air Incident Response (AIR) Program including a regional center and sensor evaluation program located at South Coast AQMD. The AIR Program would enhance California's emergency air monitoring capacity by facilitating interagency coordination, training, equipment, and other activities.

   For additional details, please refer to the Webcast beginning at 5:04.

   There was no public comment.

   Staff recommended APPROVAL of the proposed South Coast AQMD sponsored state legislation for 2027 that would create the AIR Program.

   Moved by: Hagman, Seconded by Nguyen
   Ayes: Perez, Hagman, Nguyen
   Noes: None
   Abstain: None
   Absent: Olmos, Lock Dawson, Nazarian

DISCUSSION ITEMS:

2. **Update and Discussion on Federal Legislative Issues**
   South Coast AQMD's federal legislative consultants (Holland & Hart, Kadesh & Associates, and Cassidy & Associates) provided written reports on key Washington, DC issues.

   Mark Kadesh, Kadesh & Associates, provided an update on the overall status the midterm Congressional elections including the California Congressional Delegation. For additional information, please refer to the Webcast beginning at 7:14.

   Anna Karakitos, Cassidy & Associates, provided an update on the new potential committee assignments for the 120th Congress. For additional information, please refer to the Webcast beginning at 14:27.

   Amelia Jenkins Morales, Holland & Hart, reported on the outstanding items remaining for the 119th Congress. For additional information, please refer to the Webcast beginning at 20:56.

   There was no public comment.

3. **Update and Discussion on State Legislative Issues**
   South Coast AQMD's state legislative consultants (Joe A. Gonsalves & Son, Resolute, and Buckley Government Affairs) provided written reports on key Sacramento issues.

   Paul Gonsalves, Joe A. Gonsalves & Son, reported on election results for California state propositions on the midterm ballot. For additional details, please refer to the Webcast beginning at 26:30.

   David Quintana, Resolute, reported on election results for key legislative races, as well resulting changes in the political makeup of the State Senate and Assembly. For additional details, please refer to the Webcast beginning at 33:00.

   Ross Buckley, Buckley Government Affairs, provided a status update on midterm election results for undecided legislative races. The newly elected legislators will be sworn in on December 7, 2026. For additional details, please refer to the Webcast beginning at 40:40.

   There was no public comment.

OTHER MATTERS:

4. **Other Business**
   Chair Perez inquired about opportunities for Board Members to attend the swearing-in of new legislators in Sacramento. For additional details, please refer to the Webcast beginning at 46:22.

5. **Public Comment Period**
   There was no public comment.

6. **Next Meeting Date**
   The next regular Legislative Committee meeting is scheduled for Friday, December 11, 2026 at 9:00 a.m.

Adjournment

The meeting was adjourned at 9:47 a.m.

Attachments

1. Attendance
2. 2027 Proposed Bill Concepts
3. Update on Federal Legislative Issues – Written Reports
4. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
LEGISLATIVE COMMITTEE MEETING
ATTENDANCE RECORD –November 13, 2026

Supervisor Manuel V Perez	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Mayor Patricia Lock Dawson	South Coast AQMD Board Member
Councilmember Adrin Nazarian	South Coast AQMD Board Member
Supervisor Janet Nguyen	South Coast AQMD Board Member
Ana Barranco	Board Consultant (Nazarian)
Tom Gross	Board Consultant (Lock Dawson)
Lilly Sarafian	Board Consultant (Nazarian)
Suzette Swallow	Board Consultant (McCallon)
Ross Buckley	Buckley Government Affairs, LLC
Sam Emmersen	Public Member
L. Fernandez	Public Member
Paul Gonsalves	Joe A. Gonsalves & Son
Hadley Hanour	Public Member
Moses Huerta	Public Member
Amelia Jenkins	Holland and Hart
Mark Kadesh	Kadesh & Associates
Anna Karakitsos	Cassidy & Associates
David Quintana	Resolute
Joe Pena	Public Member
Patty Senecal	Public Member
Peter Whittingham	Public Member
Jason Aspell	South Coast AQMD Staff
Cesar Ayala	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Lara Brown	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Maria Corralejo	South Coast AQMD Staff
Matthew Ceja	South Coast AQMD Staff
Jack Cheng	South Coast AQMD Staff
Philip Crabbe	South Coast AQMD Staff
Scott Gallegos	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
Carlos Gonzalez	South Coast AQMD Staff
De Groeneveld	South Coast AQMD Staff
Alex Han	South Coast AQMD Staff
Anissa Cessa Heard- Johnson	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Aaron Katzenstein	South Coast AQMD Staff

Angela Kim ..... South Coast AQMD Staff
Howard Lee ..... South Coast AQMD Staff
Jocelyn Lee ..... South Coast AQMD Staff
Brisa Lopez ..... South Coast AQMD Staff
Jason Low ..... South Coast AQMD Staff
Terrence Mann ..... South Coast AQMD Staff
Ian McMillan ..... South Coast AQMD Staff
Nahal Mogharabi ..... South Coast AQMD Staff
Ron Moskowitz ..... South Coast AQMD Staff
Ghislain Muberwa ..... South Coast AQMD Staff
Wayne Nastri ..... South Coast AQMD Staff
Sarah Rees ..... South Coast AQMD Staff
Brian Roberts ..... South Coast AQMD Staff
Alberto Silva ..... South Coast AQMD Staff
Lisa Tanaka ..... South Coast AQMD Staff
Brian Tomasovic ..... South Coast AQMD Staff
Mei Wang ..... South Coast AQMD Staff
Victor Yip ..... South Coast AQMD Staff

ATTACHMENT 2A

2027 Proposed South Coast AQMD Sponsored Legislation

November 13, 2026

Air Incident Response

Legislation: Reintroduction of a bill similar to AB 2349 (Solache) to create a statewide Air Incident Response Program with a regional center and sensor evaluation program located at South Coast AQMD.

Budget Request: Simultaneously seek funding beginning with request to be included in Governor's Initial Proposed Budget. Estimated funding request is between $10 and $50 million.

Background: California has experienced numerous disasters in recent years that have adversely impacted air quality and public health, such as the Eaton and Palisades Fires, Moss Landing and Central Coast Battery Fires, ExxonMobil explosion, Aliso Canyon gas leak, Tustin Hangar Fire, and most recently, the Palos Fire and GKN Aerospace hazardous materials incident. These incidents highlight the urgent need to expand and modernize emergency air monitoring and response capabilities. Further, there is a critical need for training of local air district and CARB staff on the Incident Command System (ICS) and emergency coordination with first responders, local government, and public health agencies.

In 2025, South Coast AQMD sponsored AB 1106 (M. Rodriguez) which unanimously passed Assembly Natural Resources but was held in Appropriations.

In 2026, AB 2349 (Solache) passed all Committees and the full Assembly and Senate by unanimous votes. The bill was vetoed by the Governor due to lack of budget.

Potential Funding Sources include:

- General Fund
- Greenhouse Gas Reduction Fund (GGRF)
- Air Pollution Control Fund (APCF)
- Potential cost recovery paid for by facilities that cause air quality emergencies that require air incident response
- Potential partial funding generated by enhanced penalties for air quality violations.

Code Section(s) Affected:

- Create new code sections: Health & Safety Code - CHAPTER 9. Regional Air Quality Incident Response Program; Sections 39950-39954

ATTACHMENT 3A

KADESH & ASSOCIATES

South Coast AQMD Report for the September 2026
Legislative Meeting covering August 2026
Kadesh & Associates

The House and Senate have been away from Washington for the last several weeks for the August recess, leaving several major issues to be resolved in the limited days remaining before the September 30 fiscal year deadline.

Prior to leaving DC, the Senate approved a continuing resolution (CR) to keep federal agencies funded through December 11, by a bipartisan vote of 91-6. The Senate CR also includes a number of extensions for programs that are otherwise scheduled to expire at the end of the fiscal year. In addition, the Senate approved the nomination of Attorney General Blanche, along with more than 70 other administration nominees.

The House had previously approved a more narrowly focused CR through December 4 by a near-party-line vote of 220-205. These two approaches (differing deadlines, expanded scope) will need to be reconciled when the chambers return. The Senate returns on Monday, September 14; the House is currently scheduled to return on August 31 although rumors persist that that voting week will be canceled.

The short legislative window before September 30 also means there are only a few additional session days before the November elections, as the chambers are currently scheduled to be back on recess, and on the campaign trail, for the month of October. The most likely scenario is a flurry brief of activity in September, as leaders on both sides of the Capitol and both sides of the aisle share the goal of extending deadlines so that final decisions can be made in a post-election / lame duck session. However, a shutdown is impossible to rule out completely, given the narrow margins in the House and Senate, and the ongoing disputes between leadership and rank-and-file members about hot-button including the SAVE Act (voter ID) and FISA reauthorization (surveillance authorities).

As previewed earlier, EPA has now sent Congress six California waivers (i.e. waivers of the Clean Air Act's federal preemption; this is the mechanism that allows California to set stronger emissions standards) for the purpose of using the Congressional Review Act (CRA) to undo them. CRA resolutions targeting these California waivers may be considered by a filibuster-proof vote in the Senate as soon as September, and the harbor craft and at-berth CARB rules were transmitted to the Senate late enough in the session that they may be targeted again in the new Congress in January 2027.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on FY27 appropriations and California waivers.

Contacts: Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees.

ATTACHMENT 3B

CASSIDY | ASSOCIATES

To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: October 22, 2026
Re: October Report

HOUSE/SENATE

Congress

Congress has been in recess for the month of October. Both chambers will return after the elections on November 9. Prior to leaving town, the House passed the *Lindsey O. Graham Sanctioning Russia and Iran Act* and the *Ratepayer Protection Act*, which work to address energy costs associated with data centers. The Senate passed the *Protect College Sports Act* but blocked consideration of the *Ratepayer Protection Act*. Upon their return, the Senate will hold a procedural vote on the permitting reform bill, the *Bipartisan American Affordability and Jobs Act of 2026* (BAAJA).

EPA

On October 16, the Environmental Protection Agency (EPA) proposed revisions to the 2026 and 2027 Renewable Fuel Standard (RFS) "Set 2" volume requirements to account for a larger than expected volume of small refinery exemptions granted for 2025. EPA is considering either dividing an additional 770 million Renewable Identification Numbers (RINs) between the 2026 and 2027 requirements or reallocating the entire amount to 2027. The proposal would also extend the existing 2026 compliance reporting deadline of March 31, 2027. Comments are due on December 4, 2026. Read more here.

On October 8, EPA's Region 4 office approved changes to Georgia's State Implementation Plan (SIP) that remove permitting rules originally adopted while parts of the state were failing federal air quality standards. Georgia has had no nonattainment areas since October 2022, when EPA redesignated the Atlanta areas as meeting the 2015 ozone standard. The approval eliminates the state's nonattainment New Source Review program, some provisions governing emission reduction credits, and other programs tied to nonattainment status. The agency concluded these changes will not jeopardize Georgia's ability to meet or maintain Clean Air Act standards. Read more here.

On October 7, Environmental Protection Agency (EPA) Administrator Lee Zeldin announced that the agency plans to issue a new proposal reconsidering portions of its 2024 oil and natural gas emissions standards, known as OOOOb/c. The proposal will address requirements for marginal wells, the Super Emitter Program, covers and closed vent systems, associated gas from oil wells, and certain control-device requirements, including proposing to rescind the Super Emitter Program. The agency estimates the changes could reduce industry compliance costs by $45 billion. Read more here.

On October 2, the Environmental Protection Agency (EPA) informed every state, the District of Columbia, five territories, and 67 Tribes of how it expects to designate areas under the 2024 fine particulate matter (PM2.5) NAAQS air quality standard set during the Biden Administration. This step complies with a U.S. District ruling to finalize all designations by February 6, 2027. States, territories, and Tribes have 30 days to send additional information, and there will be a separate 30-day public comment period. The agency believes the 2024 standard is unlawful and too restrictive after a 2020 review had found the 2012 standard sufficient. EPA had asked the court to vacate the standard last year and is taking action to appeal, but the agency is moving forward with the process to meet the court-ordered deadline. Read more here.

Cassidy and Associates support in October:

- Provided intelligence on permitting reform legislation
- Shared regular updates and insight on the Senate's California waiver CRA process
- Advised on end-of-year Appropriations process

IMPORTANT LEGISLATIVE DATES

February 13, 2026 (expired): Deadline to fund the Department of Homeland Security CBP/ICE.

September 30, 2025 (expired): The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries, expired in 2023. The bill is reauthorized on a five-year cycle.

September 30, 2026: Deadline to extend all surface transportation programs that fund roads, bridges, and public transit.

December 11, 2026: Deadline to fund the federal government for Fiscal Year 2027.

December 31, 2026: National Defense Authorization Act, which authorizes and funds Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

Holland & Hart

ATTACHMENT 3C

Holland & Hart

Amelia F. Jenkins Morales
Senior Director of Federal Affairs
Phone: (202) 285-3580
afjenkinsmorales@hollandhart.com

U.S.Congress

CONGRESSIONAL SUMMARY

The House and Senate have been in recess as Members returned to their districts prior to the November 3rd elections. Prior to returning to their states, a bipartisan group of Senators released legislation to accelerate approval of energy projects, the Bipartisan American Affordability and Jobs Act. The legislation amends multiple aspects of the permitting process starting with implementation of the National Environmental Policy Act but also reforms to the Clean Water Act, Endangered Species Act, and the Historic Preservation Act. There are additional provisions that impact legal recourse for project opponents. **It is notable that the legislation makes NO amendments to the Clean Air Act or related regulations.** Various interest groups are solidifying their positions on the draft legislation with a pending procedural vote to move forward in the Senate expected shortly after the election.

Agencies

Office of Management & Budget

The following items were sent to OMB for review.

Agency	Rule Title
DOJ	Proposed Aggregate Production Quotas for Schedule I and II Controlled Substances and Assessment of Annual Needs for the List I Chemicals Ephedrine, Pseudoephedrine, and Phenylpropanolamine for 2027
DOJ	Adjustment to the 2026 Aggregate Production Quota for d,l-Amphetamine, d-Amphetamine (for sale), Hydromorphone and Methylphenidate (for sale) Pursuant to 21 U.S.C. 826(h)
HHS	Interim Access Policy for Compounding Using Certain Peptides

EPA	Phasedown of Hydrofluorocarbons: Excluding Road and Intermodal Transport Refrigeration Units from the Hydrofluorocarbon Leak Repair Requirements
DOI	Consumer Price Index Adjustments of the Oil Pollution Act of 1990 Limit of Liability for Offshore Facilities
DOI/NOAA	NEFMC Essential Fish Habitat 2025 Designations Framework Adjustment

U.S. Department of Agriculture

$3.3 Billion Loan for Natural Gas Power Generation in Georgia: USDA Secretary Brooke Rollins announced a $3.3 billion loan to Oglethorpe Power Corporation to finance construction of the Smarr Combined-Cycle natural gas generating facility in Monroe County, Georgia.

The $3.3 billion loan will provide lower-cost financing for construction of the natural gas facility. Oglethorpe Power is owned by 38 electric distribution cooperatives serving nearly 5 million Georgians.

U.S. Environmental Protection Agency

Proposed Full Reallocation: Administrator Lee Zeldin announced a proposal to fully reallocate 770 million Renewable Identification Numbers (RINs) associated with small refinery exemptions (SREs) granted for the 2025 compliance year. Without officially releasing the proposal, Zeldin hinted that the agency would propose to redistribute 770 million RINs associated with the 2025 SREs. EPA will seek comment on two approaches:

1. Split the additional exempted volume equally between the 2026 and 2027 compliance years (385 million RINs each), or

2. Reallocate the entire 770 million RINs to the 2027 compliance year.

EPA is accepting comments through December 4, 2026, before determining the final reallocation approach. The principal outstanding question is whether EPA will distribute the additional obligations across 2026 and 2027 or defer them entirely to 2027.

Holland & Hart Support in October

- Continuing to develop a post-election policy agenda for SCAQMD discussion.
- Monitored and participated in discussions related to the repeal California Waiver through the Congressional Review Act.
- Participated in weekly strategy calls with South Coast AQMD staff.
- Review and analysis of the permitting legislation as it related to SCAQMD.
- Tracked EPA activities.

ATTACHMENT 4A

Joe A. Gonsalves & Son
Anthony D. Gonsalves
Jason A. Gonsalves
Paul A. Gonsalves
PROFESSIONAL LEGISLATIVE REPRESENTATION
925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-3766
916 441-0597 · FAX 916 441-5061
Email: gonsalves@gonsalvi.com

TO: South Coast AQMD

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – October 2026

DATE: Thursday, October 22, 2026

The month of October is relatively quiet in Sacramento, as Governor Newsom has completed his actions on the 1,160 bills the Legislature sent to him by the end of session. In wrapping up his eighth and final legislative session, Governor Newsom signed 1,040 bills and vetoed 120, for a 10.3% veto rate.

Now that the Legislature is in recess until December 7, 2026, all focus and attention has turned to the November 2026 elections, where all 80 Assembly seats, 20 of the 40 Senate seats, and Statewide Constitutional offices are up for grabs. Also, the November ballot will include 14 ballot initiatives for the voters to decide on.

The following will provide you with an update on issues of interest to the District:

$28 MILLION FOR PUBLIC EV FAST-CHARGING INFRASTRUCTURE

On October 7, 2026, the California Energy Commission (CEC) opened a new funding opportunity to expand the availability of publicly accessible electric vehicle (EV) fast-charging stations throughout California. Through the Fast Charge California Project, the CEC is making $28 million available to businesses, property owners, and other eligible applicants, with incentives covering up to 100% of eligible installation costs and a maximum award of $100,000 per charging port.

The funding is administered through the California Electric Vehicle Infrastructure Project (CALeVIP), which is designed to accelerate the development of charging infrastructure and improve access to reliable EV charging statewide. Applications will be accepted from October 7, 2026, through January 14, 2027, with funding reservations determined by the order in which eligible applications are received following the close of the application period.

To qualify, proposed charging locations must be publicly accessible and sufficiently advanced to begin construction. Applicants must have already secured the necessary permits and finalized their utility service designs. The program places particular

emphasis on expanding charging availability in disadvantaged, low-income, and tribal communities, where access to EV infrastructure has historically been limited. Potential project locations include commercial properties, public facilities, major transportation corridors, and other destinations accessible to the public.

The CEC has also scheduled an additional funding round for February 24 through May 27, 2027, which will provide incentives of up to $55,000 per charging port for eligible, construction-ready projects. Funding for these initiatives is provided through the state's Clean Transportation Program and Greenhouse Gas Reduction Fund.

CA EV SALES HOLD STEADY - STATE EXPANDS INFRASTRUCTURE AND INCENTIVES

On October 16, 2026, the CEC released updated figures showing that zero-emission vehicles (ZEVs) accounted for 19.1% of all new vehicle sales in California during the third quarter of 2026. Californians purchased 80,392 new ZEVs during the quarter, including 68,811 fully electric vehicles, 11,494 plug-in hybrids, and 87 hydrogen fuel-cell vehicles. Fully electric vehicles represented 16.3% of California's new vehicle market, substantially exceeding the national average of 6.4%.

California continues to lead the nation in electric vehicle adoption, with cumulative new ZEV sales increasing by more than 300% since 2019. To further encourage purchases, CARB launched its MyFirstEV incentive program in August 2026, providing financial assistance to residents purchasing their first electric vehicle. The program offers $3,500 toward qualifying new EVs priced at $50,000 or less and $1,750 toward eligible used EVs priced at $25,000 or less. The initiative provides approximately $270 million in combined incentives and has supported the purchase of approximately 12,000 electric vehicles.

CA REVENUES EXCEED PROJECTIONS BY $2.9 BILLION

On October 20, 2026, Governor Newsom announced that California's latest revenue figures indicate stronger-than-anticipated tax collections and continued economic expansion. According to the Department of Finance, state revenues for September 2026 exceeded budget projections by $2.9 billion, or 14.9%, largely driven by increased personal income and corporate tax payments. Personal income tax receipts surpassed expectations by $1.1 billion, an 8.5% increase over projections, while corporate tax collections were $1.3 billion higher than anticipated, representing a 49.1% increase. The stronger revenue performance provides a positive near-term outlook for state finances, although it remains uncertain whether these gains will continue throughout the fiscal year or materially reduce the state's longer-term budget pressures.

Recent economic indicators also reflect continued growth in California's economy. During the second quarter of 2026, California's inflation-adjusted gross domestic product increased at an annualized rate of 2.5%, outpacing the national growth rate of 2.2%. Personal income in California increased 4.5% compared to the same period last year, slightly above the national average of 4.4%. The state's technology and innovation

sectors also demonstrated continued strength, with nine additional California-based companies recently reaching valuations exceeding $1 billion.

While these figures reflect encouraging economic conditions, the implications for California's broader fiscal outlook will depend on whether revenue collections remain above projections in the coming months. The Department of Finance's upcoming revenue forecasts and the Governor's proposed 2027–28 State Budget will provide a clearer indication of how these developments may influence future state spending and local government funding opportunities.

2026 LEGISLATIVE DEADLINES

Nov. 3, 2026 – Statewide General Election
Dec. 7, 2026 – Swearing in for New Members of the California Legislature
Jan. 4, 2027 – Legislature reconvenes for the 2027-2028 legislative session.

ATTACHMENT 4B

RESOLUTE

South Coast Air Quality Management District

Legislative and Regulatory Update – October 2026

- **Important Upcoming Dates**

  November 3, 2026 – General Election

- **RESOLUTE Actions on Behalf of South Coast AQMD.** RESOLUTE partners David Quintana and Alfredo Arredondo continued their representation of SCAQMD before the State's Legislative and Executive branches. Selected highlights of our recent advocacy include:

  - Provided ongoing updates as the legislature is in recess.
  - Followed up on bills for the 2027 legislative session, including for SCAQMD sponsored legislation.

- **AB 907 (Solache).** Assemblymember Philip Chen introduced AB 907, sponsored legislation for South Coast AQMD dealing with the inequity of pay for AQMD board members appointed to serve on the CA Air Resources Board. The bill is now officially authored by Assemblymember Solache who will continue to carry the legislation forward.

  The bill was held by the Senate Appropriations Committee during their Suspense Hearing on August 13th.

- **General Election.** At least 22 new legislators will be elected on November 3rd along with a new Governor. Resolute will be reporting to SCAQMD staff on the outcomes as well as the updates to committee chairs.

ATTACHMENT 4C

South Coast AQMD, Legislative Committee Report
Buckley Government Affairs LLC
November 13, 2026

Legislative Session Update

Governor Gavin Newsom's final bill-signing period came to a close at midnight on September 30th. Shortly after 6 p.m., the Governor issued his final legislative press release, announcing from atop the Golden Gate Bridge that he had signed a bill placing a $7.5 billion science and health research bond before voters in March 2028. The bond would support research at California universities and institutions in medicine, public health, climate, wildfire prevention, agriculture, and other fields.

The signing marked a symbolic milestone: it was the last of 1,160 bills acted on this year and brought the total number of bills Newsom has acted on since taking office in 2019 to 7,803. This year, he signed 1,040 bills and vetoed 120, for a veto rate of 10.3%.

Heading into this final signing period, there were questions about whether the Governor would shift his approach to legislation. His veto rate this year was below his eight-year average of 13.5%. He also signed more bills than in any other year of his administration and, excluding the two years when COVID shortened legislative sessions, issued the fewest vetoes. For historical context, Governor Jerry Brown's veto rate was 13.7%, while Governor Arnold Schwarzenegger's was 26.5%.

The Governor also announced during October that nearly 12,000 Californians have switched to electric vehicles with MyFirstEV, the state's instant rebate that gives first-time buyers $3,500 off a new zero-emission vehicle (ZEV) or $1,750 off a used one, right at the point of sale. ZEVs continue to make up 19.1% of new car sales in the third quarter of 2026.

Budget Update

Preliminary General Fund agency cash receipts were $2.9 billion, or 14.9% above the 2026 Budget Act forecast in September. The September overage was driven mainly by higher

corporation tax receipts of $1.3 billion and higher personal income tax receipts of $1.1 billion. Since April when the forecast was completed, preliminary General Fund cash receipts were $5.5 billion above projections, including an overage of $828 million attributed to cash collected during the 2025-26 fiscal year.

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 18

REPORT: Mobile Source Committee

SYNOPSIS: The Mobile Source Committee held a hybrid meeting on Friday, November 20, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Supervsior Holly J. Mitchell,
Acting Committee Chair
Mobile Source Committee

SLR:ja

Call to Order
Acting Committee Chair Mitchell called the meeting to order at 9:06 a.m.

ROLL CALL

Committee Members
Present: Committee Vice Chair Holly J. Mitchell
Councilmember Larry McCallon
Supervisor V. Manuel Perez
Mayor Carlos Rodriguez
Board Member Dr. Cedric Jamie Rutland

Absent: Committee Chair Vanessa Delgado

For additional details, please refer to the Webcast.

INFORMATIONAL ITEM (Item 1):

1. **Update on Efforts to Address Windblown Dust in the Coachella Valley**
   Scott Epstein, Planning and Rules Manager, Planning, Rule Development and Implementation, presented an update on efforts to address windblown dust in the Coachella Valley. For additional details, please refer to the Webcast beginning at 00:15:50.

Supervisor Perez asked how outreach can be conducted to explain the purpose of the regulatory monitors, sensors, and environmental monitoring cameras to the public. Ian MacMillan, Assistant Deputy Executive Officer and Sarah Rees, Deputy Executive Officer, Planning, Rule Development and Implementation, answered that outreach on the specific mitigation plan will also be needed and that we have enough information now to target mitigation and this is an ongoing conversation with Coachella Valley Association of Governments. For additional details, please refer to the Webcast beginning at 00:40:50.

WRITTEN REPORTS (Items 2-4):

2. **Rule 2305 Implementation Status Report: Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program**
   This item was received and filed.

3. **Rule 2202 Activity Report: Rule 2202 Summary Status Report**
   This item was received and filed.

4. **Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects**
   This item was received and filed.

OTHER MATTERS:

5. **Other Business**
   There was no other business to report.

6. **Public Comment Period**
   There was no public comment.

7. **Next Meeting Date**
   The next regular Mobile Source Committee meeting is scheduled for Friday, January 22, 2027 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:51 a.m.

Attachments

1. Attendance Record
2. Rule 2305 Implementation Status Report: Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program
3. Rule 2202 Activity Report: Rule 2202 Summary Status Report – Written Report
4. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects – Written Report

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE COMMITTEE MEETING
Attendance – November 20, 2026

Councilmember Larry McCallon	South Coast AQMD Board Member
Supervisor Holly J. Mitchell	South Coast AQMD Board Member
Supervisor V. Manuel Perez	South Coast AQMD Board Member
Mayor Carlos Rodriguez	South Coast AQMD Board Member
Board Member Dr. Cedric Jamie Rutland	South Coast AQMD Board Member
Aaron Dill	Board Consultant (Rutland)
Guillermo Gonzalez	Board Consultant (Perez)
Sandra Hernandez	Board Consultant (Delgado)
Loraine Lundquist	Board Consultant (Mitchell)
Polash Mukerjee	Board Consultant (Rutland)
Erin Sheehy	Board Consultant (Rodriguez)
Suzette Swallow	Board Consultant (McCallon)
Sho Tay	Board Consultant (Cacciotti)
Todd R Campbell	Clean Energy
Dori Chandler	CCA
Curtis Coleman	Southern CA Air Quality Alliance
Harold Holmes	CARB
Regina Hsu	Earthjustice
Ryan Kenny	Clean Energy
Bill LaMarr	SBA
Sai Lee	Orange County Sanitation District
Nicole Rice	CRTA
Mauricio Rolon	Public Member
Gabriel Roman	CCAir
Peter Whittingam	Whittingham Public Advisors
Jaqueline Zamora	Public Member
Jacob Allen	South Coast AQMD Staff
Debra Ashby	South Coast AQMD Staff
Jason Aspell	South Coast AQMD Staff
Cesar Ayala	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Jack Cheng	South Coast AQMD Staff
Scott Epstein	South Coast AQMD Staff
Scott Gallegos	South Coast AQMD Staff
Alex Han	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Anissa Heard-Johnson	South Coast AQMD Staff
Aaron Katzenstein	South Coast AQMD Staff

Brandee Keither ..... South Coast AQMD Staff
Angela Kim ..... South Coast AQMD Staff
Howard Lee ..... South Coast AQMD Staff
Jason Low ..... South Coast AQMD Staff
Ian MacMillan ..... South Coast AQMD Staff
Terrence Mann ..... South Coast AQMD Staff
Ron Moskowitz ..... South Coast AQMD Staff
Ghislain Muberwa ..... South Coast AQMD Staff
Susan Nakamura ..... South Coast AQMD Staff
Wayne Nastri ..... South Coast AQMD Staff
Sarah Rees ..... South Coast AQMD Staff
Aisha Reyes ..... South Coast AQMD Staff
Zafiro Sanchez ..... South Coast AQMD Staff
Nico Schulte ..... South Coast AQMD Staff
Alberto Silva ..... South Coast AQMD Staff
Lisa Tanaka O'Malley ..... South Coast AQMD Staff
Brian Tomasovic ..... South Coast AQMD Staff
Mei Wang ..... South Coast AQMD Staff
Victor Yip ..... South Coast AQMD Staff

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

Rule 2305 Implementation Status Report: Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program

September 1, 2026 to September 30, 2026

1. Implementation and Outreach Activities:

Activity	Since Last Report	Since Rule Adoption
Calls and Emails to WAIRE Program Hotline (909-396-3140) and Helpdesk (waire-program@aqmd.gov)	401	24,017
Views of Compliance Training Videos (outside of webinars)	14	8,975
Notices Sent to Email Subscribers with Information About WAIRE Program Resources	20,213	155,553
Visits to www.aqmd.gov/waire	1,727	126,513
Warehouse Locations Visited In-Person	40	6,112
Presentations to Stakeholders*	2	155

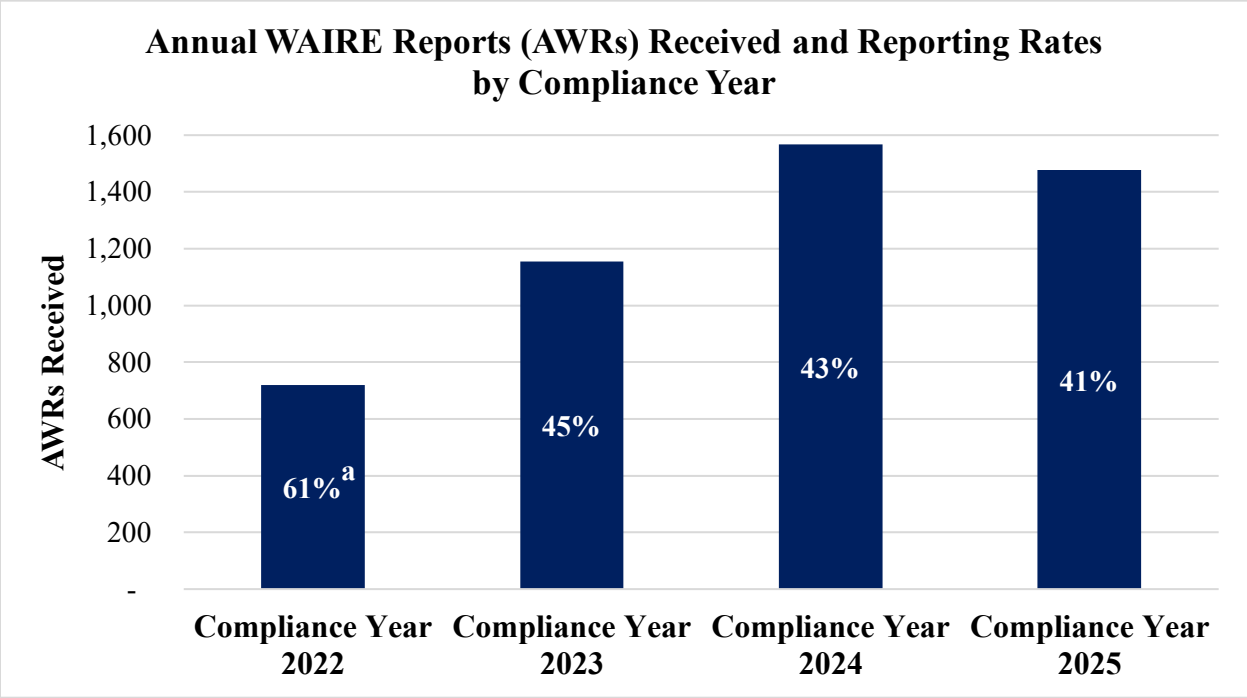
2. Highlights of Recent Implementation and Enforcement Activities

- **WAIRE Reports.** A total of 4,933 Annual WAIRE Reports (AWRs) were submitted by warehouse operators for the 2022-2025 compliance periods as of September 30, 2026. To date, a total of about 2,129,435 WAIRE Points have been earned in AWRs and Early Action AWRs for the 2021-2025 compliance periods, far exceeding the total WAIRE Points Compliance Obligation (WPCO) of about 637,648 points reported by these entities.
- **Estimated Emission Reductions.** The most recent Annual Report, published in January 2026, found that a cumulative total of 2,037,426 WAIRE Points had been earned through compliance year 2025. This resulted in an estimated 1,834 tons of total NOx reductions to date for compliance years 2021 through 2025. If the same ratio of WAIRE Points to NOx reductions has held steady since the most recent Annual Report, the total number of WAIRE Points reflected in this monthly report would translate to an estimated 1,916 tons of NOx reductions since rule adoption. These estimated emission reductions are consistent with what was anticipated during rulemaking.
- **Mitigation Fees:** As of September 30, 2026, warehouse operators reported approximately $82 million in mitigation fees (approximately 82,037 mitigation fee points earned). Mitigation fee points represent about 3.7% of all WAIRE points earned (inclusive of points earned in Early Action AWRs).
- **Enforcement:** Since December 2023, over 1050 notices of violations (NOVs) have been issued to warehouse operators for failure to submit required reports by the due date. Approximately 460 warehouses have contacted South Coast AQMD directly in response to the NOVs issued, approximately 500 facilities have subsequently filed the required

reports, and 351 of those NOVs have been resolved so far. Staff are available to provide compliance assistance to all facilities, including the remaining approximately 590 facilities who have not yet responded to their NOVs.

3. Summary of Reporting Rates

The chart below provides the total number of AWRs received and estimated reporting rates (in white) for each compliance year.[1] AWRs are typically due at the end of January in the year following the compliance year. AWRs may also be submitted after their due date to bring a facility into compliance with its reporting obligation.



Graph footnotes:

a – Reporting rates in white text do not directly correlate with the height of the bars as the number of warehouse operators required to report increased during 2023 and 2024 (i.e. Phases 2 and 3 were added in 2023 and 2024, respectively).

b – These numbers exclude those from operators that were not required to earn WAIRE Points. The total number of reports received does not include the following: operators not subject to AWR reporting, voluntary AWRs submitted by warehouse facility owners, warehouse operators who submitted an Early Action AWR prior to their first AWR due date, and a small number of AWRs submitted in error.

c – Initial reporting rates following the first reporting deadlines for Phases 1, 2, and 3 were approximately 18%, 12%, and 16%, respectively.

[1] Subject to auditing by South Coast AQMD.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

Rule 2202 Summary Status Report

Activity for January 1, 2026 – October 31, 2026

Employee Commute Reduction Program (ECRP)	
# of Submittals:	309

Emission Reduction Strategies (ERS)	
# of Submittals:	218

Air Quality Investment Program (AQIP) Exclusively		
County	**# of Facilities**	**$ Amount**
Los Angeles	48	$ 350,316
Orange	13	$ 71,178
Riverside	1	$ 3,972
San Bernardino	3	$ 29,954
TOTAL:	**65**	**$ 455,420**

ECRP w/AQIP Combination		
County	**# of Facilities**	**$ Amount**
Los Angeles	3	$ 49,908
Orange	0	$ 0
Riverside	0	$ 0
San Bernardino	0	$ 0
TOTAL:	**3**	**$ 49,908**

Total Active Sites as of October 31, 2026

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP[1]	AQIP[2]	ERS[3]				
473	14	9	496	78	694	1,268
37.3%	1.1%	0.7%	39.1%	6.2%	54.7%	100%[4]

Total Peak Window Employees as of October 31, 2026

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP[1]	AQIP[2]	ERS[3]				
376,392	7,491	1,859	385,742	15,617	289,039	690,398
54.5%	1.1%	0.3%	55.9%	2.3%	41.9%	100%[4]

Notes:
1. ECRP Compliance Option.
2. ECRP Offset (combines ECRP w/AQIP). AQIP funds are used to supplement the ECRP AVR survey shortfall.
3. ERS with Employee Survey to get Trip Reduction credits. Emission/Trip Reduction Strategies are used to supplement the ECRP AVR survey shortfall.
4. Totals may vary slightly due to rounding.

DRAFT VERSION

BOARD MEETING DATE: December 4, 2026 AGENDA NO.

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

SYNOPSIS: This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between October 1, 2026 and October 31, 2026, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, November 20, 2026, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

SR:MK:BR:SW:AS

Background

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

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

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

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

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

Attachment A contains a list of all environmental documents prepared by other public agencies seeking review by South Coast AQMD that were received pursuant to CEQA or other regulatory requirements. Attachment B provides a list of active projects, which were identified in previous months' reports, and which South Coast AQMD staff is continuing to evaluate or prepare comments relative to the environmental documents prepared by other public agencies. The following table provides statistics on the status of review[1] of environmental documents for the current reporting period for Attachments A and B combined[2]:

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

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

Statistics for Reporting Period from October 1, 2026 to October 31, 2026	
Attachment A: Environmental Documents Prepared by Other Public Agencies and Status of Review	81
Attachment B: Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies (which were previously identified in the August & September 2026 report)	9
Total Environmental Documents Listed in Attachments A & B	**90**
Comment letters sent	*16*
Environmental documents reviewed, but no comments were made	*55*
Environmental documents currently undergoing review	*19*

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

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

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

measures-and-control-efficiencies. Staff will continue compiling tables of mitigation measures for other emission sources such as ground support equipment.

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

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

Attachment C of this report summarizes the proposed air permit projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation pursuant to CEQA. As noted in Attachment C, South Coast AQMD is lead agency for two air permit projects during October 2026.

Attachments

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

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Goods Movement **LAC261001-03** SA Recycling Facility Demolition and Restoration Project#	The project consists of demolishing an existing recycling facility which is comprised of an operations and administration building, parking lot, weigh station, truck scales, two railroad spurs, stockpile yard, loading areas, maintenance facilities, utilities, an aboveground storage tank, stormwater conveyance system, concrete, flood lighting, boundary wall, and perimeter fencing, with site restoration. Upon completion of demolition, the site will be covered with crushed rock and gravel, and perimeter fencing will be installed. The project is located in the Port of Long Beach at 482 Pier T Avenue which is within the designated AB 617 Wilmington, Carson, and West Long Beach community. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac261001-03-mnd-sa-recycling-facility-demolition-and-restoration-project.pdf Comment Period: 10/1/2026 - 10/30/2026 Public Hearing: N/A	Initial Study/Draft Mitigated Negative Declaration	Port of Long Beach	Comment letter sent on 10/30/2026
Goods Movement **LAC261022-10** Pier B On-Dock Rail Support Facility Project#	The project consists of demolishing the Berths D52-54 transit shed, extending an existing sewer line, relocating the Control Point Foote Wye (a rail junction with signals and switches), installing a rail signal conduit, closing Grant Street and Southern Pacific Drive, constructing water and sewer lines, designating temporary construction staging and laydown areas, and removing and abandoning a sewer main line. The project is at Pier B in the Port of Long Beach, located west of Dominguez Channel, east of Interstate 710, south of Ocean Boulevard and Pier E, and north of West 15th Street and within the designated AB 617 Wilmington, Carson, and West Long Beach community. Staff previously provided comments on the Draft Supplemental Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2025/october-2025/lac250903-03-draft-sup-eir-pier-b-on-deck-rail-support-facility-project.pdf References: LAC250903-03 and LAC250325-01 Comment Period: 10/23/2026 - 12/9/2026 Public Hearing: N/A	Recirculated Draft Supplemental Environmental Impact Report	Port of Long Beach	Under review, may submit comments

Key:
# = Project has potential environmental justice concerns due to the nature and/or location of the project.
LAC = Los Angeles County, ORC = Orange County, RVC = Riverside County, SBC = San Bernardino County, ALL = All counties within the South Coast AQMD jurisdiction, and ODP = Project located outside of South Coast AQMD jurisdiction
Project Notes:
1. Disposition may change prior to Governing Board Meeting
2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers **LAC261001-04** 3800 Via Oro Project#	The project consists of demolishing existing on-site structures and redeveloping the site with a concrete tilt-up industrial building (332,090 square feet, height of 49 feet) for a mix of manufacturing, warehousing, and office uses. The project is located at 3800 Via Oro Avenue in Long Beach which is within the designated AB 617 Wilmington, Carson, and West Long Beach community. Comment Period: 10/1/2026 - 11/13/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Long Beach	Under review, may submit comments
Warehouse & Distribution Centers **LAC261022-02** 15827 Roxford Street - Draft Remedial Action Plan	The project consists of remediating a 28-acre former industrial defense and aerospace facility by installing a vapor intrusion mitigation system with subsurface piping connectable to an active soil vapor extraction system, conducting groundwater monitoring, and recording a land use restriction to limit uses for commercial and industrial purposes. The project is located at 15825 Roxford Street in Sylmar. Staff previously provided comments on the Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/september/LAC220819-02.pdf Reference: LAC220819-02 Comment Period: 10/22/2026 - 11/20/2026 Public Hearing: N/A	Other	City of Los Angeles	Under review, may submit comments
Warehouse & Distribution Centers **RVC261028-05** Renaissance Ranch Commerce Center / GPA200004, SP00333A01, and CZ2000016	The project consists of a Tentative Parcel Map and Plot Plan seeking to subdivide 157.03 gross acres into 14 parcels including three commercial, two light industrial, and nine open space and drainage parcels, and to construct two industrial buildings and five commercial buildings (1,070,240 square feet total) on 63.61 acres. The project is located at 26741 Valley Breeze Way in Temescal Valley. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2021/april/RVC210310-01.pdf References: RVC260108-03; RVC251105-12; RVC220609-08; and RVC210310-01 Comment Period: N/A Public Hearing: 11/18/2026	Addendum to Final Environmental Impact Report	County of Riverside	Document reviewed - No comments sent

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Airports **RVC261028-04** Hemet-Ryan Air Attack Base Replacement Project	The project consists of replacing existing facilities and constructing a new air attack base (15.25 acres) which will include: 1) a two-story air operations building with control room; 2) landing pads and retardant loading pits; 3) 32-bed barracks and mess hall; 4) a combined helicopter and OV-10 hangar; 5) two aircraft storage canopies; 6) a helicopter training tower; 7) a fire retardant mixing station; 8) a vehicle storage building; and 9) a generator yard and electrical building. The project is located at Hemet-Ryan Airport, 4710 Walden Weaver Road in Hemet. Staff previously provided comments on the Draft Focused Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/june-2026/rvc260421-03-draft-focused-eir-hemet-ryan-air-attack-base-replacement-project.pdf Reference: RVC260421-03 and RVC251125-07 Comment Period: N/A Public Hearing: N/A	Final Focused Environmental Impact Report	California Department of Forestry and Fire Protection (CAL FIRE)	Under review, may submit comments
Industrial and Commercial **LAC261014-04** Coca-Cola Bottling Plant Dock Expansion and Quad Generation Project	The project consists of a Site Plan Review and Variance seeking to construct a new industrial tilt-up dock expansion building (89,889 square feet, 42.6 feet in height), a new ingredients cooler (3,275 square feet), and a quad generation facility with combined heat and power units supplying electricity, chilled water, and beverage-grade carbon dioxide to the existing bottling plant, with associated circulation, parking, landscaping, and off-site street improvements. The project is located at 8729 Cleta Street in Downey. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac261014-04-draft-is-mnd-coca-cola-bottling-plant-dock-expansion-and-quad-generation-project.pdf Comment Period: 10/9/2026 - 10/29/2026 Public Hearing: 11/18/2026	Draft Mitigated Negative Declaration	City of Downey	Comment letter sent on 10/29/2026
Industrial and Commercial **ORC261014-10** Western Realco Enterprise Way Industrial Project	The project consists of demolishing existing office buildings and constructing three new tilt-up concrete industrial buildings across two sites: 1) Site 1 (8.41 acres with two buildings (156,800 square feet total, 35 feet in height) including manufacturing, warehouse, and office space with 291 parking spaces; and 2) Site 2 (4.77 acres) with one building (77,000 square feet, 35 feet in height) including office and warehouse space with 107 parking spaces, with off-site intersection improvements at five locations. The project is located in Lake Forest with Site 1 at 26110-26160 Enterprise Way and Site 2 at 26250 Enterprise Way. Reference: ORC241217-05 Comment Period: 10/13/2026 - 11/27/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Lake Forest	Under review, may submit comments

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

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial **RVC261007-04** Veterinary Hospital (PLAN2026-0199)	The project consists of constructing a one-story building (6,221 square feet) to accommodate a veterinary hospital (4,371 square feet) with examination, treatment, surgery, pharmacy, and overnight animal care area, and a retail tenant space (1,850 square feet). The project is located at 57 Beaumont Avenue in Beaumont. Comment Period: 10/8/2026 - 10/15/2026 Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
Industrial and Commercial **RVC261014-16** Cannabis Cultivation and Distribution Facility (DA190037 and CUP190046)	The project consists of a Development Agreement, Conditional Use Permit, and Tentative Parcel Map seeking to subdivide a property into two parcels and develop a cannabis cultivation and distribution facility on 4.52 acres with three buildings (3,472 square feet each) comprised of grow rooms and storage, one logistics building (1,542 square feet), and two covered patios (1,853 square feet each) with storage containers. The project is located at 38455 East Benton Road in unincorporated Riverside County. Comment Period: 10/19/2026 - 11/18/2026 Public Hearing: N/A	Draft Negative Declaration	County of Riverside	Under review, may submit comments
Industrial and Commercial **RVC261022-11** Beaumont Commerce Center	The project consists of an Annexation, General Plan Amendment, Zone Change, and Specific Plan seeking to annex 14 Riverside County parcels into the City of Beaumont and establish land use designations of Neighborhood Commercial, Industrial, and Open Space with associated development standards. The project is located to the south of State Route 60 and Interstate 10 and to the west of State Route 79 within Beaumont. Comment Period: 10/23/2026 - 11/5/2026 Public Hearing: N/A	Site Plan	City of Beaumont	Under review, may submit comments
Waste and Water-related **ALL261006-06** Small and Medium Composting Facilities and Operations#	The project consists of a statewide Program Environmental Impact Report (EIR) to assist in the approval, siting, and development of small and medium composting facilities and operations throughout California as required by Senate Bill (SB) 1046, providing a first-tier analysis for subsequent site-specific environmental reviews. The statewide program would be applicable to all counties within the South Coast AQMD jurisdiction and within six designated AB 617 communities: 1) East Los Angeles, Boyle Heights, and West Commerce; 2) Eastern Coachella Valley; 3) San Bernardino and Muscoy; 4) Southeast Los Angeles; 5) South Los Angeles; and 6) Wilmington, Carson, and West Long Beach. Comment Period: 10/2/2026 - 11/13/2026 Public Hearing: N/A	Draft Program Environmental Impact Report	California Department of Resources Recycling and Recovery	Document reviewed - No comments sent

Key:
# = Project has potential environmental justice concerns due to the nature and/or location of the project.
LAC = Los Angeles County, ORC = Orange County, RVC = Riverside County, SBC = San Bernardino County, ALL = All counties within the South Coast AQMD jurisdiction, and ODP = Project located outside of South Coast AQMD jurisdiction

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

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related **LAC261001-07** DTSC Exide Cleanup Project Community Meeting#	The project consists of a community meeting to discuss the ongoing lead cleanup project related to the former Exide Battery Recycling facility. The project is located at 2700 South Indiana Street on the northeast corner of Bandini Boulevard and South Indiana Street in the City of Vernon. The cleanup area includes portions of the cities of Vernon, Bell, Huntington Park, Commerce, Maywood, and Los Angeles, and East Los Angeles in the County of Los Angeles and within two designated AB 617 communities: 1) Southeast Los Angeles and 2) East Los Angeles, Boyle Heights, and West Commerce. References: LAC240724-12; LAC240207-12; LAC221108-12; LAC170912-08; and LAC170706-04 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Waste and Water-related **LAC261014-01** Soil Vapor Extraction System Upgrade Project	The project consists of replacing an existing soil vapor extraction treatment system with a smaller, more efficient system to reduce concentrations of volatile organic compounds at two source areas within a portion of the former Lockheed Martin Plant B-1 Site. The project is located at 1234 North Victory Place in Burbank. Reference: LAC250312-02 Comment Period: 10/12/2026 - 11/27/2026 Public Hearing: N/A	Draft Supplemental Environmental Impact Report	City of Burbank	Under review, may submit comments
Waste and Water-related **LAC261014-08** World Oil Recycling (formerly Demenno-Kerdoon) Hazardous Waste Facility Permit Renewal#	The project seeks to renew the hazardous waste permit for a used-oil recycling facility, which stores and treats used oil, oily wastewater, fuels, antifreeze, and used oil filters. The project is located at 2000 North Alameda Street in Compton which is within the designated AB 617 Southeast Los Angeles community. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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Waste and Water-related **LAC261022-03** Avenue 34 Project	The project consists of conducting ongoing cleanup and monitoring at a former industrial site and off-property investigations at neighboring residential and commercial properties involving soil vapor extraction system operations, vapor intrusion mitigation systems for new buildings, and groundwater monitoring of volatile organic compounds, total petroleum hydrocarbons, and metals. The project is located at 131 Avenue 34, 3411 Pasadena Avenue, and 3433 Pasadena Avenue in Los Angeles. References: LAC230621-03; LAC211109-09; LAC210901-09; and LAC170216-01 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Waste and Water-related **LAC261027-01** Ballona Wetlands Restoration Project	The project consists of restoring, enhancing, and establishing native coastal wetland and upland habitats (566 acres) within the Ballona Wetlands Ecological Reserve, including restoring wetland functions, improving public access, and maintaining existing flood risk management provided by the Ballona Creek channel and levee system. The project is located at 13488 Fiji Way in Marina del Rey. Reference: LAC191227-11 Comment Period: 10/23/2026 - 12/4/2026 Public Hearing: N/A	Draft Revised Environmental Impact Report	California Department of Fish and Wildlife	Document reviewed - No comments sent
Waste and Water-related **LAC261028-02** Raytheon Former Canoga Park Facility - Class II Permit Modification	The project consists of a Class II Permit Modification to the Closure Plan for the former research facility, including waiving the Post Closure Plan requirement for Tank T3 and using a risk-based approach to evaluate residual hexavalent chromium in soil beneath the former Hazardous Waste Storage Area. The project is located at 8433 Fallbrook Avenue in Canoga Park. Comment Period: 10/21/2026 - 12/18/2026 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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Waste and Water-related **LAC261029-01** North County Solid Waste Collection Services Project	The project consists of executing contracts with selected waste haulers seeking to establish new solid waste collection services, including 13 collection trucks, seven support vehicles, and 20 employee commute vehicle trips at buildout in 2045, within the unincorporated North County service areas (1,419 square miles). The project is located in the unincorporated North County area of Los Angeles County. Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/september-2024/lac240724-11-draft-eir-north-county-solid-waste-collection-services-project.pdf Staff previously provided comments on the Notice of Preparation for a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/march-2023/LAC230207-11.pdf References: LAC240724-11 and LAC230207-11 Comment Period: N/A Public Hearing: N/A	Final Environmental Impact Report	County of Los Angeles	Under review, may submit comments

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Waste and Water-related **ODP261028-08** Santa Susana Field Laboratory - Boeing Groundwater and Bedrock Vadose Zone Remediation	The project consists of a Draft Groundwater Statement of Basis seeking to establish proposed cleanup levels and a proposed remedy for contaminated groundwater and saturated and unsaturated bedrock in the Boeing areas of responsibility (Areas I, III, and parts of Area IV) at the Santa Susana Field Laboratory (2,850 acres). The project is located in unincorporated Ventura County. Staff previously provided comments on the Draft Program Environmental Impact Report for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2017/dpeir-santasusana-112817.pdf Staff previously provided comments on the Draft Environmental Impact Statement for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2017/deis-santasusana-041217.pdf References: ODP260917-02; ODP260204-14; ODP250910-07; ODP250220-02; ODP250122-06; ODP241101-10; ODP240201-08; ODP240103-06; ODP230608-01; ODP200724-03; ODP191113-01; ODP181221-07; ODP180904-15; ODP180814-10; ODP170926-03; ODP170915-02; ODP170908-05; ODP170420-07; ODP170405-01; ODP140116-02; ODP131121-02; LAC131018-05; LAC130918-13; LAC110510-12; and ODP100930-02 Comment Period: 11/3/2026 - 12/18/2026 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Under review, may submit comments
Waste and Water-related **ORC261022-06** Plaza By The Sea	The project consists of installing four soil vapor extraction (SVE) wells adjacent to a sewer line to remediate tetrachloroethene soil vapor contamination, operating and testing the SVE system, maintaining existing protective building slabs as a vapor intrusion barrier, and recording a land use restriction prohibiting schools, residences, hospitals, and daycare centers at a shopping center. The project is located at 616 Camino De Los Mares in San Clemente. Comment Period: 10/26/2026 - 12/4/2026 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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Waste and Water-related **RVC261001-09** Alessandro Ponds Optimization Phase II Project	The project consists of increasing the water storage capacity of the recycled water facility from 172 acre-feet to 369 acre-feet by expanding three ponds through soil excavation, raising surrounding berms (three to five feet), deepening pond bottoms (one to nine feet), stabilizing berms with soil-cement, and exporting 120,400 cubic yards of soils off-site. The project is located at 22264 Ramona Expressway in San Jacinto and unincorporated Riverside County. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc261001-09-draft-is-mnd-alessandro-ponds-optimization-phase-ii-project.pdf Comment Period: 9/30/2026 - 10/30/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Eastern Municipal Water District (EMWD)	Comment letter sent on 10/29/2026
Waste and Water-related **RVC261001-10** Riverside Facilities Master Plan	The project consists of adopting an integrated master plan which seeks to evaluate and improve the potable water, recycled water, and wastewater systems within the Riverside Retail Service Area (104 square miles) of the Western Municipal Water District (WMWD) with priority and near-term projects occurring before 2030 and long-term projects occurring from 2030 to 2050, including upsizing existing pipelines, installing new pipelines, constructing new storage tanks and new booster pump stations, making capacity upgrades at existing lift stations, and potentially expanding the Western Water Recycling Facility. The project is located in the City of Riverside and unincorporated Riverside County within the WMWD Riverside Retail Service Area. Comment Period: 9/28/2026 - 11/12/2026 Public Hearing: N/A	Draft Program Environmental Impact Report	Western Municipal Water District	Under review, may submit comments
Waste and Water-related **RVC261014-13** Mission Creek Groundwater Replenishment Facility	The project consists of amending an exchange agreement to facilitate the continued operation and maintenance of the Mission Creek Groundwater Replenishment Facility (MCGRF) and increase the annual State Water Project (SWP) Table A allocation shared between Desert Water Agency and Coachella Valley Water District from 194,100 acre-feet to 244,100 acre-feet per year, potentially increasing Colorado River Aqueduct water deliveries to the MCGRF by up to 5,000 acre-feet per year. The project is located adjacent to Mission Creek at Worsley Road near the Colorado River Aqueduct in Desert Hot Springs. Comment Period: 10/8/2026 - 11/6/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Desert Water Agency	Document reviewed - No comments sent

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Waste and Water-related **RVC261021-04** Scott Road Regional Lift Station Sewer Conveyance Project	The project consists of constructing a new expandable lift station (Scott Road Regional Lift Station), decommissioning the existing Wickerd Road Lift Station, and constructing a gravity sewer (12,775 linear feet) and force main sewer (9,000 linear feet) along Scott Road, Leon Road, Wickerd Road, Beeler Road, and Eucalyptus Road on 1.76 acres at the southeastern corner of Scott Road and Leon Road. The project is located at 33024 Leon Road in unincorporated Winchester in Riverside County. Comment Period: 10/20/2026 - 11/19/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Eastern Municipal Water District (EMWD)	Under review, may submit comments
Waste and Water-related **RVC261028-06** Stringfellow Superfund Site - Community Update October 2026	The project consists of conducting ongoing groundwater cleanup and monitoring activities of over 600 monitoring wells, 90 remediation extraction wells, and two groundwater treatment facilities at the former Stringfellow liquid hazardous waste disposal facility including operation and installing new extraction wells along Pyrite Street to improve groundwater cleanup of perchlorate and other contaminants. The project is located at 3400 Pyrite Street in Jurupa Valley. References: RVC251015-05; RVC241023-07; RVC231025-12; RVC221025-07; RVC210204-07; RVC191010-06; RVC181023-09; RVC171025-06; RVC150814-02; and RVC140319-01 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Waste and Water-related **SBC261021-08** 3.0 MG La Loma No. 2 Reservoir	The project consists of: 1) constructing and operating a new welded steel potable water storage tank (3,000,000 gallons) at the site of the existing La Loma No. 1 Reservoir; 2) resurfacing of an existing access road; 3) constructing an on-site stormwater retention basin; and 4) making other related site improvements. The project is located at 310 Tropicana Ranch Road in Colton. Comment Period: 10/16/2026 - 11/13/2026 Public Hearing: 12/15/2026	Draft Mitigated Negative Declaration	City of Colton	Document reviewed - No comments sent

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Utilities **ODP261001-16** Southern California Edison San Onofre Nuclear Generating Station - Class 1 Permit Modification Request	The project consists of a Class 1 Permit Modification seeking to extend the closure schedule by 142 days to March 31, 2027 to complete closure activities of Sections A and B of the South Yard Facility Hazardous Waste Storage Pads at the San Onofre Nuclear Generating Station, a decommissioned nuclear power generating facility. The project is located at the San Onofre Nuclear Generating Station in San Clemente. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
Utilities **RVC261021-05** CS Line Upgrade Project	The project consists of upgrading 6.5 miles of an existing 92-kilovolt transmission line from the Avenue 58 Substation to the Avenue 48 Substation, including replacing 164 wood-pole structures, installing nine new steel-pole structures, replacing the transmission conductor with a higher-capacity conductor, and completing minor electrical upgrades at both substations. The project is located at 81135 Giacomo Way in La Quinta. Comment Period: 10/19/2026 - 11/18/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	Imperial Irrigation District (IID)	Document reviewed - No comments sent

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Transportation **ALL261022-01** California High-Speed Rail - Los Angeles to Anaheim Project Section#	The project consists of constructing a 30-mile high-speed rail corridor with electrified tracks, grade separations, stations, and a 26th Street maintenance facility for 24 trainsets between Los Angeles Union Station and the Anaheim Regional Transportation Intermodal Center. The project is located between Los Angeles and Anaheim, which is within the designated AB 617 East Los Angeles, Boyle Heights, and West Commerce community. Staff previously provided comments on the Draft Environmental Impact Report/Environmental Impact Statement for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/february-2026/all251209-01-deir-eis-california-high--speed-rail-los-angeles-to-anaheim-section.pdf Staff previously provided comments on the revised Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/September/LAC200825-06.pdf References: ALL251209-01; ALL251016-01; ALL250207-02; LAC200825-06; and LAC080229-07 Comment Period: N/A Public Hearing: 10/28/2026	Final Environmental Impact Report/ Environmental Impact Statement	California High-Speed Rail Authority	Under review, may submit comments
Transportation **RVC261014-12** I-15 Nicholas Road Interchange Project	The project consists of improving the interchange at Interstate 15 and Nichols Road from Post Mile 22.8 to Post Mile 24.5 by widening the Nichols Road Overcrossing and ramps, adding a northbound auxiliary lane, realigning Nichols Road with a new bridge over Temescal Creek, and adding complete street elements including sidewalks, crosswalks, bicycle lanes, and Americans with Disabilities Act (ADA)-compliant curb ramps along portions of Collier Avenue. The project is located along Interstate 15 at the Nichols Road interchange in Lake Elsinore. Comment Period: 10/13/2026 - 11/12/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	California Department of Transportation (Caltrans)	Under review, may submit comments

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Transportation **SBC261014-18** Reche Canyon Road Extension Project	The project consists of constructing a new four-lane roadway segment (1,750 feet in length, 72 feet in width within an 88-foot right-of-way) with two travel lanes, sidewalks, and bicycle lanes in each direction separated by a center two-way left-turn lane between Reche Canyon Road and the intersection of Hunts Lane and Washington Street. The project is located at 1350 Reche Canyon Road in Colton. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: 12/15/2026	Draft Mitigated Negative Declaration	City of Colton	Document reviewed - No comments sent
Transportation **SBC261028-07** SR-138 Culverts Repair Project	The project consists of repairing or replacing 39 culverts along State Route 138 to restore the culverts to a state of good condition and extend their service life. The project is located along State Route 138 from Post Mile 19.8 (0.34 mile west of Summit Post Office Road) to Post Mile 36.6 (0.13 mile west of Lake Drive) in Hesperia and unincorporated San Bernardino County. Comment Period: N/A Public Hearing: N/A	Final Mitigated Negative Declaration	California Department of Transportation (Caltrans)	Document reviewed - No comments sent
Institutional (schools, government, etc.) **LAC261007-01** Conditional Use Permit Case No. 861 - Legacy Sports Complex	The project consists of a Conditional Use Permit seeking to establish, operate, and maintain an indoor sports facility within an existing industrial building. The project is located at 10251 Santa Fe Springs Road in Santa Fe Springs. Comment Period: N/A Public Hearing: 10/12/2026	Other	City of Santa Fe Springs	Document reviewed - No comments sent

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Institutional (schools, government, etc.) **LAC261014-03** Lincoln Park Neighborhood Green Street Network#	The project consists of three components: 1) removing sediment, stabilizing the shoreline, upgrading the pump house and circulation and aeration system , and installing passive bioswales at the lake within the 45-acre park; 2) installing 37 to 50 drywells with associated storm drain infrastructure along Humboldt Street and adjoining streets to capture, treat, and infiltrate runoff from a 125-acre drainage area; and 3) installing 172 street trees along selected public streets in Lincoln Heights. The project is located in Lincoln Park and portions of public rights-of-way in the Lincoln Heights neighborhood in Los Angeles which is within the designated AB 617 East Los Angeles, Boyle Heights, and West Commerce community. Comment Period: 10/8/2026 - 11/27/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	City of Los Angeles	Under review, may submit comments
Institutional (schools, government, etc.) **ORC261014-09** 10th and Flower Park Project	The project consists of a General Plan Amendment from Professional and Administrative Office to Open Space seeking to facilitate the construction of a new public park on eight parcels which include portions of West 10th Street and North Garnsey Street. The project is located at 915, 921, and 925 North Flower Street and 841, 842, 843, 848, and 852 North Garnsey Street in Santa Ana. References: ORC260902-04 and ORC240911-07 Comment Period: N/A Public Hearing: 10/20/2026	Other	City of Santa Ana	Document reviewed - No comments sent
Institutional (schools, government, etc.) **ORC261021-03** IBC Multi-use Trail Barranca Segment Project	The project consists of constructing a 0.36-mile off-street paved Class I shared-use path along the eastern edge of the Barranca Channel from Main Street to 400 feet north of Jamboree Road, including a two-foot paved shoulder nearest the channel, an eight-foot paved path for pedestrians and cyclists, a three-foot paved shoulder on the opposite side, and a pedestrian bridge over Jamboree Road comprised of retaining walls, a concrete slab bridge, and a prefabricated truss bridge with chain link fence. The project is located at 2677 Main Street in Irvine. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Irvine	Document reviewed - No comments sent

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Institutional (schools, government, etc.) **RVC261015-02** New Border Patrol Station - El Centro Sector, Indio	The project consists of constructing, operating, and maintaining a new Border Patrol Station (85,000 square feet) comprised of a main administration building, vehicle maintenance facility, ancillary support facilities, and parking area (121,000 square feet) on 35 acres of Bureau of Reclamation property to support up to 200 personnel in the El Centro Sector. The project is located in northeast Indio south of the All-American Canal adjacent to the Terra Lago community. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Other	U.S. Customs and Border Protection (CBP)	Under review, may submit comments
Medical Facility **LAC261008-01** Los Angeles County General Hospital Campus Master Plan#	The project consists of implementing a new Master Plan with Use and Development Standards to guide long-term redevelopment of the General Hospital Campus, including adaptive reuse of the General Hospital Building, demolition of existing buildings and structures, and the development of new uses (8,100,000 square feet) comprising residential, general office, medical office, retail, patient and caregiver lodging, community facilities, education, warehouse, clean tech and light industrial, and hospital uses with related infrastructure, circulation, parking, and open space improvements. The project is located at 1200 State Street in Los Angeles which is within the designated AB 617 East Los Angeles, Boyle Heights, and West Commerce community. Staff previously provided comments on the Draft Subsequent Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/june-2026/lac260519-01-dseir-los-angeles-county-general-hospital-campus-master-plan.pdf Staff previously provided comments on the Revised Notice of Preparation of a Draft Subsequent Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2025/november-2025/lac251029-03-nop-los-angeles-county-general-hospital-plan.pdf References: LAC260519-01; LAC251029-03; LAC251001-01; and LAC140909-08 Comment Period: N/A Public Hearing: 10/20/2026	Final Supplemental Environmental Impact Report	County of Los Angeles	Document reviewed - No comments sent

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Medical Facility **RVC261006-05** Jurupa Hills Post Acute Care Facility Project - Master Application (MA) No. 24229	The project consists of a Change of Zone from Rural Residential to General Residential seeking to develop a skilled nursing facility (42,000 square feet) and a medical office facility (9,100 square feet) on two parcels (4.55 acres) with a Tentative Tract Map subdividing 14.61 acres into three parcels and a lot, with the existing Jurupa Hills Acute Care Facility remaining on a separate parcel (3.16 acres). The project is located at 6401 33rd Street in Jurupa Valley. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc261006-05-mnd-jurupa-hills-post-acute-care-facility-project---master-application-(ma)-no-24229.pdf Comment Period: 10/7/2026 - 10/27/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Jurupa Valley	Comment letter sent on 10/27/2026
Medical Facility **RVC261022-09** Bradley Gardens Skilled Nursing Facility Expansion Project	The project consists of expanding an existing skilled nursing facility from 44 to 103 beds with an emergency backup generator and associated site improvements. The project is located at 625 South Pico Avenue in San Jacinto. Staff previously provided comments on the Draft Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260916-08-mnd-bradley-gardens-skilled-nursing-facility-expansion-project.pdf Reference: RVC260916-08 Comment Period: N/A Public Hearing: 10/27/2026	Final Mitigated Negative Declaration	City of San Jacinto	Under review, may submit comments
Medical Facility **SBC261021-07** Arrowhead Medical Center Parking Structure	The project consists of replacing an existing surface parking lot with a new multi-story parking structure for additional employee parking within the existing paved surface lot footprint on the Arrowhead Regional Medical Center campus. The project is located at 400 North Pepper Avenue in Colton. Comment Period: N/A Public Hearing: N/A	Addendum to Initial Study/Mitigated Negative Declaration	County of San Bernardino	Document reviewed - No comments sent

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Retail **LAC261001-05** Calgrove Self Storage Project	The project consists of constructing a four-story self-service storage facility (94,668 square feet) including self-storage floor area (92,676 square feet), office space (1,200 square feet), and an on-site manager's residence (792 square feet), with an Oak Tree Permit authorizing the removal of seven oak trees including three retroactive removals and encroachment within the protected zone of eight oak trees including two heritage oak trees. The project is located at 24000 The Old Road in Los Angeles. Comment Period: 9/28/2026 - 10/28/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	County of Los Angeles	Document reviewed - No comments sent
Retail **ORC261006-02** French Hotel Project	The project consists of rehabilitating and implementing an adaptive reuse of the Casa Manuel Garcia Adobe and Domingo Yorba Adobe by constructing a 70-room boutique hotel on a 1.68-acre site to be comprised of: 1) two existing historic adobe buildings; 2) new buildings for a car lift structure, a kitchen and dining building, a barn-style event building, and a three-story lobby and guest room building; and 3) a gym and a pool with outdoor patio and public gathering area. The project is located at 31861-31871 Camino Capistrano in San Juan Capistrano. References: ORC260714-04 and ORC260325-04 Comment Period: N/A Public Hearing: N/A	Final Environmental Impact Report	City of San Juan Capistrano	Document reviewed - No comments sent
Retail **ORC261006-03** Costco Wholesale Facility and Fueling Station Project	The project consists of demolishing three existing industrial buildings (246,981 square feet) and constructing a Costco Wholesale facility (159,889 square feet) with a fueling station featuring 20 fuel islands, 40 fueling pumps, three underground storage tanks, and 943 parking stalls on an 18.65-acre site. The project is located at 200 South Kraemer Boulevard in Brea. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/orc261006-03-nop-costco-wholesale-facility-and-fueling-station-project.pdf Comment Period: 10/2/2026 - 11/5/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	City of Brea	Comment letter sent on 11/5/2026

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Retail **RVC261001-11** Woodcrest Retail Center Project	The project consists of a General Plan Amendment and Change of Zone from Rural Community Very Low Density Residential and Light Agriculture to Community Development General Retail and Scenic Highway Commercial seeking to construct a shopping center (62,443 square feet) including a grocery store, multi-tenant retail, two drive-through restaurants, and a convenience store and gas station on a 9.42-acre site, with demolition of an existing gas station and strip mall. The project is located at 16960 Van Buren Boulevard in unincorporated Woodcrest in Riverside County. Reference: RVC250617-07 https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261001-11-deir-woodcrest-retail-center-project.pdf Comment Period: 9/25/2026 - 11/6/2026 Public Hearing: N/A	Draft Environmental Impact Report	County of Riverside	Comment letter sent on 11/5/2026
Retail **RVC261001-12** Conditional Use Permit PEN26-0064 - Butterfield Valley Village Cannabis Dispensary	The project consists of a Conditional Use Permit seeking to operate a commercial cannabis dispensary in an existing tenant suite (2,498 square feet) within the Butterfield Valley Village shopping center. The project is located at 25125 Sunnymead Boulevard in Moreno Valley. Comment Period: N/A Public Hearing: 10/8/2026	Other	City of Moreno Valley	Document reviewed - No comments sent
Retail **RVC261006-04** Washington Plaza Project	The project consists of a Development Plan and Conditional Use Permits seeking to construct a gas station with eight Multiple Product Dispensers (MPDs), a convenience store (4,000 square feet) with beer and wine sales, a drive-through restaurant (4,456 square feet), and an express car wash facility (4,150 square feet) on a 3.4-acre site. The project is located at 41908 Magnolia Street in Murrieta. https://www.aqmd.gov/docs/default-source/comment-letters/2026/november-2026/rvc261006-04-draft-is-mnd-washington-plaza-project.pdf Comment Period: 10/6/2026 - 11/5/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Murrieta	Comment letter sent on 11/5/2026

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Retail **RVC261014-14** A&D Golf Carts (CUP2026-0013)	The project consists of a Conditional Use Permit seeking to operate a golf cart sales, minor maintenance, and repair business within an existing building (3,200 square feet) on a 0.32-acre lot in the Commercial Neighborhood zone. The project is located at 498 West 6th Street in Beaumont. Comment Period: 10/15/2026 - 10/29/2026 Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
Retail **RVC261014-15** The Gyro Factory Drive-Through (CUP2026-0012)	The project consists of a Conditional Use Permit seeking to construct a single-story modular drive-through restaurant (960 square feet) with an outdoor seating area, trash enclosure, landscaping, site lighting, and grading and drainage improvements. The project is located at 399 East 1st Street in Beaumont. Comment Period: N/A Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
Retail **RVC261021-06** Plot Plan No 26225, Revised Permit No. 1, (PP26225R01)	The project consists of a Plot Plan modification seeking to expand an existing Class V Winery with a building addition (12,035 square feet) for a total building area of 16,886 square feet to accommodate additional wine production and storage, a restaurant, wine tasting bars, a reception hall, offices, outdoor patio areas, ten freestanding patio covers, and indoor and outdoor special events including weddings on a 19.34-acre site. The project is located at 39730 Calle Contento in unincorporated Riverside County. Comment Period: 10/15/2026 - 11/3/2026 Public Hearing: 11/4/2026	Draft Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent
Retail **RVC261022-08** Gas Station and Convenience Store	The project consists of a General Plan Amendment, Zone Change, and Conditional Use Permit seeking to construct a vehicle fueling station and convenience store (4,650 square feet) with off-sale beer and wine on three contiguous parcels (1.3 acres) on the southeast corner of Arlington Avenue and Monroe Street. The project is located at 6836-6902 Arlington Avenue in Riverside City. Staff previously provided comments on the Draft Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/february-2026/rvc260212-06-mnd-gas-station-and-convenience-store.pdf Reference: RVC260212-06 Comment Period: 10/23/2026 - 11/11/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Riverside	Document reviewed - No comments sent

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General Land Use (residential, etc.) **LAC261001-01** 18444 Plummer Street Apartments	The project consists of constructing a six-story affordable housing building with 200 units including 99 one-bedroom units (550 square feet each), 51 two-bedroom units (765 square feet each), 50 three-bedroom units (1,015 square feet each), and two manager's units, with 102 vehicular parking spaces, 137 bicycle stalls, resident amenities, and landscaped outdoor open space. The project is located at 18444 Plummer Street in Northridge. Comment Period: 9/28/2026 - 10/28/2026 Public Hearing: N/A	Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds	Los Angeles Housing Department (LAHD)	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261006-01** 7916 Long Beach Boulevard Housing Project#	The project consists of a Tentative Parcel Map and Density Bonus seeking to construct 11 affordable for-sale townhomes in two three-story buildings (37 feet in height) with floor plans (1,559 to 1,874 square feet) on a site (0.41 acre) with a private driveway and perimeter landscaping. The project is located at 7916 Long Beach Boulevard in South Gate which is within the designated AB 617 Southeast Los Angeles community. Comment Period: 10/1/2026 - 10/30/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of South Gate	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261014-02** Sunridge Specific Plan (Master Case 24-266)	The project consists of a Specific Plan seeking to develop 5,580 residential units and commercial and business park space (2,800,000 square feet) with a wave park, recreational amenities, parks, and open space on 1,221 acres, with 2,800,000 cubic yards of cut and 22,500,000 cubic yards of fill balanced on site, and extension of Via Princessa Parkway to Golden Valley Road and Santa Clarita Parkway to Via Princessa. The project is located south of Soledad Canyon Road, east of Railroad Avenue, and west of Golden Valley Road on the former Whittaker-Bermite property in Santa Clarita. Staff previously provided comments on the Site Plan Consultation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/september-2023/LAC230809-09.pdf References: LAC230809-09 Comment Period: 9/23/2026 - 10/23/2026 Public Hearing: N/A	Other	City of Santa Clarita	Document reviewed - No comments sent

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General Land Use (residential, etc.) **LAC261014-06** Pacoima Family Apartments	The project consists of developing a 100 percent affordable mixed-use multifamily housing development with 47 residential units comprising 12 studio units (406 square feet each), 11 one-bedroom units (571 square feet each), 12 two-bedroom units (777 square feet each), and 12 three-bedroom units (1,080 square feet each), with ground floor retail and on-site parking. The project is located at 13476-13486 Van Nuys Boulevard in Pacoima. Comment Period: 10/14/2026 - 10/29/2026 Public Hearing: N/A	Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds	Los Angeles Housing Department (LAHD)	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261014-07** Delaney Square Residential Project	The project consists of a General Plan Amendment and Zone Change from Institutional/School to Medium Density Residential seeking to demolish existing school buildings and construct 128 residential units comprising 65 single-family cluster homes and 63 attached townhomes with open space, a tot lot, barbeque area, and a butterfly garden on 9.77 acres. The project is located at 1035 East Mauna Loa Avenue in Azusa. Reference: LAC260805-06 Comment Period: N/A Public Hearing: 10/27/2026	Other	City of Azusa	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261021-01** Brodin Residence (ENV-2021-4440-MND)	The project consists of constructing a single-family dwelling (6,350 square feet, 25 feet in height) with an attached garage (819 square feet), a detached guesthouse (761 square feet), retaining walls, pool and spa, pool deck, and landscaping on an undeveloped lot (215,580 square feet) with 2,273 cubic yards of cut and 1,650 cubic yards of fill grading, removal of 21 protected trees replaced at a 4:1 ratio, street widening of Multiview Drive, and a 2.38-acre wildlife corridor conservation easement. The project is located at 3593 North Multiview Drive in Los Angeles. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
General Land Use (residential, etc.) **LAC261022-04** Bassett Villas - AGP 25-02, Z 25-01, AA 25-02, and PR 25-17	The project consists of a General Plan Amendment and Zone Change seeking to develop a multi-family residential project comprising 104 townhome apartment units in 20 two-story buildings on a 5.22-acre site. The project is located at 1314 LeBorgne Avenue in Baldwin Park. Comment Period: N/A Public Hearing: 11/4/2026	Other	City of Baldwin Park	Document reviewed - No comments sent

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General Land Use (residential, etc.) **LAC261028-01** Westminster Gardens Specific Plan Update	The project consists of a Specific Plan Amendment to repeal and replace the 1990 Westminster Gardens Specific Plan and redevelop an existing Life Plan Community (LPC) on 32 acres with a maximum of 310 market-rate independent living units, a minimum of 150 affordable independent living units, a maximum of 90 assisted living and memory care units, retail space (15,000 square feet), office space (25,000 square feet), and resident amenity space (65,000 square feet) through multiple phases through 2045. The project is located at 1423 Pepper Tree Lane in Duarte. Staff previously provided comments on the Notice of Preparation of a Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/may-2024/LAC240410-09.pdf Reference: LAC240410-09 Comment Period: 10/29/2026 - 12/11/2026 Public Hearing: 1/19/2027	Draft Environmental Impact Report	City of Duarte	Document reviewed - No comments sent
General Land Use (residential, etc.) **ORC261001-08** 17332 Irvine Boulevard Residential Project (PROJ-R-2026-0001)	The project consists of a General Plan Amendment and Zone Change from Professional Office to Planned Community Residential seeking to demolish an existing two-story office building (24,287 square feet) and construct 15 for-sale residential units comprising seven detached homes and four duplex buildings (three stories, 39 feet in height) with a net density of 15.1 dwelling units per acre on a 0.99-acre site. The project is located at 17332 Irvine Boulevard in Tustin. Comment Period: 9/25/2026 - 10/15/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Tustin	Document reviewed - No comments sent
General Land Use (residential, etc.) **RVC261001-13** New Noble Creek Specific Plan	The project consists of a Specific Plan seeking to develop a residential master plan community with a maximum of 586 single-family and multi-family homes and open space and recreational uses on a 93.4-acre site, including construction of Noble Creek Parkway, extension of Cougar Way, and half-width improvements to Mountain View Avenue. The project is located north of the Oak Valley Parkway and Elm Avenue intersection in Beaumont. Comment Period: 10/1/2026 - 10/15/2026 Public Hearing: 10/22/2026	Site Plan	City of Beaumont	Document reviewed - No comments sent

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General Land Use (residential, etc.) **RVC261007-03** Kensington Residential Project	The project consists of a Tentative Tract Map and Plot Plan seeking to develop 160 attached and detached condominium units comprising: 1) 51 single-family detached bungalows and 109 attached duplex units with a central pool amenity, tot lot, and pocket parks; and 2) 415 parking spaces including 320 garages and 95 on-street spaces within a private gated community on a site (20 gross acres). The project is located at the southerly terminus of Bavaria Drive, south of McCall Boulevard, east of Interstate 215, west of Menifee Road, and north of Newport Road in Menifee. Reference: RVC251015-07 Comment Period: N/A Public Hearing: 10/14/2026	Other	City of Menifee	Document reviewed - No comments sent
General Land Use (residential, etc.) **RVC261022-07** Discovery Village (MAP-2026-00039, MCA-2026-00014)	The project consists of a Master Development Plan, Development Plan, and Tentative Tract Map seeking to develop 353 for-sale residential condominium units comprising small-lot detached homes, detached courtyard homes, duplexes, and townhomes (1,291 to 2,403 square feet) with a recreation center, swimming pool, pickleball courts, community garden, playgrounds, and dog park on 25.04 gross acres. The project is located west of Whitewood Road, east of Warm Springs Parkway, north of Running Rabbit Road, and south of Baxter Road in Murrieta. Comment Period: N/A Public Hearing: 10/28/2026	Other	City of Murrieta	Document reviewed - No comments sent
General Land Use (residential, etc.) **RVC261027-03** Master Application (MA) NO. 25029.	The project consists of a General Plan Amendment and Zone Change from Commercial Retail to Highest Density Residential seeking to develop a multiple family residential development of 85 units (21 dwelling units per acre) with a Specific Plan Amendment to remove the parcels from the Mission De Anza Specific Plan, Tentative Parcel Map, Tentative Tract Map, and Variance for reduced setback (from 50 feet to 30-39 feet) along the eastern boundary on a site (4 acres). The project is located at the southeast corner of Baldwin Avenue and Limonite Avenue in Jurupa Valley. Comment Period: 10/26/2026 - 11/13/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Jurupa Valley	Document reviewed - No comments sent

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General Land Use (residential, etc.) **RVC261028-03** Menifee Village SPA No. 7	The project consists of a Specific Plan Amendment and Zone Change seeking to amend the Menifee Village Specific Plan No. 158 by transferring dwelling units between planning areas, adding a new High Density residential designation (8-14 dwelling units per acre), adding two residential product types, increasing open space and park areas in Village 4 (from 36.9 acres to 72.7 acres), and allowing AI data centers as a conditionally permitted use on a site (1,972 acres). The project is located north of Newport Road and Domenigoni Parkway and east of Menifee Road in Menifee. Comment Period: N/A Public Hearing: N/A	Addendum to Environmental Impact Report	City of Menifee	Document reviewed - No comments sent
General Land Use (residential, etc.) **SBC261001-15** Hume SoCal Campground Expansion Project	The project consists of a Planned Development Amendment seeking to expand an existing campground (107 acres) to 252.1 acres and increase capacity from 300 to 2,400 campers and staff over five phases by: constructing residential dorms, semi-permanent tents, and staff housing; renovating an existing dining hall and constructing three additional dining halls; and constructing organized indoor and outdoor recreational facilities. The project is located at 32355 Green Valley Lake Road in Green Valley Lake. References: SBC260121-04 and SBC251119-07 Comment Period: 9/30/2026 - 10/30/2026 Public Hearing: N/A	Initial Study/Draft Mitigated Negative Declaration	County of San Bernardino	Document reviewed - No comments sent
General Land Use (residential, etc.) **SBC261007-05** Planned Residential Development - CUP 26-013, DRA 26-005, GPA 26-001, ZC 26-001, TTM 26-001	The project consists of a General Plan Amendment and Zone Change from Low Density Residential and High Density Residential to Planned Development, a Conditional Use Permit, and a Tentative Tract Map seeking to develop 97 single-family homes with related recreation, water quality, and right-of-way improvements on three parcels (seven acres). The project is located on the south side of Cypress Street, 400 feet west of Palm Avenue in Highland. Comment Period: 10/7/2026 - 10/20/2026 Public Hearing: N/A	Site Plan	City of Highland	Document reviewed - No comments sent

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General Land Use (residential, etc.) **SBC261007-06** Subdivision and Religious Place of Worship - CUP-1225 and TPM-0047	The project consists of a Conditional Use Permit and Tentative Parcel Map seeking to subdivide 20.35 acres into: 1) one parcel (10.06 acres) for residential development; and 2) one parcel (10.29 acres) for assembly development with a two-story religious place of worship (10,151 square feet) comprised of two main buildings with driveways, parking areas, walls, and landscaping. The project is located north of Sunset Drive, south of Interstate 10, west of Gold Hill Lane, and east of Panorama Point Drive in Redlands. Comment Period: 10/7/2026 - 10/30/2026 Public Hearing: N/A	Site Plan	City of Redlands	Document reviewed - No comments sent
General Land Use (residential, etc.) **SBC261014-17** Walker Ranch Specific Plan (PSP-24-001, PMTT24-004, PDA25-002, PWIL25-001)	The project consists of a Specific Plan, Tentative Tract Map, Development Agreement, and Williamson Act Contract cancellation seeking to develop residential uses with a maximum buildout of 1,557 units and a target buildout of 940 units on a site (71.6 net acres) across seven planning areas, including roadway improvements, bicycle and pedestrian facilities, parks, and utility infrastructure. An implementing project (920 units on 67.2 net acres) is also proposed under the Specific Plan. The project is located at 13948 Walker Avenue in Ontario. Reference: SBC250519-02 Comment Period: 10/8/2026 - 11/27/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Ontario	Under review, may submit comments
General Land Use (residential, etc.) **SBC261014-19** Nerio Farms Residential Community (PROJ-2025-00106)	The project consists of a General Plan Amendment and Zoning Amendment from Very Low Density Residential to Special Development seeking to: 1) subdivide 24.16 acres into 90 single-family residential lots, with one lot containing an existing cell tower and four lettered lots designated for off-site access, parks, and a basin; and 2) make roadway improvements along Phillips Boulevard, Pipeline Avenue, and Essex Avenue. The project is located at 4103 Phillips Boulevard in unincorporated San Bernardino County adjacent to the City of Chino. Comment Period: 10/15/2026 - 11/13/2026 Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	County of San Bernardino	Document reviewed - No comments sent

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Plans and Regulations **LAC261001-02** Torrance Focused General Plan Amendment for Land Use, Safety, and Community Resource Element Updates#	The project consists of a focused General Plan Amendment to updating three elements (Land Use Element, Safety Element, and Community Resources Element) to address consistency with the 2022 Housing Element and compliance with Senate Bill 379, Senate Bill 1000, Assembly Bill 1889, Senate Bill 1425, and Assembly Bill 2684. The project is located citywide in Torrance which is within the designated AB 617 Wilmington, Carson, and West Long Beach community. Comment Period: 9/25/2026 - 10/23/2026 Public Hearing: N/A	Draft Negative Declaration	City of Torrance	Document reviewed - No comments sent
Plans and Regulations **LAC261001-06** Zoning Ordinance Amendment No. 59 and Specific Plan Amendment No. 2026-01 - Discount Sales Land Use Classification	The project consists of amending Title 21 of the La Mirada Municipal Code and the La Mirada Imperial Highway Specific Plan to establish the Discount Sales land use classification requiring a Conditional Use Permit in specified commercial zoning districts and Imperial Highway Specific Plan planning areas, with definitions, operational standards, enforcement provisions, and an exception allowing qualifying Food-Oriented Discount Sales Establishments with a Zoning Clearance. The project is located citywide in La Mirada. Comment Period: N/A Public Hearing: 10/27/2026	Other	City of La Mirada	Document reviewed - No comments sent
Plans and Regulations **LAC261014-05** Southwest Valley Community Plans Update	The project consists of amending the Policy Documents and General Plan Land Use Maps for three community plan areas and adopting zoning ordinances to guide development through 2050 across the Southwest Valley Community Plans area (62 square miles) including the Canoga Park-Winnetka-Woodland Hills-West Hills, Encino-Tarzana, and Reseda-West Van Nuys-Lake Balboa Community Plan Areas. The project is located citywide in the southwest portion of the San Fernando Valley in Los Angeles. Staff previously provided comments on the Notice of Preparation of an Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190404-03.pdf References: LAC241016-21 and LAC190404-03 Comment Period: 10/8/2026 - 11/20/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent

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Project Notes:
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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **LAC261015-01** Burbank Media District Specific Plan Update	The project consists of adopting the Media District Specific Plan Update to incorporate a General Plan Land Use Element Amendment and Zoning Code Amendment to the Burbank Municipal Code Title 10 Chapter 1 to implement the 2026 update. The project is located in the Media District Specific Plan area in Burbank. Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/march-2026/lac260211-04-dpeir-burbank-media-district-specific-plan-update.pdf Staff previously provided comments on the Notice of Preparation of a Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/november-2023/LAC231108-06.pdf References: LAC260909-03; LAC260715-02; LAC260211-04; and LAC231108-06 Comment Period: N/A Public Hearing: 11/10/2026	Other	City of Burbank	Document reviewed - No comments sent
Plans and Regulations **LAC261021-02** Landscape and Site Design Ordinance#	The project consists of adopting a new Landscape and Site Design Ordinance to replace the existing Landscape Ordinance (No. 170,978) and amend multiple sections of the Los Angeles Municipal Code to establish new landscape and site design objective standards through a performance-based point system intended to address pedestrian-first design, 360-degree design, and climate-adapted landscape and site design, including a new definition and standards for Outdoor Amenity Areas. The project is located citywide in Los Angeles and within three designated AB 617 communities: 1) South Los Angeles; 2) Southeast Los Angeles; and 3) East Los Angeles, Boyle Heights, and West Commerce. Reference: LAC241022-04 Comment Period: N/A Public Hearing: N/A	Final Negative Declaration	City of Los Angeles	Document reviewed - No comments sent

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October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **LAC261022-05** Downey 2045 General Plan Update and Zoning Text and Map Amendments	The project consists of a General Plan Amendment and Zoning Map amendments to establish long-term framework principles, goals, policies, and implementation programs for land use, circulation, housing, conservation, open space, noise, safety, environmental justice, design, cultural resources, and economic development. The project is located citywide in Downey. Staff previously provided comments on the Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/comment-letters/2026/august-2026/lac260708-01-draft-peir-downey-2045-general-plan-update-and-zoning-text-and-map-amendmentcaa99742-0434-461d-907c-ed5eba4403b9.pdf Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/april-2026/rvc260319-02-nop-downey-2045-general-plan-update-and-zoning-text-and-map-amendments.pdf References: LAC260708-01 and LAC260319-02 Comment Period: N/A Public Hearing: 10/21/2026	Other	City of Downey	Document reviewed - No comments sent
Plans and Regulations **ORC261007-02** Billboard Overlay Zone Change and Digital Billboard Installation Project	The project consists of a Zone Text Amendment and Development Agreement seeking to establish a new billboard overlay zone and construct a digital billboard (90 feet in height) with double-sided displays (each at 1,200 square feet) at a new overlay zone location. The project is located at 6247 Auto Center Drive in Buena Park. Comment Period: 10/2/2026 - 10/21/2026 Public Hearing: 11/4/2026	Draft Negative Declaration	City of Buena Park	Document reviewed - No comments sent
Plans and Regulations **RVC261001-14** Prohousing Designation Program Application	The project consists of an application to the California Department of Housing and Community Development (HCD) seeking a Prohousing Designation which recognizes jurisdictions that comply with State Housing Element Law and have enacted policies and programs supporting housing production and preservation. The project is located citywide in Moreno Valley. Comment Period: 10/5/2026 - 11/4/2026 Public Hearing: N/A	Other	City of Moreno Valley	Document reviewed - No comments sent

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ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2026 to October 31, 2026

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations **RVC261014-11** Winchester Community Plan (GPA No. 1207)	The project consists of adopting the Winchester Community Plan (49,275 acres) within the General Plan's Highway 79 Policy Area to guide long-term land use and transportation planning in the southwestern portion of Riverside County. The project is located in unincorporated Winchester in Riverside County. Staff previously provided comments on the Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/july/RVC220712-01.pdf Staff previously provided comments on the Notice of Preparation of a Draft Program Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190418-05.pdf References: RVC241010-05; RVC241009-01; RVC240911-14; RVC220712-01; and RVC190418-05 Comment Period: 10/9/2026 - 11/20/2026 Public Hearing: N/A	Recirculated Draft Environmental Impact Report	County of Riverside	Under review, may submit comments
Plans and Regulations **RVC261027-02** ADDENDUM for the Riverside County 2026 Climate Action Plan Update (ZR 6013)#	The project consists of adopting the 2026 Climate Action Plan (CAP) Update which: re-evaluates the previous greenhouse gas reduction targets identified in the 2019 CAP and proposes new or revised targets and reduction measures consistent with State climate change regulations; and establishes community reduction measures for energy, water efficiency, transportation, solid waste, clean energy, and agriculture to achieve 40 percent below 1990 emission levels by 2030 and 85 percent below 1990 emission levels by 2045. The project is located in all unincorporated areas of Riverside County within the South Coast AQMD jurisdiction and within the designated AB 617 Eastern Coachella Valley community. Staff previously provided comments on the Recirculated Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/april/deirno960.pdf References: RVC150605-03; RVC150219-10; and RVC140430-02 Comment Period: N/A Public Hearing: N/A	Addendum to Final Environmental Impact Report	County of Riverside	Document reviewed - No comments sent

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers **RVC260826-08** San Jacinto Commerce Center	The project consists of replacing the Villages of San Jacinto Specific Plan with the San Jacinto Commerce Center Specific Plan across eight planning areas (514 acres) with industrial, public, and flex-use land uses under two development scenarios: Development Scenario 1 (9,000,000 square feet with no cold storage) and Development Scenario 2 (6,957,000 square feet with 1,200,000 square feet of cold storage), along with a General Plan Amendment, Zone Change, Tentative Parcel Map subdividing the site into 19 parcels, and a Development Agreement. The project is located south of Ramona Boulevard, east of Odell Street, west of Sanderson Avenue, and north of Cottonwood Avenue in San Jacinto. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/june-2024/rvc240503-04-nop-san-jacinto-commerce-center-specific-plan-sjcc-sp-plan23-0001.pdf Reference: RVC240503-04 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260826-08-deir-san-jacinto-commerce-center-project.pdf Comment Period: 8/27/2026 - 10/9/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of San Jacinto	Comment letter sent on 10/8/2026
Waste and Water-related **LAC260915-04** Former Freeman Products Facility Remedial Action Plan	The project consists of conducting in-situ bioremediation of 50 new and seven existing injection wells with monitored natural attenuation and institutional and engineering controls to address contaminants of concern in groundwater, soil, and soil vapor on a 2.3-acre site. The project is located at 2040, 2000, and 1942 Artesia Boulevard in Torrance. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac260915-04-mnd-former-freeman-products-facility-remedial-action-plan.pdf Comment Period: 9/14/2026 - 10/14/2026 Public Hearing: N/A	Initial Study/Draft Mitigated Negative Declaration	Department of Toxic Substances Control (DTSC)	Comment letter sent on 10/14/2026

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

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related **RVC260820-06** Lake Skinner Regional Water Transmission System Project	The project consists of expanding the amount of treated water supplied to the southern Perris Valley area in four phases through 2045 by: 1) constructing a new water service connection turnout; 2) installing a new booster pump station capable of pumping up to 140 cubic feet per second of water; and 3) installing 14 miles of new and re-lined transmission pipelines. The project is located in unincorporated Riverside County east of the cities of Menifee and Murrieta extending from the Robert A. Skinner Water Treatment Plant to the community of Winchester. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/february/RVC240117-06.pdf References: RVC240117-06; RVC231219-01; and RVC220726-11 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260820-06-draft-peir-lake-skinner-regional-water-transmission-system-project.pdf Comment Period: 8/24/2026 - 10/8/2026 Public Hearing: N/A	Draft Program Environmental Impact Report	Eastern Municipal Water District (EMWD)	Comment letter sent on 10/8/2026
Utilities **LAC260915-02** Substation Program#	The project consists of modernizing the Los Angeles Department of Water and Power (LADWP) electrical distribution system through four components: 1) constructing four new substations in the Sun Valley, Silver Lake, Southeast, and Wilmington study areas; 2) expanding existing substations beyond existing footprints; 3) making minor improvements to existing substations within existing properties; and 4) implementing other distribution system improvements including upgrading subtransmission lines, feeder lines, and underground cables through planning horizon year 2045. The project is located citywide within the LADWP service area in Los Angeles which is within four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, and West Commerce; 2) Southeast Los Angeles; 3) South Los Angeles; and 4) Wilmington, Carson, and West Long Beach. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac260915-02-nop-of-peir-for-substation-program.pdf Comment Period: 9/15/2026 - 10/16/2026 Public Hearing: N/A	Notice of Preparation of a Draft Program Environmental Impact Report	Los Angeles Department of Water and Power (LADWP)	Comment letter sent on 10/16/2026

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Utilities **RVC260922-02** Seaflower Energy Storage System Project	The project consists of constructing and operating a utility-scale battery energy storage system with a capacity of 400 megawatt-hours using lithium iron phosphate or similar battery technology interconnected to the Southern California Edison Valley Substation, with battery modules, power conversion equipment, storage racks, individual containers, relay and communications systems, a security fence, and a permanent parking area on a 3.84-acre site. The project is located at 28720 Matthews Road in Menifee. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260922-02-mnd-seaflower-battery-energy-storage-system-project.pdf Comment Period: 9/21/2026 - 10/21/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Menifee	Comment letter sent on 10/21/2026
Institutional (schools, government, etc.) **SBC260902-06** Public Works Corporate Yard Project	The project consists of a General Plan Amendment and Zone Change from Open Space to Public Facility and Civic which seeks to construct and operate a new Public Works Corporate Yard (53.94 acres) with 10 buildings and 13 non-building structures to consolidate City administrative services, public works, information technology, and Ontario Municipal Utilities Company operations, including administrative offices, warehouse and storage facilities, fleet maintenance, hazardous waste handling, vehicle wash facilities, a municipal waste transfer station, fueling stations, and a multi-level parking structure. The project is located at 2200 East Philadelphia Street in Ontario. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2025/october-2025/sbc250903-09-nop-public-works-corporate-yard-project-(pgpa25-003-pzc-25-004).pdf References: SBC260407-02 and SBC250903-09 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/sbc260902-06-deir-public-works-corporate-yard-project.pdf Comment Period: 8/28/2026 - 10/13/2026 Public Hearing: 10/27/2026	Draft Environmental Impact Report	City of Ontario	Comment letter sent on 10/13/2026

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Medical Facility **RVC260916-08** Bradley Gardens Skilled Nursing Facility Expansion Project	The project consists of: 1) expanding an existing 44-bed skilled nursing facility from 60 to 103 beds by constructing a single-story addition (17,372 square feet); 2) converting an existing vacant office building (2,596 square feet) into a 16-bed psychiatric health facility; and 3) demolishing an existing maintenance and storage building (1,074 square feet) to create 52 vehicle parking spaces and six bicycle parking spaces. The project is located at 980 West 7th Street in San Jacinto. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/rvc260916-08-mnd-bradley-gardens-skilled-nursing-facility-expansion-project.pdf Comment Period: 9/17/2026 - 10/16/2026 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of San Jacinto	Comment letter sent on 10/16/2026
Plans and Regulations **LAC260915-03** City of Inglewood General Plan Update#	The project consists of adopting a comprehensive General Plan Update with nine elements (Circulation, Conservation, Economic Development, Environmental Justice, Housing, Land Use, Noise, Open Space, and Safety) with a planning horizon to 2050. The project is located citywide in Inglewood and within the designated AB 617 South Los Angeles community. https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/lac260915-03-nop-city-of-inglewood-general-plan-update.pdf Comment Period: 9/15/2026 - 10/15/2026 Public Hearing: N/A	Notice of Preparation of a Draft Program Environmental Impact Report	City of Inglewood	Comment letter sent on 10/15/2026

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Plans and Regulations **ORC260820-04** Palm/Goldenwest Specific Plan Amendment Project	The project consists of amending the Palm/Goldenwest Specific Plan to facilitate redevelopment of a 92-acre site by: 1) demolishing an existing oil and gas production facility and conducting site remediation; 2) constructing 800 residential units and up to 350 hotel rooms or other visitor-serving uses; and 3) establishing open space and park areas across three planning areas, Planning Area 1 (16 acres of commercial visitor uses), Planning Area 2 (53.2 acres of medium density residential uses), and Planning Area 3 (22.8 acres of open space and park uses). The project is located at 20101 Goldenwest Street in Huntington Beach. Staff previously provided comments on the Notice of Preparation of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2026/march-2026/orc260210-01-nop-palm-goldenwest-specific-plan-amendment-project.pdf Reference: ORC260210-01 https://www.aqmd.gov/docs/default-source/comment-letters/2026/october-2026/orc260820-04-draft-eir-palm-goldenwest-specific-plan-amendment-project.pdf Comment Period: 8/20/2026 - 10/2/2026 Public Hearing: N/A	Draft Environmental Impact Report	City of Huntington Beach	Comment letter sent on 10/2/2026

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ATTACHMENT C
PROPOSED AIR PERMIT PROJECTS FOR WHICH SOUTH COAST AQMD IS CEQA LEAD AGENCY
Through October 31, 2026

PROJECT PROPONENT/ PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOCUMENT	STATUS	CONSULTANT
Ecobat Resources California Inc. (formerly Quemetco) Quemetco Capacity Upgrade Project	Ecobat Resources California Inc. (formerly Quemetco) is proposing to modify its South Coast AQMD permits (Facility ID: 8547) to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs. The project is located in Los Angeles County at 720 South 7th Avenue in the City of Industry. Reference: State Clearinghouse No. 2018081096	Environmental Impact Report (EIR)	The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received. South Coast AQMD held two community meetings on November 10, 2021, and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Response to written comments submitted relative to the Draft EIR and oral comments made at the community meetings are currently being prepared by the consultant. After the Draft EIR public comment and review period closed, Quemetco submitted additional applications for other permit modifications. South Coast AQMD staff is evaluating the effect of these new applications on the EIR process.	Trinity Consultants
Tesoro Refining & Marketing Company, LLC (Tesoro) Marathon Los Angeles Refinery Modernization Projects	Tesoro is proposing modifications to its Carson Operations and Wilmington Operations at the Marathon Los Angeles Refinery in order to replace aging coke drums, produce asphalt binder, and make more high-octane, low vapor pressure clean-gasoline blendstock by modifying the fluid feed hydrodesulfurization unit, the fluidized catalytic cracking unit, and the alkylation units. The projects are located at two facilities in Los Angeles County: 1) Marathon Carson Operations, Facility ID 174655, 2350 East 223rd Street in Carson; and 2) Marathon Wilmington Operations, Facility ID 800436, 2101 East Pacific Coast Highway in Wilmington. Both of these facilities are located in the AB 617 Wilmington, Carson, and West Long Beach community. Reference: State Clearinghouse No. 2025110170	Notice of Preparation of a Draft Environmental Impact Report and Initial Study (NOP/IS)	The NOP/IS was released for a 34-day public review and comment period from November 5, 2025 to December 9, 2025 and six comment letters were received. A CEQA Scoping meeting was held on November 18, 2025. The consultant is preparing a preliminary Draft EIR, which will include responses to the comment letters received and comments made during the CEQA Scoping meeting.	Environmental Audit, Inc.

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Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 19

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, November 20, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Larry McCallon,
Committee Chair
Stationary Source Committee

JA:reh

Call to Order
Committee Chair McCallon called the meeting to order at 10:30 a.m.

Roll Call

Committee Members
Present**:** Vice Chair Larry McCallon, Committee Chair
Committee Vice Chair Holly J. Mitchell
Chair Michael A. Cacciotti
Supervisor Curt Hagman
Board Member Veronica Padilla Campos
Board Member Dr. Cedric Jamie Rutland

For additional information of the Stationary Source Committee Meeting, please refer to the Webcast.

INFORMATIONAL ITEMS:

1. **Update on Proposed Amended Rule 401 – Visible Emissions**
   Michael Krause, Assistant Deputy Executive Officer, Planning, Rule Development and Implementation, provided an overview of Proposed Amended Rule 401. For additional details, please refer to the Webcast beginning at 00:02:20.

   Chair Cacciotti inquired about the air contaminants emitted from fog machines. Staff replied they do not emit toxic compounds. Board Member Padilla-Campos asked about fog machines that residents may use, , and staff confirmed the provisions are not intended for residents.
   For additional details, please refer to the Webcast beginning at 00:06:06.

   There were no public comments.

2. **Update on Proposed Amendments to Regulation XXX – Title V Permits**
   Mr. Krause provided an update on the proposed amendments to Regulation XXX, which seeks to restore emergency affirmative defense provisions. For additional details, please refer to the Webcast beginning at 00:09:20.

   There were no comments received from the Board Members or the public.

WRITTEN REPORTS:

3. **Quarterly Permitting Enhancement Program (PEP) Update**
   Committee Chair McCallon raised a question for staff from the written report related to the upcoming schedule for IM-related program development. Jason Aspell, Deputy Executive Officer, Engineering & Permitting, responded that the paperless processing system will be highlighted as part of the upcoming PEP update at the January Board meeting. For additional details, please refer to the Webcast beginning at 00:13:53.

4. **Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program**
   The report was acknowledged by the committee.

5. **Notice of Violation Penalty Summary**
   Chair Cacciotti requested clarification regarding the $480,000 civil penalty reported for Chiquita Canyon under Rule 431.1. Brian Tomasovic, Assistant Chief Deputy Counsel, explained that the amount represented fees paid under Hearing Board rules in reference to a Hearing Board case and was not related to the outstanding NOVs for nuisance or the pending civil penalty case. Supervisor Mitchell followed up by asking whether the fees had been paid, and Mr. Tomasovic confirmed that, as indicated in the report, the fees had been paid.

   For additional details, please refer to the Webcast beginning at 00:15:09.

OTHER MATTERS:

6. Other Business

Committee Chair McCallon, Chair Cacciotti and Dr. Rutland expressed their appreciation to Supervisor Mitchell for her service and contributions to the Board. Supervisor Mitchell expressed her gratitude.

For additional details, please refer to the Webcast beginning at 00:17:00.

7. Public Comment Period

Alison Hahm and Shehla Chowdhury, NRDC; Whitney Amaya, Paola Vargas, and Nathan Carbajal, East Yard Communities for Environmental Justice; Gabriel Roman and Dori Chandler, Coalition for Clean Air; Marven Norman, CCAEJ; and Ricardo Pulido, CFASE, expressed concerns regarding Proposed Rule 1495 and urged the South Coast AQMD to not weaken the proposed rule. They raised concerns about the health and environmental impacts of methyl bromide.

Brijesh Nigam, Orgchem LLC, and Rita Loof, RadTech International, commented on proposed Rule 1168, opposing the reporting and recordkeeping requirements for UV, LED, and electron beam technologies. They requested clarification and exemptions in the rule.

For additional details, please refer to the Webcast beginning at 00:21:20.

8. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, December 18, 2026.

Adjournment

The meeting was adjourned at 11:19 a.m.

Attachments

1. Attendance Record
2. Quarterly Permitting Enhancement Program (PEP) Update
3. Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program
4. Notice of Violation Penalty Summary

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
Attendance – November 20, 2026

Councilmember Michael A. Cacciotti	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Councilmember Larry McCallon	South Coast AQMD Board Member
Supervisor Holly Mitchell	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos	South Coast AQMD Board Member
Board Member Dr. Cedric Jamie Rutland	South Coast AQMD Board Member

Whitney Amaya.	East Yard Communities for Environmental Justice
Nathan Carbajal.	East Yard Communities for Environmental Justice
Dori Chandler	Coalition for Clean Air
Shehla Chowdhury	NRDC
Allison Hahm	NRDC
Rita Loof	RadTech International
Brijesh Nigam	Orgchem LLC
Marven Norman	CCAEJ
Ricardo Pulido	CFASE
Gabriel Roman	CCAir
Paola Vargas	East Yard Communities for Environmental Justice

Jason Aspell	South Coast AQMD staff
Cesar Ayala	South Coast AQMD staff
Barbara Baird	South Coast AQMD staff
Cindy Bustillos	South Coast AQMD staff
Heather Farr	South Coast AQMD staff
Scott Gallegos	South Coast AQMD staff
De Groeneveld	South Coast AQMD staff
Angela Kim	South Coast AQMD staff
Michael Krause	South Coast AQMD staff
Howard Lee	South Coast AQMD staff
Jason Low	South Coast AQMD staff
Terrence Mann	South Coast AQMD staff
Ron Moskowitz	South Coast AQMD staff
Ghislain Muberwa	South Coast AQMD staff
Susan Nakamura	South Coast AQMD staff
Wayne Nastri	South Coast AQMD staff
Sarah Rees	South Coast AQMD staff
Alberto Silva	South Coast AQMD staff
Lisa Tanaka	South Coast AQMD staff
Brian Tomasovic	South Coast AQMD staff
Jillian Wong	South Coast AQMD staff
Victor Yip	South Coast AQMD staff

Quarterly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – November 20, 2026

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide updates to the Stationary Source Committee to report progress made under the Permitting Enhancement Program (PEP). The PEP initiative was developed as part of Senator Delgado's priorities as Chair, to enhance the permitting program and improve permitting inventory and timelines. This report provides a summary of the pending permit application inventory, quarterly production, and other PEP related activities.

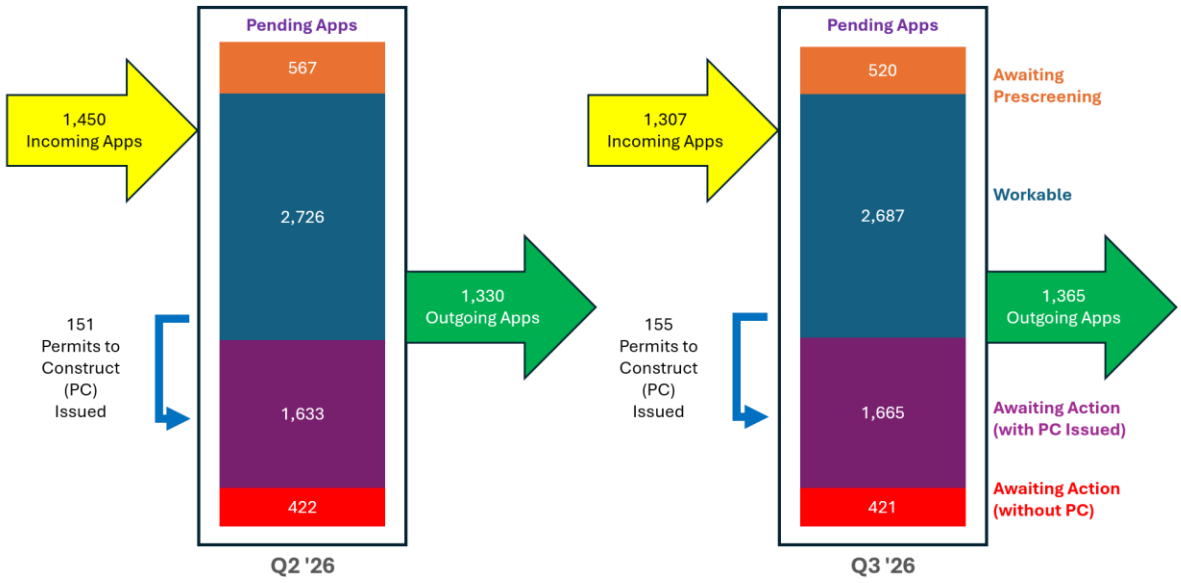
After September 2025, this report has shifted from monthly report to quarterly reporting.

Summary

Pending Permit Application Inventory

The permitting process consists of a constant stream of incoming applications and outgoing application issuances, rejections, and denials. The remainder of the applications are considered as the pending application inventory. The inventory consists of applications that are being prescreened prior to being accepted, workable applications, and non-workable applications. Non-workable means that staff are unable to proceed with processing an application because it is awaiting actions to address various regulatory requirements or deficiencies. As an example, after staff issues a Permit to Construct to a facility, staff must wait for the facility to construct and test the equipment prior to issuing a final Permit to Operate. Once a final Permit to Operate is issued, the permit application is removed from the pending application inventory. Other examples include facilities that may be in violation of rules and cannot be permitted until a facility achieves compliance, staff awaiting additional information from facilities, or facilities that have not completed the CEQA process for their project. During the life of an application, it may switch several times between being workable and non-workable as actions are taken by facilities and staff. Attachment 1 contains more detailed descriptions of the categories of non-workable permit applications. Figure 1 below provides quarterly snapshots of the pending application inventory from the previous and current quarters.

Figure 1: Application Processing Workflow – Second and Third Quarter, 2026



Staff have automated the permitting process for certain equipment, allowing staff to focus their efforts on other permit applications. Not reflected in Figure 1 are an additional 151 applications processed through this online permitting system, which did not impact the permit application inventory.

Outgoing applications (green arrow) plus permits to construct issued (blue arrow) were higher than the number of incoming applications in both the second and third quarter. Production was very consistent between second and third quarters despite challenges of permitting staff being displaced during office construction.

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last quarter. Please note that Table 1 provides a snapshot of data and applications may change status several times before final action. Multiple categories may apply to a single application, so the category totals in Table 1 may exceed the number of applications in Figure 1.

Table 1: Awaiting Action (Non-Workable) Application Category Summary

Awaiting Action (Non-Workable) Categories*	Without PC Issued			With PC Issued		
	July 2026	August 2026	Sep 2026	July 2026	August 2026	Sep 2026
Additional Information from Facility	143	138	160	5	5	6
CEQA Completion	66	66	66	1	1	1
Completion of Construction	-	-	-	1,463	1,494	1,471
Facility Compliance Resolution	44	44	45	3	3	3
Facility Draft Permit Review	14	6	20	-	-	-
Initial Review	4	4	19	-	-	-
Supplemental Review	10	2	1	-	-	-
Facility Requested Delay**	35	39	43	13	19	23
Fee Payment Resolution	4	7	11	-	-	-
Other Agency Review	23	21	27	-	-	-
Other Facility Action	2	2	-	-	-	-
Other South Coast AQMD Review	-	-	-	-	-	-
Public Notice Completion	8	6	10	-	-	-
Regulatory Review	39	29	25	1	1	-
Source Test Completion	30	25	32	175	159	161

*Please see Attachment 1 for more information on these categories.
**New category added July 2026 as further detailed in Attachment 1.

The inventory of Awaiting Action applications has steadily increased. Most of the Awaiting Action applications (85 percent) have a Completion of Construction status. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications. Facilities are required to submit extension requests if they do not complete construction and demonstrate compliance in the required Permit to Construct timeframes. For additional detailed information, the past PEP Updates may be accessed in Attachment 2.

At the May 1, 2026 Board meeting, the Board directed staff to include details on older (or "aged") applications in the inventory and modernization efforts (Table 2). Most applications are acted on within the few months of submittal. A permitting team has been established to act on permit applications with simpler requirements to improve turnaround times, however as shown in Table 1 and Attachment 1, there are several factors that can impact and extend permitting timelines. Permitting timelines are dependent on the complexity and scope of the project, as well as the applicable rules.

As part of PEP, staff has embarked on several initiatives to address aged applications. Staff presented concepts to the Permit Streamlining Task Force in June and are developing a new workplan focused on longer term strategies for aged applications and is targeting the PEP Update in the January Board meeting to present these concepts. Additionally, staff are establishing a backlog definition based on application age, application type, permitting system

(Title V or minor source), and pending permit application dashboard status, which should be finalized in Q1 2027 and will be included in this report.

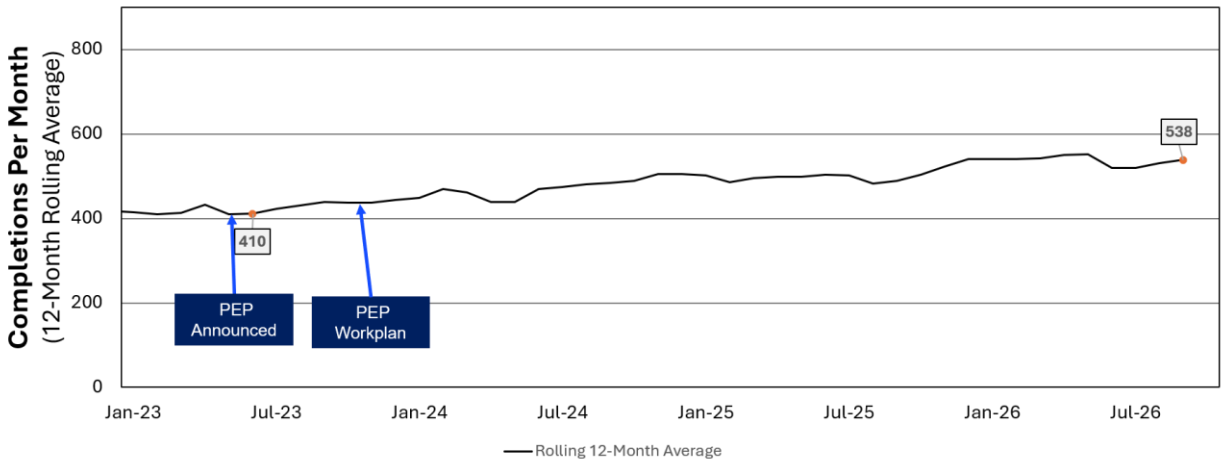
The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD, state, and federal rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending application inventory until a manageable working inventory is established.

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ Engineers was vital since these positions are the review and approval stages of the permitting process.

Production

Prior to significant staff retirements, permit production levels in 2020 were typically above 500 completions per month. Prior to PEP implementation, high vacancy rates resulted in decreased permit completions. Lower production rates, nearing 400 completions per month, occurred as the vacancy rate peaked. As the vacancies have been reduced and staff have been trained, production has increased. Figure 2 below shows a rolling 12-month average of application completions.

Figure 2: Application Completions - Rolling 12-Month Average



Production levels under PEP increased as part of the 2024-2025 Fiscal Year goal to increase annual completions by 500 over the 2023 baseline year. For the most recent 12-month period, the average completion rate was 538 applications per month.

Moving forward, staff continues to address aged applications while maintaining baseline production levels (approximately 500 per month) and developing and testing modernizations. During this time staff will act on any significant decreases in the 12-month average production that are beyond normal production fluctuation.

Engineering & Permitting (E&P) Vacancy Rate

The E&P vacancy rate at the end of the second quarter was 13.1 percent. At the end of the third quarter, the vacancy rate was reduced to 10.3 percent. The minimum target vacancy rate for PEP is 10 percent. When PEP was first announced, the E&P vacancy rate was greater than 20 percent. As of November 1, the vacancy rate is 8.0 percent. Currently, over 98 percent of the AQ Engineer positions are currently filled in E&P, but this is expected to drop over the next two quarters due to upcoming promotional recruitments. Significant promotional recruitment activities are expected in 4Q 2026 and 1Q 2027.

PEP Modernization Update

Table 2 summarizes Information Management related enhancement activities to modernize the permitting system.

Table 2: Information Management Related Modernization Updates

IM Modernization Initiative	Key Activities	Upcoming Activities
Permit Engineering Portal	▪ Completed second-round enhancements; Completed internal IM testing; ready for E&P User Acceptance Testing (UAT) ▪ Finalized enhanced Electronic Library requirements with E&P; development underway	▪ Conduct final User Acceptance Testing (UAT) of second-round enhancements ▪ Complete development of enhanced Electronic Library functionality
PAATS (Permit Application Acceptance Tracking System) Legacy System Rewrite	▪ Completed comprehensive analysis of the legacy system; developed and submitted redesign user stories to E&P for review ▪ Development in progress for the pre-screening module, including full reversal capabilities and Finance system integration	▪ Work with E&P to review and refine user stories ▪ Complete development of the pre-screening module ▪ Conduct User Acceptance Testing (UAT) of the pre-screening module with E&P
Permit Statistics Dashboard	▪ Completed security enhancements, automated data refresh, and other enhancements ▪ Initiated development of second-round user-requested enhancements	▪ Deploy the Permit Statistics Dashboard to production ▪ Complete second-round user-requested enhancements

IM Modernization Initiative	Key Activities	Upcoming Activities
Engineering Permitting Intelligent Chatbot (EPIC)	▪ Conducted automated testing using over 1,100 test cases covering Rule 301 and Rule 219 combinations ▪ Improved chatbot response accuracy from 88% to 95% ▪ Identified and initiated additional enhancements to further improve accuracy toward 100%	▪ Complete the identified enhancements to further improve chatbot response accuracy ▪ Submit for internal/legal review

Key Activities

- Permitting Working Group meeting was held on August 13, 2026 to present updates to Risk Assessment Procedures following the amendment to Rule 1401 – New Source Review of Toxic Air Contaminants.
- E&P staff conducted technical investigations at multiple facilities as part of the City of Paramount hexavalent chromium air monitoring efforts.
- Finalized job offers and started onboarding of eleven new AQ engineers. Succession planning efforts resulted in filling two Senior AQ Engineering Manager after two retirements. The effort resulted in no managerial vacancy gaps. Two Working Out of Class positions were filled for Supervising AQ Engineer and Senior AQ Engineer in the Waste Management team.
- Finalized procedure for E&P Document Management System to standardize permitting guidance and policy documents for easier reference and access. This is a focus area in PEP.
- After pausing testing to focus on permit production in late Q2 and early Q3, E&P staff resumed testing on Permit Engineering Portal in addition to testing and utilizing paperless processing systems.
- 3rd Floor Construction was completed in mid-August after two months of critical upgrades to the infrastructure which temporarily displaced E&P staff. Staff shifted to paperless permit processing during this time.

Upcoming Events:

- E&P has a division goal of conducting at least six public meetings this fiscal year.
    - The following Permitting Working Group meetings are planned:
        - Permit Processing Handbook Chapter on Metal Cutting - December 2026
- The New Source Review Preliminary Determination of Equivalency will be presented in February to SSC and March to the Board.
- PEP Updates to Governing Board are scheduled for January and June 2027.

Attachment 1

Explanation of Non-Workable Application Statuses

Workable applications are those applications where staff have the required information to process the permit application.

Non-workable applications are those applications where the application process has been paused while staff are awaiting the resolution of one or more related tasks or where the permit cannot be issued.

Description of Non-Workable/Awaiting Action Terms

Additional Information from Facility
During permit processing staff may need additional information from a facility that was not included in the original permit application package or a change of scope of the proposed project. Additional information may include items regarding materials used in the equipment (such as toxics), equipment information, or other items to perform emission calculations or determine compliance for the proposal in the application.

CEQA Completion
Prior to issuing permits, CEQA requirements are required to be evaluated and completed. South Coast AQMD can either be the Lead Agency that certifies or approves the CEQA document or the Responsible Agency that consults with the Lead Agency (typically a land use agency) on the CEQA document.

Completion of Construction
After a Permit to Construct is issued, the permit application file remains in the pending application inventory. Staff must wait for the facility to complete construction prior to completing other compliance determination steps before the permitting process can continue. Typically, a Permit to Construct is valid for one year, but it may be extended for various reasons if the facility demonstrates they are making increments of progress. For some large projects, construction may take years while the permit application remains in the pending application inventory.

Facility Compliance Resolution
Prior to issuing permits the affected facility must demonstrate compliance with all rules and regulations [Rule 1303(b)(4)]. Prior to the issuance of a Permit to Construct, all major stationary sources that are owned or operated by, controlled by, or under common control in the State of California are subject to emission limitations must demonstrate that they are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act. [Rule 1303(b)(5)(B)].

Facility Draft Permit Initial Review
If a facility requests to review their draft permit, staff provides the facility a review period prior to proceeding with issuance. During the review period, staff do not perform any additional evaluation until feedback from the facility is received. Some projects include several permits or large facility permit documents which may take substantial time to review.

Facility Draft Permit Supplemental Review

Once staff provides a draft permit to a facility for review, staff is typically ready to proceed with permit issuance based on the proposed draft. If a facility requests revisions to their draft permit, provided additional evaluation is not required, the application continues to be pending until feedback from the facility is resolved. If additional evaluation is required, an additional permit modification application may be required. Some projects include several permits or large facility permit documents which may take substantial time to review. This category was added in May 2025 after experiencing noticeable delays to the permitting process.

Facility Requested Delay

If a facility requests a delay in processing a permit application, staff will not perform any additional evaluation until a subsequent request to resume processing is received. Facilities often request these delays for larger projects that combine package equipment (such as emergency engines) with design-build process units constructed in phases. Delaying the issuance of an emergency engine permit may be preferred to avoid the operating fees that would commence following permit issuance for equipment that is not be planned for construction or operation until the primary process units are constructed.

Fee Payment Resolution

Prior to issuing permits, all fees must be remitted, including any outstanding fees from associated facility activities including, but not limited to, annual operating and emission fees, modeling or source testing fees, and permit reinstatement fees.

Other Agency Review

The Title V permitting program requires a 45-day review of proposed permitting actions by U.S. EPA prior to many permitting actions. During the review period, staff are unable to proceed with permit issuance. If U.S. EPA has comments or requests additional information, the review stage may add weeks or months to the process before staff can proceed with the project.

For Electricity Generating Facilities (Power Plants), CEC may provide a review of proposed permits prior to issuance.

Other Facility Action

Prior to issuing a permit, a facility may need to take action to address deficiencies or take steps to meet regulatory requirements. This may include acquiring Emission Reduction Credits after staff notifies a facility the project requires emissions to be offset, performing an analysis for Best Available Control Technology requirements, or conducting air dispersion modeling.

Other South Coast AQMD Review

Prior to proceeding with a permit evaluation, permit engineering staff may require assistance and support from other South Coast AQMD departments. For example, IM support for electronic processing due to unique or long-term project considerations or to complete concurrent review of separate phases or integrated processes for multi-phase projects is routinely needed.

Public Notice Completion

There are several South Coast AQMD requirements that may require public noticing and a public participation process prior to permit issuance. Rule 212 and Regulation XXX both detail public noticing thresholds and requirements which include equipment located near schools,

high-emitting equipment, equipment above certain health risk thresholds, or significant projects or permit renewals in the Title V program. The public notice period is typically 30 days, and staff are required to respond to all public comments in writing prior to proceeding with the permitting process. Other delays in the public notice process may include delays in distribution of the notice by the facility, incomplete distribution which may require restarting the 30-day period, or requests for extension from the public.

Regulatory Review

Additional regulatory review may be required to address an emerging or unique technology or process that may not have been fully accounted for in the original applicable rule making. Such cases may result in the development of a subsequent regulatory amendment or formal advisory to fully demonstrate compliance prior to permit issuance.

Source Test Completion

Many rules require source testing prior to permit issuance. Source testing is the measurement of actual emissions from a source that may be used to determine compliance with emission limits, or measurements of toxic emissions may be used to perform a health risk assessment. Lab analysis of an air sample is often required as part of the process. The testing is performed by third party contractors who prepare a source test protocol to detail the testing program, and a source test report with the results of the testing and equipment operation. Both the protocol and report need to be reviewed and approved by South Coast AQMD staff.

Attachment 2

Links to Previous PEP Updates

2024

April 19, 2024 – First PEP Update

May 17, 2024

June 21, 2024

July 2024 – No Stationary Source Committee meeting

August 16, 2024

September 20, 2024 - Canceled

October 18, 2024

November 15, 2024

December 20, 2024

2025

January 24, 2025

February 21, 2025

March 21, 2025

April 18, 2025

May 16, 2025

June 20, 2025

July 2025 – No Stationary Source Committee Meeting

August 15, 2025

September 19, 2025

November 21, 2025 – Start of Quarterly Reporting

2026

February 20,2026

May 15, 2026

August 21, 2026

November 2026 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018, Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. Key activities with U.S. EPA and CARB since the last report are summarized below.

- RECLAIM/NSR Working Group meeting is not planned for November
- The RECLAIM/NSR Working Group will be reconvened when there is information to report

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office

Settlement Penalty Report (10/01/2026 - 10/31/2026)

Total Penalties

Civil Settlement: $359,589.50
Hearing Board Settlement: $483,454.72
MSPAP Settlement: $170,729.45

Total Cash Settlements: $1,013,773.67
Total SEP Value: $0.00

Fiscal Year through 10/31/2026 Cash Total: $4,166,358.40
Fiscal Year through 10/31/2026 SEP Value Only Total: $0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
800088	3M COMPANY	2004, 3002	10/09/2026	JL	P75882, P75892	$20,700.00
115394	AES ALAMITOS, LLC	2004, 3002	10/23/2026	SH	P80679	$10,000.00
206763	AMCOR	2305	10/06/2026	GML	O15406	$22,880.00
177658	BURNS ENVIRONMENTAL SERVICES	1403	10/06/2026	MR	P80817	$10,000.00
800003	HONEYWELL INTERNATIONAL INC	2004, 2012, 3002	10/02/2026	SH	P75913	$42,500.00
3513	IRVINE RANCH WATER DIST	3002	10/09/2026	JL	P77867	$31,700.00
181188	JJ & S ASBESTOS REMOVAL, INC	221, 1401, 1403, 40 CFR 61.145	10/09/2026	ND	P69846, P75782, P75797, P78501, P78646, P79173	$15,610.50
208715	LASER INDUSTRIES, INC.	203	10/02/2026	GML	P64195	$80,000.00
206783	MASCOT	2305	10/06/2026	DH	O15439	$37,000.00
176823	RIALTO BIOENERGY FACILITY, LLC	203, 430, 1110.2	10/06/2026	KER	P74799, P75768, P75872, P76135, P79534, P79535, P79540	$49,999.00
206368	SOUTHWIND FOODS	2305	10/01/2026	GML	O15534	$25,000.00

800026	ULTRAMAR INC	468, 1173, 3002	10/09/2026	JL	P78827, P78828, P78833, P78834, P78835	$14,200.00
Total Civil Settlements: $359,589.50						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	10/22/2026	KER/MR	6143-4	$2,600.00
119219	CHIQUITA CANYON LLC	431.1, 3002	10/22/2026	KER/MR	6177-4	$480,854.72
Total Hearing Board Settlements: $483,454.72						
MSPAP						
153367	ARCO AM/PM, KARNAIL CHAND	461, H&S 41960.2	10/16/2026	VB	P82494	$2,917.00
210824	BEYOND FOOD MART INC	461, H&S 41960.2	10/13/2026	VB	P75369	$2,789.00
193243	BMW OF PALM SPRINGS	203, 461	10/13/2026	CR	P78927, P78931	$4,996.00
210406	BRAND SURGICAL INSTITUTE	203	10/01/2026	LT	P82261	$1,094.00
201052	CLASSIC BEVERAGE OF SOUTHERN CALIFORNIA	2305	10/22/2026	LT	O15694	$3,375.00
194247	DRINKPAK, LLC	203	10/06/2026	CL	P81870	$2,098.00
209880	EARTH TEK	403	10/22/2026	CR	P82555	$3,111.00
13854	EAST LOS ANGELES COLLEGE	1415, 3002	10/20/2026	CL	P83158	$4,776.00
208113	ESAAM LIMITED, INC.	1403, 40 CFR 61.145	10/16/2026	CR	P81123	$1,941.00
201557	FIRE STATION 178	203	10/01/2026	LT	P82556	$1,094.00
202051	FORTUNE DYNAMIC INC.	2305	10/01/2026	VB	O15681	$14,200.00
122744	HELO CHEVRON	461	10/20/2026	CL	P79068	$1,990.00
76254	INDUSTRY CONVALESCENT HOSP, EL ENCANTO	222, 1415	10/06/2026	CL	P67129	$3,627.00
203960	LIST LOGISTICS, LLC	2305	10/16/2026	LT	O15610	$11,000.00
209651	LPJ CAPITAL, LLC	1403, 40 CFR 61.145	10/06/2026	CR	P82047	$1,941.00
3029	MATCHMASTER DYEING & FINISHING INC	2004	10/01/2026	CL	P81816	$1,873.00
202820	MAXZONE VEHICLE LIGHTING	2305	10/22/2026	LT	O15616	$11,000.00
176952	MERCEDES-BENZ WEST COAST CAMPUS	203, 461	10/06/2026	CL	P66328	$522.00
209889	MORENO BATH	2305	10/06/2026	LT	P73733	$19,800.00
179847	NEPTUNE LAND LLC	203	10/06/2026	SW	P82483	$1,294.00
208435	NEXT PHASE CONSTRUCTION, INC	403	10/06/2026	CR	P63281	$5,646.50
201553	QVC	2305	10/13/2026	CR	O15598	$10,224.00
137111	RASHID & SONS INC	201	10/16/2026	VB	P82476	$2,059.00
199988	RB OIL INC	203, 461	10/06/2026	LT	P82208	$2,789.00

199141	REDLANDS # 2	2305	10/16/2026	LT	P79241	$16,000.00
33177	RIV CO FLOOD CONTROL DIST	461	10/16/2026	VB	P81390	$7,455.00
89710	ROYAL CABINETS	3002	10/22/2026	CL	P78369	$1,791.00
119403	SAN CLEMENTE CARWASH	461	10/16/2026	SW	P80981	$624.00
209643	STR8 ABOVE ROOFING	1403, 40 CFR 61.145	10/16/2026	CR	P82045	$1,545.95
201606	STURGEON SERVICES INT.	221, 1166	10/01/2026	CL	P81160, P81301	$8,192.00
188941	TEN THREE FOUR FIVE OWNER, LLC	203	10/22/2026	CR	P82407	$1,294.00
159731	COUNTY OF RIVERSIDE (LESSEE)	203	10/22/2026	CR	P81378	$1,294.00
193960	THE JANKOVICH COMPANY, LLC	461, H&S 41960.2	10/22/2026	CR	P75379	$2,588.00
195964	VAN NUYS AMSTAR INC	461, H&S 41960.2	10/06/2026	LT	P75377	$2,789.00
201823	WCC PHASE II REALTY HOLDING COMPANY, LLC	2305	10/06/2026	LT	O15688	$11,000.00

Total MSPAP Settlements: $170,729.45

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 2026 PENALTY REPORT

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 203	Permit to Operate
Rule 221	Plans
Rule 222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

Rule 403	Fugitive Dust
Rule 430	Breakdown Provisions
Rule 431.1	Sulfur Content of Gaseous Fuels
Rule 461	Gasoline Transfer and Dispensing
Rule 468	Sulfur Recovery Units

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2	Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
Rule 1166	Volatile Organic Compound Emissions from Decontamination of Soil
Rule 1173	Fugitive Emissions of Volatile Organic Compounds

REGULATION XIV - TOXICS

Rule 1401	New Source Review of Toxic Air Contaminants
Rule 1403	Asbestos Emissions from Demolition/Renovation Activities
Rule 1415	Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

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

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

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

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR OCTOBER 2026 PENALTY REPORT

REGULATION XXX - TITLE V PERMITS
Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS
40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE
H&S § 41960.2 Gasoline Vapor Recovery
H&S § 42404 Violation of Emission Limitations; Civil Penalty

Back to Agenda

BOARD MEETING DATE: December 4, 2026 AGENDA NO. 20

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a hybrid meeting on Friday, November 20, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Carlos Rodriguez,
Committee Chair
Technology Committee

AK:kr

Call to Order
Committee Chair Carlos Rodriguez called the meeting to order at 12:00 p.m.

Roll Call

Committee Members
Present: Committee Chair Carlos Rodriguez
Vice Chair Larry McCallon
Supervisor Curt Hagman
Board Member Veronica Padilla-Campos

Absent: Mayor Patricia Lock Dawson
Supervisor Janet Nguyen

For additional details of the Technology Committee Meeting, please refer to the Webcast.

ACTION ITEM:

1. **Execute Contract to Demonstrate Advanced Combustion Technology for Heavy-Duty Diesel Engines**

   Sam Cao, Planning and Rules Manager, Technology Advancement Office, presented on the partnership with CARB and Sandia National Laboratories (Sandia) to develop and demonstrate ducted fuel injection (DFI) technology to reduce NOx and PM emissions from heavy-duty diesel engines while improving engine efficiency. Previous Sandia research showed emission reductions using DFI in a heavy-duty on-road diesel engine. This action is to execute a contract with Sandia for up to $100,000 from the Clean Fuels Program Fund (31) to develop and demonstrate DFI technology for heavy-duty diesel engine applications. For additional details, please refer to the Webcast beginning at 3:45.

   Ranji George, representing himself, commented that oil companies fund this type of research rather than relying on public funding. For additional details, please refer to the Webcast beginning at 7:47.

   Committee Chair Rodriguez commented that the potential emission reductions are promising and looks forward to seeing the project results. For additional details, please refer to the Webcast beginning at 9:43.

   Moved by Hagman; seconded by McCallon; unanimously approved.

Ayes:	Hagman, McCallon, Rodriguez, Padilla-Campos
Noes:	None
Abstain:	None
Absent:	Lock Dawson, Nguyen

INFORMATIONAL ITEM:

2. **Presentation from Curtin Maritime**

   Blake Klingeman, President, Curtin Maritime presented on the progress and outlook of Curtin Maritime's transition to lower and zero-emission operations and the deployment of battery-electric harbor tugs in the Ports of Los Angeles and Long Beach. For additional details, please refer to the Webcast beginning at 10:45.

   Supervisor Hagman asked about charging infrastructure and how Curtin Maritime plans to address power availability at the ports. Mr. Klingeman explained that the company is initially developing a charging barge with on-site power generation. For additional details, please refer to the Webcast beginning at 20:20.

   Committee Chair Rodriguez asked about the number of zero-emission tugboats in operation, their costs compared to conventional tugboats, and challenges to wider adoption. Mr. Klingeman explained that their first tugboat is nearing delivery, with a

second under construction. He noted that the cost is within about 10 percent of a conventional tugboat. For additional details, please refer to the Webcast beginning at 21:40.

Board Member Padilla-Campos asked about the tugboat's operating capacity, crew requirements, and maintenance costs. Mr. Klingeman explained that the tugboat can complete about three to four jobs per charge, requires the same crew size, and is expected to have lower maintenance costs. For additional details, please refer to the Webcast beginning at 33:18.

Ranji George, member of the public, expressed support for the project and raised concerns about battery recycling. Mr. Klingeman explained that the batteries are expected to last many years and could be reused for stationary energy storage after their service on the tugboats. For additional details, please refer to the Webcast beginning at 37:33.

OTHER MATTERS:

3. **Other Business**
   No other business.

4. **Public Comment Period**
   Ranji George, member of the public, expressed his concerns for battery disposal at the end of the battery life, stating that the recycling plants are in environmental justice areas causing air quality issues. For additional details, please refer to the Webcast beginning at 41:30.

5. **Next Meeting Date**
   The next regular Technology Committee meeting is scheduled for Friday, January 22, 2027 at 12:00 p.m.

Adjournment
The meeting adjourned at 12:42 p.m.

Attachment
Attendance Record

ATTACHMENT

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TECHNOLOGY COMMITTEE MEETING
Attendance Record – November 20, 2026

Committee Chair Carlos Rodriguez	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Councilmember Larry McCallon	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos	South Coast AQMD Board Member
Board Member Cedric Rutland	South Coast AQMD Board Member
Erin Sheehy	Board Consultant (Rodriguez)
Melodee Black	Public Member
Nathan C	Public Member
Dori Chandler	Public Member
Shehla Chowdhury	NRDC
Curtis Coleman	Public Member
KC Corliss	Public Member
Ranji George	Public Member
Moses Huerta	Public Member
Sean Kearns	Public Member
Bill LaMarr	Public Member
Sai Lee	OC Sanitation
Rita Loof	Public Member
Alejandro Marquez	Public Member
Holly J. Mitchell	Public Member
Brijesh Nigam	Public Member
Marven Norman	CCAEJ
Ricardo Pulido	Public Member
Gabriel Roman	CCAir
Ramine Ross	WSPA
Craig Sakamoto	PBF Energy
Alexander Silverman	Public Member
Tara Tisopulos	Orange County
Peter Whittingham	Public Member
Jivar Afshar	South Coast AQMD Staff
Maria Allen	South Coast AQMD Staff
Jason Aspell	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Sam Cao	South Coast AQMD Staff
Jack Cheng	South Coast AQMD Staff
Roula El Hajal	South Coast AQMD Staff
Carlos Gonzalez	South Coast AQMD Staff

Alex Han ..... South Coast AQMD Staff
Sheri Hanizavareh ..... South Coast AQMD Staff
Aaron Katzenstein ..... South Coast AQMD Staff
Brandee Keith ..... South Coast AQMD Staff
Angela Kim ..... South Coast AQMD Staff
Sinae Kim ..... South Coast AQMD Staff
Wayne Nastri ..... South Coast AQMD Staff
Howard Lee ..... South Coast AQMD Staff
Jenny Loh ..... South Coast AQMD Staff
Terrence Mann ..... South Coast AQMD Staff
Ian MacMillan ..... South Coast AQMD Staff
Ghislain Muberwa ..... South Coast AQMD Staff
Wayne Nastri ..... South Coast AQMD Staff
Kevin Orellana ..... South Coast AQMD Staff
Payam Pakbin ..... South Coast AQMD Staff
Vasileios Papapostolou ..... South Coast AQMD Staff
Olga Pikelnaya ..... South Coast AQMD Staff
Gail Quan ..... South Coast AQMD Staff
Cynthia Ravenstein ..... South Coast AQMD Staff
Sarah Rees ..... South Coast AQMD Staff
Kristin Remy ..... South Coast AQMD Staff
Lisa Tanaka ..... South Coast AQMD Staff
Mei Wang ..... South Coast AQMD Staff

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 21

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: The Mobile Source Air Pollution Reduction Review Committee held a hybrid meeting on Thursday, November 19, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael Cacciotti
South Coast AQMD Representative
to MSRC

AK:CR:me

South Pasadena Police Department Fleet EV Transition Project
Sergeant Tony Abdalla presented on the City of South Pasadena Police Department's project, partially funded by the MSRC, to transition their entire police fleet from gasoline to battery electric vehicles. The Department addressed challenges including higher upfront costs, adapting a consumer vehicle to a law enforcement use case, perceptions associated with law enforcement culture, and the technology learning curve. They garnered assistance from project partners such as funding support from the MSRC and Southern California Edison.

To date, the Department has noted a significantly reduced operational cost per mile for the Tesla Model Y patrol vehicles in comparison to their predecessors, comprised of reductions in fuel and maintenance costs. Vehicle performance exceeds that of previous vehicles. The Department recommends that other law enforcement agencies consider the transition carefully and analyze their use case and charging infrastructure.

Consider Responses to Program Opportunity Notice 2026-01 – Electric Vehicle Charging Infrastructure Resiliency Program
The MSRC and South Coast AQMD Board previously approved release of Electric Vehicle Charging Infrastructure Resiliency Program Opportunity Notice (PON)

PON2026-01 targeting $30,000,000 in funding. Eligible resiliency features included onsite low emission power generation, photovoltaic generation, and battery energy storage. Reasons for resiliency placement included providing interim power when grid connection is delayed, supporting continued EV charging during Public Safety Power Shutoff (PSPS) events, leveling power use, and extending infrastructure uptime during outages. The PON set a June 2, 2026 response deadline and received 38 responses. The PON indicated that for each response, the MSRC could choose to request submittal of a full proposal, provide notification that a detailed RFP will be issued later, or provide notification that the proposed concept has been declined from further consideration.

The MSRC considered recommendations from its MSRC-TAC and will request five respondents, with projects totaling $26,406,398, to submit more detailed proposals for possible future sole source funding consideration: Los Angeles County Metropolitan Transportation Authority, Long Beach Container Terminal, L3 Energy 2 LLC – Madison Point, Transportation Commodities, Inc., and City of South Pasadena. The MSRC also directed staff to develop a proposed follow-on RFP for MSRC consideration at an upcoming meeting. The MSRC will then consider allocating additional funding to the Work Program category.

Contracts Administrator's Report

The MSRC AB 2766 Contracts Administrator's report provides a written status report on all open contracts from FY 2011-12 to the present. The Contracts Administrator's Report for August 28, 2026 through October 29, 2026 is attached.

Attachments

1. Minutes of August 20, 2026 MSRC Meeting
2. August 28, 2026 through October 29, 2026 Contracts Administrator's Report

MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, AUGUST 20, 2026 MEETING MINUTES
21865 Copley Drive, Diamond, Bar, CA 91765

MEMBERS PRESENT:

(Chair) Larry McCallon, representing San Bernardino County Transportation Authority (SBCTA)
(Vice-Chair) Brian Berkson, representing Riverside County Transportation Commission (RCTC)
Michael Cacciotti, representing South Coast Air Quality Management District (AQMD)
Mark Henderson , representing Southern California Association of Governments (SCAG)
Patrick Harper, representing Orange County Transportation Authority (OCTA)
William Robertson, representing California Air Resources Board (CARB)
Martin Buford, representing Regional Rideshare Agency

MSRC-TAC MEMBERS PRESENT:

Steven Lee, LA Metro
Mariany Anaya (Alt.), SBCTA
Lijin Sun, SCAG

OTHERS PRESENT:

Daisy Artega
Enny Graham, City of Santa Monica
La Rhonda Staggers
Laura Henkels, Clean Energy
Mark Yamarone, LA Metro
Mauricio Alvarez
Sam Emmersen, Better World Group
Sarah Carey, Santa Clarita Transit
Tina De La Rosa
Polash Mukerjee
Cindy Cho

SOUTH COAST AQMD STAFF & CONTRACTORS PRESENT:

Aaron Katzenstein, Deputy Executive Officer
Aisha Reyes, Sr. Public Affairs Specialist
Alberto Silva, Senior Information Technology Specialist
Brisa Lopez, MSRC Administrative Liaison
Cynthia Ravenstein, MSRC Contracts Administrator
Darren Ha, MSRC Program Supervisor
Debra Ashby, Sr. Public Affairs Specialist
Erika Chavez, Principal Deputy District Counsel
Karen Sandoval, Budget & Grants Manager
Jessica Sosa, MSRC Contracts Assistant
Jose Zavala, Board Assistant
Maria Allen, Administrative Assistant
Marjorie Eaton, Administrative Assistant
Ray Gorski, MSRC Technical Advisor-Contractor
Sam Cao, Planning and Rules Manager

CALL TO ORDER

- Chair McCallon called the meeting to order at 2:00 p.m.

- Roll call was taken at the start of the meeting. MSRC Member Patrick Harper arrived at 2:02 p.m. MSRC Member Michael Cacciotti arrived at 2:04 p.m.

- Status Report

  Cynthia Ravenstein, MSRC Contracts Administrator, gave a status report on the Contracts Administrator's Report. The recent update to this report provided a streamlined view of ongoing contract activities, current challenges, and upcoming decisions.

  The Contracts Administrator's Report covers a two-month period. During this time, a $4 million contract with Orange County Transportation Authority was executed to provide expanded transit mobility services for the 2028 Olympic Games.

  The Contracts of Concern section of the report focuses on contracts that present challenges or which may require decisions in the near term. These included: Los Angeles County Metropolitan Transportation Authority, with whom staff is scheduling a meeting to go over the project's emission benefits; County of Los Angeles, which still has several charging stations that need to be completed; City of South Pasadena, which has an extension request on the agenda today; Los Angeles Cleantech Incubator, whose previously selected operating firm, POLA, has withdrawn, requiring a new procurement solicitation released on July 28, 2026; and Enevate Corp. and Evolectric, whose projects are on the current agenda.

- Chair McCallon asked for public comment on the MSRC Contracts Administrator's Report

  No public comment.

- Chair McCallon asked for disclosures.

  Item No. 6 – MSRC Member Michael Cacciotti said he does not have a financial interest in Item No. 6 but is required to identify for the record that he is a council member for the City of Pasadena, which is involved in this item.

  Item No. 11 – MSRC Member Martin Buford said he must recuse himself from participation in Item No. 11 because of a financial interest in his employment with

the Los Angeles County Metropolitan Transportation Authority, which is involved in this item.

Item No. 11 – MSRC Member Brian Berkson said he does not have a financial interest in Item No. 11 but is required to identify for the record that he is a member of the Board of Directors of the Riverside Transit Agency, which is involved in this item.

Item No. 2 – MSRC Chair Larry McCallon said he does not have a financial interest in Item No. 2 but is required to identify for the record that he is an alternate member of the Board of Directors of Omnitrans, which is involved in this item.

- Chair McCallon asked for public comment on the Consent Calendar for Items Nos. 1 through 4.

No public comment.

1. Minutes of May 21, 2026 MSRC Meeting
May 21, 2026, MSRC meeting minutes were included in the agenda package.

Motion/Votes	**Details**
Motion	Approve minutes of May 21, 2026 MSRC meeting
Moved by	Cacciotti
Seconded by	Robertson
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	Staff will include the MSRC minutes with the MSRC Committee Report for the September 2026 South Coast AQMD Board Meeting.

2. Summary of Final Report by MSRC Contractor
Final report was included in the agenda package for Contract #MS24003 – Bloomington Microtransit Service Expansion.

Motion/Votes	Details
Motion	Approve final report by MSRC contractor
Moved by	Cacciotti
Seconded by	Robertson
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	Staff will release any remaining retention on the contract.

3. Financial Report on AB 2766 Discretionary Fund

A financial report on the AB 2766 Discretionary Fund for July 2026 and results of the 16th biennial AB2766 Audit covering FYs 2021-22 and 2022-23 were included in the agenda package.

Motion/Votes	Details
Motion	Approve financial report on AB 2766 discretionary fund
Moved by	Cacciotti
Seconded by	Robertson
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	No action necessary.

4. Report on Outreach Activities

This report provides summary of outreach communications and policy activities undertaken by the Better World Group on behalf of the MSRC for Fall 2026.

Motion/Votes	Details
Motion	Approve Better World Group activities report
Moved by	Cacciotti
Seconded by	Robertson
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	No action necessary.

ACTION CALENDAR (Items 5 through 11)

5. Consider Adopting Disability Accommodation Procedure

Erika Chavez, Principal Deputy District Counsel, presented that Senate Bill 707, signed into law by Governor Newsom, amends the Ralph M. Brown Act, placing new duties upon legislative bodies with respect to open meetings. Pursuant to SB 707, legislative bodies must implement a procedure for receiving and swiftly resolving requests for reasonable accommodation from members with disabilities. The MSRC considered and adopted a Disability Accommodations Procedure to resolve requests for disability accommodation.

Chair McCallon asked for public comment on Item No. 5.

No public comment.

Motion/Votes	Details
Motion	Approve adoption of disability accommodation procedures
Moved by	Berkson
Seconded by	Cacciotti
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	MSRC staff will include this procedure in the policies and procedures of the MSRC.

FY 2021-24 Work Program

6. Consider Thirteen-Month Term Extension by City of South Pasadena (City), Agreement #MS24002

Darren Ha, MSRC Program Supervisor, presented that the City of South Pasadena indicated delays associated with key staff turnover, including a City Manager, Public Works Director, and Capital Improvement Project Managers, have delayed the installation of the Level III charger. The City requests a 13-month term extension; this contract was previously extended for 16 months.

MSRC Members Patrick Harper and Michael Caccioti's discussed the City's progress on installing and using EV chargers for police vehicles. Staffing turnovers among engineers and city managers delayed the project. Currently, only Level 2 chargers have been installed so far, which are used to charge detective vehicles overnight. For patrol vehicles, particularly the Tesla Model Ys, the Level 2 chargers support only a fraction of the fleet's overnight charging needs due to capacity constraints. The remaining patrol vehicles utilize nearby public fast-charging stations. This network of chargers enables police to maintain operational readiness, reduces safety risks associated with officers waiting in their vehicles late at night, and enhances fleet management efficiency. The MSRC Contracts Administrator recommended approval with the condition that the City provide documentation confirming the selection of an installation contractor by February 26, 2027.

Chair McCallon asked for public comment on Item No. 6.

No public comment.

Motion/Votes	Details
Motion	Approve 13-month extension contingent upon receiving documentation confirming the selection of an installation contractor by 02/26/2027
Moved by	Harper
Seconded by	Robertson
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	MSRC staff will modify the contract accordingly.

7. Consider Modified Award for Project Specified in Memoranda of Understanding (MOUs) with Ports of Long Beach and Los Angeles

Cynthia Ravenstein, Contracts Administrator, presented that in June 2026, the MSRC approved modifications to the POLB MOU to change the description of work. The modified MOU was considered and approved by the South Coast AQMD Board on August 7, 2026. To effectuate the project impacted by the modifications, it was necessary to authorize a modified award from the funds being conveyed by POLB and POLA. The MSRC approved a modified contract award to 4 Gen Logistics for installation of heavy-duty recharging infrastructure at locations in Rialto and Long Beach, substituting a total of 20 megawatt charging system chargers distributed between the two sites instead of the original total of 46 combined charging system chargers, with funds from POLA/POLB EVSE Infrastructure Projects Special Revenue Fund (92), conditioned on execution of the modified POLB MOU. Advances in charging technology allow fewer megawatt charging system units to deliver greater overall capacity than the original combined charging system chargers, enabling both sites to charge more trucks each day despite having fewer chargers. There would be no change to the total funding award amount of $7,876,168. The MSRC Contracts Administrator recommended the approval of this modification, conditioned upon South Coast AQMD approval of the POLB MOU relevant to the project.

Chair McCallon asked for public comment on Item No. 7.

No public comment.

Motion/Votes	Details
Motion	Approve modification conditioned upon south coast AQMD approval of the POLB MOU relevant to the project
Moved by	Cacciotti
Seconded by	Henderson
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	MSRC staff will include the modified contract award to 4 Gen Logistics for approval at the September 2026 South Coast AQMD Board meeting.

FY 2024-27 Work Program

8. Update of Agreement #MS27002 (Proposed) with the California Energy Commission ($6,000,000) – West Coast Truck Charging Corridor Project

Cynthia Ravenstein, MSRC Contracts Administrator, presented that in November 2024, the MSRC approved a $6,000,000 award to the California Energy Commission for partnership on the West Coast Truck Charging and Fueling Corridor Project. The agreement has not yet been executed but the MSRC Contracts Administrator anticipates that this will occur by the end of the month.

Chair McCallon asked for public comment on Item Number 8.

No public comment.

9. Consider Authorizing Development of Request for Proposals for Hosting and Maintenance of the MSRC Website

Cynthia Ravenstein, MSRC Contracts Administrator, presented that the Contract #MS27003 with Exemplifi, for hosting and maintenance of the MSRC's website, will expire on June 11, 2027, with an option for a two-year contract term extension.

As additional time is needed to assess Exemplifi's performance, there would not be adequate time to accommodate a selection process if the MSRC should decide against exercising the option. The MSRC authorized development of a new RFP for website hosting and maintenance services. MSRC staff recommended that the MSRC authorize development of a new RFP for MSRC website hosting and maintenance services.

Chair McCallon commented that releasing an RFP may stimulate the current contractor to do its job and has no problem with it.

MSRC Member Patrick Harper asked what the dollar amount was for the current contract. Ms. Ravenstein answered $25,000 with an upgrade of $30,000 and we would like to compete for these types of services.

MSRC Member Brian Berkson agrees to release the RFP, there's always new higher tech and people that do the job better, and if nothing else, this will send a message to the current company to evaluate what the issues are and address them promptly.

Mr. Harper asked if we could use AQMD's website. Ms. Ravenstein answered that the MSRC likes to have their separate website and the AQMD administers their own website.

Chair McCallon asked for public comment on Item Number 9.

No public comment.

Motion/Votes	**Details**
Motion	Authorize development of an RFP for hosting and maintenance of the MSRC Website
Moved by	Berkson
Seconded by	Harper
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	MSRC staff will prepare a proposed RFP for hosting and maintenance of the MSRC website for MSRC review.

10. Consider De-Obligation of Funding Awards to Enevate Corporation and Evolectric for Development and Demonstration of Fast Charging Battery Pack

Cynthia Ravenstein, MSRC Contracts Administrator, presented that partnering with South Coast AQMD, in November 2024 MSRC approved awards of $250,000 each to Enevate and Evolectric for development and demonstration of a fast-charging battery pack. Enevate's management changes and equipment status halted progress, and because Evolectric's battery installation activities depended on Enevate's battery development, it is unlikely that these projects will proceed. As a result, contracts have not yet been executed and South Coast AQMD will no longer be providing funding to the project. The MSRC Contracts Administrator recommended that the MSRC de-obligate $250,000 from Enevate and $250,000 from Evolectric.

Chair McCallon asked for public comment on Item No. 10.

No public comment.

Motion/Votes	**Details**
Motion	De-obligate funding awards to Enevate Corporation and Evolectric in the amount of $250,000 each
Moved by	Cacciotti
Seconded by	McCallon
Outcome	Item unanimously approved
Ayes	Cacciotti, Buford, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	None
Action	MSRC staff will de-obligate the funding awards.

11. Consider Funding Awards under the Zero-Emission Transit Bus Incentive Program

MSRC Member Martin Buford recused himself from this item and removed himself from the meeting.

Ray Gorski, MSRC Technical Advisor, presented that the MSRC's Zero-Emission Transit Bus Incentive Program allocated up to $25,000,000 to help public transit agencies in the South Coast AQMD region accelerate compliance with CARB's Innovative Clean Transit (ICT) regulation. The Program offered incentives up to $100,000 per bus for Class 4-6 zero-emission transit buses and up to $400,000 per bus for Class 7-8 zero-emission transit buses, as well as up to $50,000 per charger. Baseline awards were capped at $3,000,000 for large transit agencies and $1,000,000 for small transit agencies, as defined by the ICT regulation, with requests above these limits placed on a backup list. Twelve applications were received prior to the submission deadline and were found to meet the program requirements.

The MSRC-TAC recommended fully funding $25 million and advised awards to all 12 transit agencies, with LA Metro eligible for additional funding. The MSRC-TAC did not recommend funding Glendale's additional funding request.

MSRC Member William Robertson expressed excitement about the number of buses nearing deployment and raised concerns about Glendale's shortfall noting that the $99,915 gap is relatively small amount. He questioned whether leaving it unresolved would delay Glendale's ability to place buses into service. Ray Gorski answered that is unclear whether Glendale faces a true fiscal shortfall. He noted that there are other funding sources, such as HVIP, which could be used to fund these buses and be stacked with the MSRC's funding.

MSRC Member Brian Berkson discussed concerns about applicants exceeding established funding caps, citing Glendale's request above the $1 million maximum. Mr. Berkson emphasized the importance of treating all counties equally according to the original rules and questioned allowing one county to benefit disproportionately.

MSRC Member Mark Henderson thanked Ray Gorski for the thorough presentation and expressed appreciation for staff's work on this matter.

Chair McCallon asked for public comment on Item No. 11.

No public comment.

Motion/Votes	Details
Motion	Award total recommended amount of $25 million
Moved by	Harper
Seconded by	Berkson
Outcome	Item approved
Ayes	Cacciotti, Henderson, Harper, Robertson, Berkson, McCallon
Noes	None
Abstained	None
Recused	Buford
Action	MSRC staff will include the proposed contract awards for approval at the September 2026 South Coast AQMD Board meeting.

MSRC Member Martin Buford rejoined the meeting.

OTHER BUSINESS:

Chair McCallon asked for other business.

MSRC Member Michael Cacciotti discussed scheduling a presentation by the South Pasadena Police Department on their transition to an all-electric vehicle fleet. The Committee previously requested an update on the 20-vehicle EV conversion, and there is interest in hearing their results, challenges, and operational insights as the first city to fully electrify its police vehicles. Mr. Cacciotti offered to coordinate with the department to bring representatives, vehicles, and possibly provide live testimony on the project's progress. The group agreed to target the October MSRC meeting.

PUBLIC COMMENT PERIOD

Chair McCallon asked for general public comment.

No public comment.

ADJOURNMENT

The meeting adjourned at 2:45 p.m.

[Prepared by Marjorie Eaton]

MSRC CONTRACT STATUS HIGHLIGHTS

Covering Period: August 28 to October 29, 2026

Status Changes

	Contractor	Project Description	Value
Contracts Executed:	California Energy Commission	MS27002 - West Coast Truck Chrg & Fuel Corridor Project	$ 6,000,000.00
	SBCTA	MS27006 - Highland-Redlands Regional Connector Gap Project	$ 3,000,000.00
Contracts Closed:	City of Orange	ML18085 - Purchase Two Heavy-Duty Near-Zero Emission Vehicles	$ 50,000.00
	City of Laguna Woods	ML18094 - Install Two EV Charging Ports	$ 50,000.00
	City of Montclair	ML18132 - Install Eight EV Chargers	$ 40,000.00
	City of Riverside	MS16110 - Expansion of Existing CNG Station and Maintenance Facility Improvements	$ 270,000.00
	Capistrano Unified School District	MS18108 - Expansion of Existing Infrastructure	$ 111,750.00
	City of Huntington Beach	MS24005 - Circuit Transit Rideshare Program	$ 279,186.00
Unexecuted Awards Declined:	None		

Total Invoices Paid $ 228,721.67

Contracts to Watch

Contractor	Project Description	Value	Comments
LA Co Metropolitan Transportation Authority	MS14057 - Implement Various Signal Synch. Projects	$1,250,000.00	Work now complete. Final report submitted and undergoing initial review.
Los Angeles Cleantech Incubator	MS24013 (proposed) - Implement Truck Recharging Facilities	$3,000,000.00	Operating firm selected by site owner POLA withdrew, necessitating new procurement. Solicitation released by POLA 7/28/26.
Pilot Travel Center, LLC	C26034 - Partner on Application to Install Hydrogen Fueling in Rialto	$3,000,000.00	Declined. Closeout and de-obligation of funds pending

Administrative Scope Changes

None

Contract Term Status Report (MSRC)
November 2026

Contract #	Contractor	Project Description	Contract Value	Next Milestone	Next Milestone Date	Milestone Progress Confirmed	# of Mods	Current End Date
Open Contracts								
FY 2012-2014 Contracts								
MS14057	Los Angeles County MTA	Implement Various Signal Synchronization Projects	$ 1,250,000.00	FR Rec'd Waiting on Final Invoice - See Highlights Page	10/31/2026	10/27/2026	3	10/31/2026
FY 2016-2018 Contracts								
ML18055	City of Long Beach	Install EV Charging Stations	$ 529,728.00	FR Rec'd Waiting on Final Invoice	N/A	N/A	4	11/28/2031
ML18060	County of Los Angeles Internal Services Department	Purchase 29 Light-Duty Zero Emission Vehicles, 6 Heavy-Duty Near-Zero Vehicle	$ 1,273,938.00	Next PR	11/4/2026	N/A	3	2/4/2030
ML18068	City of Mission Viejo	Purchase 2 Light-Duty ZEVs & Install EVSE	$ 86,940.00	Next PR	12/31/2026	N/A	4	12/31/2029
ML18078	County of Riverside	Purchase 15 Heavy-Duty Vehicles	$ 375,000.00	FR Rec'd Waiting on Final Invoice	N/A	N/A	2	10/4/2030
ML18145	City of Los Angeles Dept of Transportation	Provide One Hundred Rebates to Purchasers of Zero-Emission Taxis and Purcha	$ 1,400,000.00	Final Report	12/9/2025	7/24/2026	2	12/31/2028
MS18181	San Bernardino County Transportation Authority	Construct Hydrogen Fueling Station	$ 1,662,000.00	Complete station construction and commence operations	5/9/2027	7/24/2026	2	8/10/2032
FY 2018-2021 Contracts								
MS21005	Southern California Association of Governments	Implement Last Mile Goods Movement Program	$ 16,751,000.00	Interim Report	12/1/2027	10/20/2026	7	7/31/2028
MS21009	ITS Technologies & Logistics, LLC	Deploy 12 Zero-Emission Yard Tractors	$ 1,686,900.00	N/A- Open only for Milestone Payments	N/A	N/A	2	4/14/2030
FY 2021-2024 Contracts								
C25082	Prologis Mobility	Implement EV Charging in various locations	$ 835,920.00	Final Invoice	2/29/2026	7/27/2026	0	7/31/2029
C26034	Pilot Travel Center, LLC	Partner on Application to Install Hydrogen Fueling in Rialto	$ 3,000,000.00	N/A - Award declined - See Highlights Page	N/A	N/A	0	6/30/2032
MS24002	South Pasadena Police Department	Procure Zero-Emission Vehicles and Infrastructure	$ 499,789.00	Sent out for signature	2/23/2027	10/23/2026	2	9/15/2031
MS24007	City of Gardena	Gtrans Microtransit Service	$ 424,134.00	Revise FR	10/30/2026	9/29/2026	1	11/30/2026
MS24008	City of Long Beach	Circuit Transit Mobility Transit Expansion Program	$ 410,734.00	FR and Final Invoice Rec'd	10/1/2026	10/28/2026	1	12/31/2026
FY 2024-2027 Contracts								
MS27001	Better World Group Advisors	Programmatic Outreach Services	$ 300,000.00	N/A- MSRC Support Service	N/A	N/A	2	12/31/2027
MS27002	California Energy Commission	West Coast Truck Chrg & Fuel Corridor Project	$ 6,000,000.00	Development and Issuance of Solicitation	10/31/2026	N/A	0	8/2/2032
MS27003	Exemplifi, LLC	Host and Maintain MSRC Website	$ 27,200.00	N/A- MSRC Support Service	N/A	N/A	1	6/10/2027
MS27006	San Bernardino County Transportation Authority	Highland-Redlands Regional Connector Gap Project	$ 3,000,000.00	Submit Public Outreach Plan	2/20/2027	N/A	0	3/20/2029
MS27010	Orange County Transportation Authority	Expanded Transit and Mobility Services	$ 4,000,000.00	Next PR	12/23/2026	10/27/2026	0	6/26/2029
C25146	Voltu Motor, Inc.	Develop & Demonstrate 10 ZE Work Trucks	$ 300,000.00	Parts Procurement	10/28/2026	7/24/2026	1	9/30/2027

Total = 20

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Contract #	Contractor	Project Description	Award Amount	Status
Pending Execution Contracts				
FY 2021-2024 Contracts				
C26037	Penske Truck Leasing Co., L.P.	Partner on Application to Install EV Charging Infrastructure at 11 Locations	$ 324,088.00	Under development
MS24010	Penske Truck Leasing Co., L.P.	Partner on Application to Install EV Charging Infrastructure at 11 Locations	$ 26,044.00	Under development
MS24013	Los Angeles Cleantech Incubator	Implement Drayage Truck Recharging Facilities	$ 3,000,000.00	See Highlights Page
FY 2024-2027 Contracts				
MS27004	Los Angeles Metropolitan Transportation Authority	HD Charging Project w/MN8	$ 1,000,000.00	Under development
MS27005	Los Angeles Metropolitan Transportation Authority	HD Charging Project w/Forum Mobility	$ 979,000.00	Sent out for signature
MS27007	San Bernardino County Transportation Authority	Free Transit Fares on Rail and Bus	$ 1,000,000.00	Sent out for signature
MS27008	Riverside County Transportation Commission	Expanded Freeway Service Patrol	$ 500,000.00	Under development
MS27009	Riverside County Transportation Commission	Transportation Management Study, Transit and Mobility Initiatives	$ 3,500,000.00	Final internal reviews
MS27011	Los Angeles County Metropolitan Transportation Authority	Metrolink Services for 28' Oly & Par Games	$ 4,000,000.00	Sent out for signature
MS27012	San Bernardino County Transportation Authority	Regional Rideshare Enhancement	$ 483,000.00	Sent out for signature
MS27014	Transportation Electrification for Municipalities (TEAM)	Transportation Electrification Adv. For Municipalities	$ 5,000,000.00	Placeholder - individual contract #s TBD
MS27015	City of Pasadena Department of Transportation	Replacement of 5 Class 4-6 buses	$ 750,000.00	Sent out for signature
MS27016	City of Santa Monica	Replacement of 9 Class 7-8 buses	$ 3,000,000.00	Under development
MS27017	City of Santa Clarita	Replacement of 3 Class 7-8 buses for City use to complement current construction c	$ 1,200,000.00	Under development
MS27018	City of Riverside	Replacement of 1 Class 4-6 bus to support the City's Riverside Connect program	$ 100,000.00	Under development
MS27019	City of Laguna Beach	Replacement of 2 Class 4-6 buses and 2 chargers to put in use in City's transit oper	$ 250,000.00	Under development
MS27020	Riverside Transit Agency	Replacement of 7 Class 7-8 buses	$ 2,800,000.00	Under development
MS27021	City of Norwalk	Replacement of 2 Class 7-8 buses to support City's NowalkTransit System (NTS)	$ 800,000.00	Under development
MS27022	Los Angeles County Metropolitan Transportation Authority	Replacement of 220 Class 7-8 buses for LACMTA	$ 10,806,750.00	Under development
MS27023	Los Angeles Department of Transporation	Replacement of 15 Class 7-8 buses for LADOT	$ 3,000,000.00	Under development
MS27024	City of Glendale	Replacement of 3 Class 7-8 buses	$ 1,000,000.00	Under development
MS27025	City of South Gate	Replacement of 3 Class 4-6 buses and 3 chargers for City's fixed route program (GA	$ 293,250.00	Under development
MS27026	Sunline Transit Agency	Replacement of 4 Class 7-8 buses	$ 1,000,000.00	Under development

Total = 23

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Partner-Funded FY 2024-2027 Contracts

Open Contracts

Contract #	Contractor	Project Description	Contract Value	Next Milestone	Next Milestone Date	Milestone Progress Confirmed	# of Mods	Current End Date
MS24995	Forum Mobility	Implement EV Charging at Port	$ 6,000,000.00	Biannual Report	12/31/2026	7/14/2026	0	6/11/2031

Total = 1

Contract #	Contractor	Project Description	Award Amount	Status
Pending Execution Contracts				
MS24993	4 Gen Logistics	Install EVSE in Rialto and Long Beach	$ 7,876,168.00	Under development
MS24994	Terawatt Infrastructure Inc.	Install EVSE in Rancho Dominguez, Rialto, Fontana and Commerce	$ 8,000,000.00	Under development

Total = 2

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Contract #	Contractor	Project Description	Contract Value	Final Report Rec'd Date	Current End Date
Open/Complete Contracts					
FY 2011-2012 Contracts					
ML12045	City of Baldwin Park DPW	Install New CNG Station	$ 400,000.00	10/25/2022	12/31/2026
FY 2014-2016 Contracts					
ML16017	City of Long Beach	Purchase 50 Medium-Duty, 17 H.D. Nat. Gas Vehicles, New CNG Station	$ 1,415,400.00	5/28/2024	5/4/2029
ML16022	Los Angeles Department of Water and Power	Purchase 8 H.D. Nat. Gas Vehicles	$ 240,000.00	9/19/2023	6/4/2028
ML16040	City of Eastvale	Install EV Charging Infrastructure	$ 66,409.00	5/30/2023	11/5/2026
MS16121	Long Beach Transit	Repower 39 and Purchase 1 New Transit Buses with Near-Zero Engines	$ 600,000.00	7/15/2024	11/30/2028
FY 2016-2018 Contracts					
ML18020	City of Colton	Purchase One Medium-Duty and One Heavy-Duty ZEVs	$ 67,881.00	5/17/2022	4/2/2027
ML18031	City of Diamond Bar	Install EVSE, Purchase up to 2-LD Vehicles	$ 58,930.00	9/6/2024	11/6/2027
ML18037	City of Westminster	Install EVSE, Purchase up to 3-LD ZEV & 1-MD/HD ZEV	$ 120,900.00	12/20/2019	12/27/2026
ML18047	City of Whittier	Purchase 5 Heavy-Duty Near-Zero Emission Vehicles	$ 113,910.00	12/21/2023	1/7/2029
ML18050	City of Irvine	Install EVSE	$ 302,035.00	1/28/2025	8/6/2028
ML18051	City of Rancho Cucamonga	Purchase 6 Light-Duty ZEVs, Install 3 Limited Access and 3 Public Access EV Charging Stations	$ 91,500.00	4/30/2025	4/30/2030
ML18057	City of Carson	Purchase 5 Zero-Emission Vehicles and Infrastructure	$ 87,687.50	7/10/2025	9/15/2027
ML18059	City of Glendale Water & Power	Install Electric Vehicle Charging Infrastructure	$ 260,500.00	10/17/2024	1/31/2028
ML18063	City of Riverside	Expand Existing CNG Station	$ 50,000.00	12/5/2024	9/30/2029
ML18064	City of Eastvale	Purchase 2 Light-Duty, One Medium-Duty. Zero Emission Vehicles and Infrastructure	$ 61,463.00	2/1/2024	4/28/2029
ML18067	City of Pico Rivera	Install EVSE	$ 83,500.00	7/9/2025	1/6/2028
ML18069	City of Torrance	Purchase 4 Heavy-Duty Near-Zero Emission Vehicles and Install 19 EVSE	$ 187,400.00	5/22/2026	6/30/2029
ML18072	City of Anaheim	Purchase 9 Light-Duty ZEVs & 2 Med/Hvy-Duty ZEVs	$ 239,560.00	8/28/2020	11/17/2026
ML18082	City of Los Angeles Bureau of Sanitation	Purchase 8 Medium-Duty Vehicles and 8 Limited EV Charging Infrastructures	$ 900,000.00	10/15/2025	8/29/2030
ML18085	City of Orange	Purchase Two Heavy-Duty Near-Zero Emission Vehicles	$ 50,000.00	6/9/2020	10/11/2026
ML18089	City of Glendora	Purchase a Heavy-Duty ZEV	$ 50,760.00	10/18/2023	10/18/2028
ML18092	City of South Pasadena	Procure Two Light-Duty ZEVs and Install EV Charging Station	$ 50,000.00	6/10/2025	4/30/2027
ML18094	City of Laguna Woods	Install Two EV Charging Ports	$ 50,000.00	7/7/2023	10/11/2026
ML18134	City of Los Angeles Dept of General Services	Purchase Two Medium-Duty ZEVs	$ 116,000.00	1/30/2025	5/2/2029
ML18135	City of Azusa	Purchase Three Light-Duty ZEVs	$ 30,000.00	4/17/2025	12/5/2029
ML18143	City of La Habra	Install Two EV Charging Stations	$ 80,700.00	4/27/2021	9/17/2027
ML18146	City of South Gate	Purchase Five Light-Duty ZEVs and Install Six EVSEs	$ 127,400.00	12/13/2023	11/30/2026
ML18151	County of San Bernardino Department of Public Works	Purchase Eight Heavy-Duty Near Zero Emission Vehicles	$ 200,000.00	11/26/2025	10/24/2029
ML18152	County of San Bernardino Flood Control District	Purchase Five Heavy-Duty Near Zero Emission Vehicles	$ 108,990.00	7/2/2025	10/10/2029
ML18157	City of Los Angeles Bureau of Street Services	Purchase One Medium-Duty ZEV	$ 85,000.00	4/30/2021	5/20/2027
ML18166	City of Placentia	Purchase One Heavy-Duty Near-Zero Emission Vehicle	$ 25,000.00	8/22/2024	5/17/2027

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Contract #	Contractor	Project Description	Contract Value	Final Report Rec'd Date	Current End Date
ML18170	City of Laguna Niguel	Purchase One Light-Duty ZEV and EV Charging Infrastructure	$ 75,100.00	12/1/2022	8/9/2028
MS18027	City of Gardena	Install New Limited Access CNG, Modify Maintenance Facility and Train Technicians	$ 350,000.00	9/30/2024	10/1/2029
MS18108	Capistrano Unified School District	Expansion of Existing Infrastructure	$ 111,750.00	8/25/2022	9/30/2026
MS18122	Universal Waste Systems, Inc.	Install New Limited Access CNG Infrastructure	$ 195,000.00	12/20/2022	7/31/2027
MS18124	County Sanitation Districts of Los Angeles County	Install New Limited-Access CNG Infrastructure	$ 275,000.00	7/14/2021	2/28/2027
FY 2018-2021 Contracts					
MS21007	Penske Truck Leasing Co., L.P.	Deploy 5 Zero-Emission Yard Tractors	$ 957,813.00	4/14/2023	3/31/2028
MS21010	MHX, LLC	Deploy One Zero-Emission Overhead Crane	$ 569,275.00	6/28/2025	6/28/2030
MS21013	4 Gen Logistics	Deploy 40 Zero Emission Trucks	$ 7,000,000.00	5/1/2024	5/26/2028
MS21014	Green Fleet Systems, LLC	Deploy up to 3 Near Zero Emission Trucks	$ 300,000.00	9/21/2023	8/30/2028
MS21015	Premium Transportation Services, Inc. dba Total Transportation Services	Deploy up to 15 Near-Zero Emissions Trucks	$ 1,500,000.00	11/15/2024	1/2/2028
MS21017	MHX, LLC	Deploy up to 10 Zero-Emission Trucks & Infrastructure	$ 1,900,000.00	3/12/2024	9/28/2030
MS21018	Pac Anchor Transportation, Inc.	Deploy up to 21 Near Zero Emission Trucks	$ 2,100,000.00	12/18/2024	8/16/2028
MS21019	Volvo Financial Services	Lease up to 14 Zero-Emission Trucks and Provide Charging Infrastructure	$ 3,930,270.00	12/31/2024	12/30/2030
MS21023	BNSF Railway Company	Install EV Charging Infrastructure	$ 1,313,100.00	5/22/2025	4/21/2030
MS21025	Costco Wholesale Corporation	Install Five EV Charging Units	$ 160,000.00	11/28/2023	12/8/2028
FY 2021-2024 Contracts					
MS24001	Los Angeles County MTA	Provide Clean Fuel Bus Service to Dodger Stadium	$ 902,564.72	6/13/2025	5/31/2028
C22247	NFI Interactive Logistics, LLC	JETSI Program Pass-Through Funding	$ 3,000,000.00	11/1/2024	12/31/2026

Total = 49

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BOARD MEETING DATE: December 4, 2026 AGENDA NO. 23

PROPOSAL: Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications, Amend Rule 1168; and Submit for Inclusion Into State Implementation Plan

SYNOPSIS: Rule 1168 establishes VOC limits for adhesives and sealants. The California Office of Environmental Health Hazard Assessment has determined that para-Chlorobenzotrifluoride (pCBtF) and tert-Butyl Acetate (t-BAc), which are used in certain adhesives and sealants, have carcinogenic health effects. This amendment is the result of the technology check-in included in the 2022 Rule 1168 amendment to evaluate progress on the pCBtF and t-BAc phase out. Proposed amendments to Rule 1168 provide additional time for manufacturers to reformulate certain adhesive and sealant categories to phase out of pCBtF. The amendments also clarify and update reporting and recordkeeping requirements for manufacturers and distributors, and sunset the existing 55-gallon exemption that allows the use of high VOC products.

COMMITTEE: Stationary Source, October 16, 2026, Reviewed

RECOMMENDED ACTIONS:
Adopt the Attached Resolution:
1. Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications;
2. Amending Rule 1168 – Adhesive and Sealant Applications; and
3. Directing staff to submit Proposed Amended Rule 1168 – Adhesive and Sealant Applications, to CARB and U.S. EPA for inclusion into the State Implementation Plan.

Wayne Nastri
Executive Officer

SR:MK:HF:SK:MM

Background

Rule 1168 – Adhesive and Sealant Applications (Rule 1168), was adopted in April 1989 to reduce VOC emissions from adhesive and sealant applications. The rule applies to products used during manufacturing at stationary sources, as well as products used by consumers that are not regulated by CARB's Consumer Products Regulation. Rule 1168 has been amended 15 times and currently establishes VOC limits for 69 categories of adhesives, adhesive primers, sealants, and sealant primers.

The most recent amendment to Rule 1168 was adopted in November 2022 and included a phase-out schedule for pCBtF and t-BAc due to toxicity concerns identified by the Office of Environmental Health Hazard Assessment. During the 2022 rule development, the Board directed staff to conduct a technology check-in to evaluate progress of the phase out of these toxic compounds. The technology check-in included individual meetings with manufacturers and trade groups and a public meeting to determine if the non-pCBtF and t-BAc coatings had successfully been introduced into the market. Manufacturers indicated most reformulation efforts were successful, but additional reformulation time was needed for roof adhesive primers and battery adhesives to transition away from pCBtF. During the rule development, the following three categories were identified that need additional time to reformulate and comply with lower future-effective VOC limits: (1) top and trim adhesives, (2) rubber vulcanization adhesives, and (3) clear, paintable, and immediately water-resistant sealants.

Proposed Amendments

Proposed Amended Rule 1168 (PAR 1168) provides a two-to-three-year delay for the pCBtF prohibition timeline for roof adhesive primers and battery adhesives and a two-to-three year delay for the future-effective lower VOC limit for top and trim adhesives, rubber vulcanization adhesives, and clear, paintable, and immediately water-resistant sealants to address reformulation and technical feasibility challenges. The time extensions are based on manufacturer feedback and reflect the specific reformulation challenges for each category. The proposed timeline extension dates or future VOC limit reduction dates are:

- Roof adhesive primers pCBtF phase out, January 1, 2030
- Battery Adhesive pCBtF phase out, January 1, 2029
- Top and trim adhesive VOC limit reduction, January 1, 2030
- Rubber vulcanization adhesive VOC limit reduction, January 1, 2029
- Clear, paintable, and immediately water-resistant sealants VOC limit reduction, January 1, 2029

PAR 1168 includes a few alternative, equivalent product weighted-maximum incremental reactivity (PW-MIR) VOC limits for categories where there are no non-pCBtF based formulations. Adhesives primers are low-solids materials that currently meet the VOC limits with a high percent of pCBtF. Staff did not identify any feasible alternatives to lower VOC levels without the use of pCBtF other than potentially

reformulating based on MIR. PW-MIR VOC limits are also being provided for top and trim adhesives. The lower VOC limit for top and trim adhesives was established in 2007, and manufacturers' reformulation efforts to meet the lower VOC limit have not been successful. The manufacturers subject to the future-effective lower VOC limit are currently in the process reformulating new compliant products, but during the testing phase, have encountered challenges in meeting the performance requirements and specifications for certain applications, thus additional time is needed to comply with the lower VOC limits. The alternative PW-MIR VOC limits are provided to allow formulation flexibility without increasing the ozone forming potential of the products.

The proposal also establishes prohibition timelines for dimethyl carbonate (DMC) and cyclic, branched, or linear completely methylated siloxanes (VMS) due to toxicity and environmental concerns. DMC and VMS have limited use in products regulated by Rule 1168; the intent is to prohibit these compounds before they become widely adopted as substitutes for pCBtF or other solvents to avoid future reformulation cycles driven by toxicity concerns.

PAR 1168 also includes a future date to remove an exemption allowing facilities to use up to 55 gallons per year of non-compliant products, adds reporting and recordkeeping provisions to improve enforceability of distributor-related requirements, requires manufacturers and private labelers to provide distributor information, and transitions distributor reporting requirements to recordkeeping requirements. In addition, PAR 1168 includes new and revised definitions, updates cross-references, clarifies applicability and reporting provisions, and makes other administrative revisions to improve clarity, enforceability, and consistency with other South Coast AQMD rules. The proposed amendments are expected to delay approximately 0.15 tons per day of VOC emission reductions due to technology and reformulation challenges, while also delaying the reduction in use of pCBtF in roof adhesive primers and battery adhesives.

Public Process

PAR 1168 was developed through a public process. Staff held one technology check-in meeting and two Working Group Meetings and one Public Workshop during the rule development. In addition, staff met with individual stakeholders subject to this rule.

Emission Reductions

PAR 1168 affects a broad range of manufacturing and consumer product sectors. Baseline VOC emissions are approximately 9 tons per day, and the proposed amendments will delay approximately 0.15 tons per day of future VOC emission reductions.

Key Issues

Throughout the rulemaking process, staff worked with stakeholders to resolve key issues including delaying certain effective dates for lower VOC limits, reducing the

frequency of certain reporting requirements, and including energy curable products in the definition of reactive products. Staff is not aware of any remaining key issues.

California Environmental Quality Act (CEQA)
Pursuant to South Coast AQMD's Certified Regulatory Program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(l), and South Coast AQMD Rule 110) and CEQA Guidelines Section 15187, the South Coast AQMD has prepared a Subsequent Environmental Assessment (SEA) for PAR 1168, which is a substitute CEQA document pursuant to CEQA Guidelines Section 15252, prepared in lieu of a Subsequent Environmental Impact Report. The environmental analysis in the SEA tiers off of two previously certified CEQA documents prepared for the amendments to Rule 1168 that were adopted on October 6, 2017 and November 4, 2022 as allowed by CEQA Guidelines Sections 15152, 15162, and 15385. Implementation of the proposed project is expected to result in delayed VOC emission reductions of up to 0.15 ton per day until January 1, 2030. The Final SEA concluded that PAR 1168 would generate significant adverse environmental impacts for the topic of air quality during operation and no feasible mitigation measures were identified that would reduce these impacts to less than significant levels. The Final SEA is included as an attachment to this Board package (see Attachment I). In addition, Findings pursuant to CEQA Guidelines Section 15091, and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 were also prepared (see Attachment F of this Board package, which is referred to as Attachment 1 to the Resolution).

Socioeconomic Impact Assessment
The alternative PW-MIR VOC limits and extended timelines for phasing out pCBtF and meeting future-effective VOC limits for some categories are expected to result in an overall cost savings and lower reformulation costs because manufacturers will have more time and flexibility to reformulate affected products. In addition, the phase out of DMC and VMS is anticipated to result in minimal to no compliance costs due to their limited use in a small subset of battery-related products and the current availability of alternative compliant formulations without DMC at equivalent prices.

AQMP and Legal Mandates
PAR 1168 is the result of the November 2022 Governing Board directive to conduct a technology check-in to assess progress on phasing out pCBtF and t-BAc, which resulted in the rule amendment.

Implementation and Resource Impacts
Existing staff resources are adequate to implement the proposed amendments.

Attachments

A. Summary of Proposals
B. Key Issues and Responses
C. Rule Development Process
D. Key Contacts
E. Resolution
F. Attachment 1 to the Resolution – Findings and Statement of Overriding Considerations
G. Proposed Amended Rule 1168
H. Final Staff Report, with Final Socioeconomic Impact Assessment Included
I. Final Subsequent Environmental Assessment
J. Board Presentation

ATTACHMENT A

SUMMARY OF PROPOSALS

Proposed Amended Rule 1168 – Adhesive and Sealant Applications
Subdivision (c) – Definitions • Added the following definitions: o Battery Adhesive o Chemical Abstracts Service Registration Number (CAS RN) o Distributor o Executive Officer o Manufacturer o Maximum Incremental Reactivity (MIR) o Product-Weighted MIR (PW-MIR) o Retail Outlet o South Coast AQMD Test Method • Revised definitions to improve clarity and consistency including: o Big-box retailer o Building envelope membrane adhesives o Clear, paintable, and immediate water-resistant sealant o Cove base adhesive o Edge glue adhesive o Hand application methods o High-pressure two component foam sealant o High-volume low-pressure (HVLP) spray o Hot applied modified bitumen/built up roof adhesive o Percent VOC by weight o Private labeler o Potable water sealant o Quantity and Emission Reports (QERs) o Rubber floor adhesive o Special purpose contact adhesive o Toll manufacturer o Toxic air contaminant o Vinyl composition tile (VCT) • Replaced the definition of Distribution Center with Distributor, for consistency with other South Coast AQMD rules and to refer to midstream distributors rather than retailers that sell directly to end-users and the Regulatory and

Material (Actual) VOC definitions have been revised for consistency with other South Coast AQMD rules.

Subdivision (d) – Requirements

- Updated Table 1 – Regulated Product Categories and VOC Content Limits to reflect VOC limits that became effective January 1, 2023 and removed archaic language.
- Extended future-effective dates for VOC limit reductions for three categories to allow additional time for reformulation:
    - Top and Trim Adhesive: 250 grams per liter (g/L), effective January 1, 2030
    - Rubber Vulcanization Adhesive: 250 g/L, effective January 1, 2029
    - Clear, Paintable, and Immediately Water-Resistant Sealant: 250 g/L, effective January 1, 2029
- Added a new Battery Adhesive category with a VOC limit of 120 g/L, more stringent than the 250 g/L limit that previously applied under the All Other Adhesives category.
- Established alternative reactivity-based PW-MIR limits, in grams of ozone per gram of product (g O3/g product), to allow reformulation flexibility while ensuring that ozone formation potential is not increased for the following categories:
    - All Other Adhesive Primer: 0.65 g O3/g product
    - Roof Adhesive Primer: 0.65 g O3/g product
    - Top and Trim Adhesive: 0.60 g O3/g product
- Established the October 2, 2010 MIR values as the default values for calculating PW-MIR. If CARB updates the MIR values, Manufacturers may continue to use the 2010 values for up to three years from the publication date of the updated values.

Subdivision (e) – Reporting and Recordkeeping Requirements

- Clarified that Manufacturers and Private Labelers must report the total annual quantity of each product sold and distributed for use into or within South Coast AQMD, including products sold to Retail Outlets, Distributors, and through Big Box Retailers.
- Removed the QER requirement for Distributors. QER submittals now apply only to Manufacturers, Private Labelers, and Big Box Retailers; there is no change to the existing QER reporting dates.

- Added a requirement for Manufacturers and Private Labelers to submit a list of their Distributors by September 1, 2027, and to submit an updated list by September 1 of any year in which the list changes.
- Added a requirement for Manufacturers and Private Labelers to submit copies of written notifications provided to Distributors stating that a product is not to be used in South Coast AQMD by September 1, 2027, with new or updated notifications due by September 1st of each year.
- Added a requirement for Distributors that sell Regulated Products into or within South Coast AQMD to maintain records of all annual sales for five years and make them available to the Executive Officer upon request. The recordkeeping is in lieu of the previously required reporting.
- Added a provision allowing Regulated Products with two or more Manufacturers to designate in writing the Manufacturer responsible for reporting; the written agreement must be submitted to the Executive Officer by September 1, 2027, and updated if it changes.
- Established that the reporting requirement for Facilities using the 55-gallon exemption applies through calendar year 2028, with the final report due no later than September 1, 2029.

Subdivision (f) – Test Methods

- Streamlined test method references for consistency with recently adopted South Coast AQMD VOC rule amendments; no substantive changes to test methods.

Subdivision (g) – Administrative Requirements

- Established labeling requirements for Regulated Products that elect to comply with the alternative PW-MIR limits.

Subdivision (h) – Prohibition of Sales and Use

- Extended the pCBtF prohibition for Roof Adhesive Primers to allow additional time for reformulation:
    - Final manufacture date delayed from January 1, 2027 to January 1, 2030
    - Sell-through date delayed from January 1, 2028 to January 1, 2031
    - Use-through date delayed from January 1, 2028 to January 1, 2032
- Added Battery Adhesives to the prohibition timeline to allow additional time for testing and certification of pCBtF-free materials:
    - Final manufacture date of January 1, 2029
    - Sell-through date of January 1, 2030

  - Use-through date of January 1, 2031
- Added new provisions to prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products containing more than:
  - 0.01 percent by weight dimethyl carbonate (DMC)
  - 1.0 percent by weight volatile methyl siloxanes (VMS)
  - These prohibitions apply to products manufactured after January 1, 2028, with a sell-through date of January 1, 2029 and a use-through date of January 1, 2030.

Subdivision (j) – Exemptions

- Sunset the exemption that allows Facilities to use up to 55 gallons per year of non-compliant products, effective January 1, 2029. The exemption was moved to a separate paragraph and continues to exclude adhesives used in architectural applications, contact adhesives, special purpose contact adhesives, adhesives used on porous substrates, rubber vulcanization adhesives, and top and trim adhesives.
- Revised the independent distributor exemption to require Manufacturers and Private Labelers using the exemption to submit copies of their written notifications to Distributors to the Executive Officer.

ATTACHMENT B

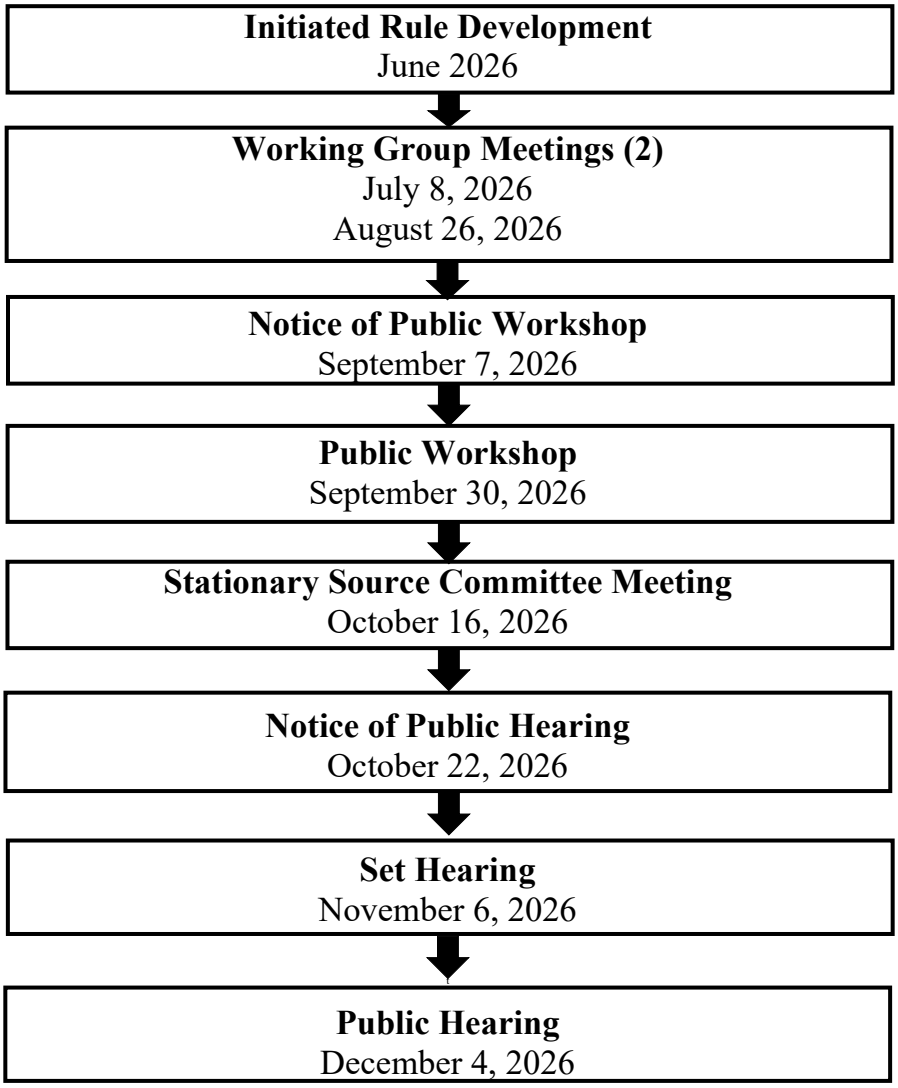
KEY ISSUES AND RESPONSES

Proposed Amended Rule 1168 – Adhesive and Sealant Applications
Staff has worked with stakeholders throughout the rule amendment process and are not aware of any remaining key issues.

ATTACHMENT C

RULE DEVELOPMENT PROCESS

Proposed Amended Rule 1168 – Adhesive and Sealant Applications



Six (6) months spent in rule development
One (1) Public Workshop
One (1) Stationary Source Committee Meeting
Two (2) Working Group Meetings
Eight (8) Stakeholder Meetings

ATTACHMENT D
KEY CONTACTS LIST

Proposed Amended Rule 1168 – Adhesive and Sealant Applications

Adhesive and Sealant Council (ASC)

American Coatings Association (ACA)

Carlisle Construction Materials

Concorde Battery Corporation

DAP Products Inc.

EPDM Roofing Association (ERA)

Johns Manville

LORD Corporation

Parker Lord

RadTech International

RD Abbott

Roof Coatings Manufacturers Association (RCMA)

Sashco Inc.

Single Ply Roofing Industry (SPRI)

ATTACHMENT E

RESOLUTION NO. 26-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications.

A Resolution of the South Coast AQMD Governing Board amending Rule 1168 – Adhesive and Sealant Applications.

A Resolution of the South Coast AQMD Governing Board directing staff to submit Proposed Amended Rule 1168 – Adhesive and Sealant Applications, for inclusion into the State Implementation Plan.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1168 is considered a "project" as defined by California Environmental Quality Act (CEQA); and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l), and has conducted a CEQA review and analysis of the proposed project pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board has determined that the requirements for a Subsequent Environmental Impact Report have been triggered pursuant to its certified regulatory program and CEQA Guidelines Section 15162(a), and that a Subsequent Environmental Assessment (SEA), a substitute document allowed pursuant to CEQA Guidelines Section 15252 and South Coast AQMD's certified regulatory program, is appropriate; and

WHEREAS, the South Coast AQMD has prepared a SEA pursuant to its certified regulatory program and CEQA Guidelines Section 15187, which tiers off of the Final Environmental Assessment (EA) for Proposed Amended Rule 1168 – Adhesive and Sealant Applications, which was certified on October 6, 2017 (referred to as October 2017 Final EA for Rule 1168) and the Final SEA for Proposed Amended Rule 1168 – Adhesive and Sealant Applications, which was certified on November 4, 2022 (referred to as November 2022 Final SEA for Rule 1168) as allowed by CEQA Guidelines Sections 15152, 15162, and 15385. Because the SEA is a subsequent document to the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, the baseline is the project analyzed in the October 2017 Final EA for Rule 1168. The SEA concluded that the proposed project would have the potential to generate significant and unavoidable adverse environmental impacts for the topic of air quality during operation; and

WHEREAS, the Draft SEA was circulated for a 46-day public review and comment period, from September 18, 2026 to November 3, 2026, and no comment letters were received; and

WHEREAS, the Draft SEA has been revised to include updates to reflect changes made to Proposed Amended Rule 1168 after the public notice of availability of the Draft SEA, so that it is now a Final SEA; and

WHEREAS, it is necessary that the South Coast AQMD Governing Board review the Final SEA prior to its certification, to determine that it provides adequate information on the potential adverse environmental impacts that may occur as a result of amending Rule 1168; and

WHEREAS, no feasible mitigation measures were identified that would reduce or eliminate the significant adverse operational air quality impacts to less than significant levels and, as such, a Mitigation Monitoring Plan pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097 is not required and was not prepared; and

WHEREAS, it is necessary that the South Coast AQMD prepare Findings pursuant to CEQA Guidelines Section 15091, and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093, regarding potentially significant adverse operational air quality impacts that cannot be mitigated to less than significant levels; and

WHEREAS, Findings and a Statement of Overriding Considerations have been prepared and are included in Attachment F in the Board letter, which is attached and incorporated herein by reference; and

WHEREAS, the South Coast AQMD Governing Board voting to amend Rule 1168 has reviewed and considered the information contained in the Final SEA, the Findings, the Statement of Overriding Considerations, and all other supporting documentation, prior to its certification, and has determined that the Final SEA has been completed in compliance with CEQA; and

WHEREAS, Proposed Amended Rule 1168 and supporting documentation, including but not limited to, the Final SEA, and the Final Staff Report which includes the Socioeconomic Impact Assessment were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the Final SEA reflects the independent judgment of the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that all changes made in the Final SEA after the public notice of availability of the Draft SEA were not substantial revisions and do not constitute significant new information within the meaning of CEQA Guidelines Sections 15073.5 and 15088.5, because no new or substantially increased significant effects were identified, and no new project conditions or mitigation measures were added, and all changes merely clarify, amplify, or make insignificant modifications to the Draft SEA, and recirculation is therefore not required; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Amended Rule 1168 since the Notice of Public Hearing was published are clarifications that meet the same air quality objective and are not so substantial as to significantly affect the meaning of Proposed Amended Rule 1168 within the meaning of Health and Safety Code Section 40726 because the changes to the reporting requirement in subparagraph (e)(8) is clarify the intent; and: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rule, (c) the changes are consistent with the information contained in the Notice of Public Hearing, and (d) the effects of Proposed Amended Rule 1168 do not exceed the effects of the range of CEQA alternatives analyzed in the Final SEA; and

WHEREAS, Proposed Amended Rule 1168 will be submitted for inclusion into the State Implementation Plan; and

WHEREAS, the South Coast AQMD Governing Board determines that there is a problem that Proposed Amended Rule 1168 will alleviate by providing additional time to phase out of para-Chlorobenzotriflouride (pCBtF) for two categories of regulated products and delaying future-effective lower VOC limits for several categories of regulated products; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the Public Hearing and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to amend Rule 1168 to provide additional time for two categories of regulated products to phase out of pCBtF and delaying future-effective lower VOC limits for several categories of regulated products; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40441, 40702, and 40725 through 40728; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1168 is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1168 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decision, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1168 does not impose the same requirements as any existing state or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in amending Rule 1168, references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 39002, 40001, 40702, 40440(a), 40725 through 40728.5, and federal Clean Air Act Sections 110, 172, and 182(e); and

WHEREAS, Health and Safety Code Section 40727.2 requires the South Coast AQMD to prepare a written analysis of existing federal air pollution control requirements applicable to the same source type being regulated whenever it adopts, or amends a rule, and that the South Coast AQMD's comparative analysis of Proposed Amended Rule 1168 is included in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment, which is included in the Final Staff Report for Proposed Amended Rule 1168, is consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule amendment; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment, which is included in the Final Staff Report for Proposed Amended Rule 1168, is consistent with the provisions of Health and Safety Code Sections 40440.8 and 40728.5; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1168 neither includes new Best Available Retrofit Control Technology requirements nor new feasible measures pursuant to Health and Safety Code Section 40914; therefore, the requirements to conduct the analysis of cost-effectiveness and incremental cost-effectiveness as set forth in the Health and Safety Code Section 40920.6 are not applicable; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1168 will result in overall cost savings over time to the affected

industries, as specified in the Final Socioeconomic Impact Assessment, which is included in the Final Staff Report for Proposed Amended Rule 1168; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Final Socioeconomic Impact Assessment, which is included in the Final Staff Report for Proposed Amended Rule 1168, and has made a good faith effort to minimize any adverse socioeconomic impacts; and

WHEREAS, the South Coast AQMD staff conducted a Public Workshop regarding Proposed Amended Rule 1168 on September 30, 2026; and

WHEREAS, the Public Hearing has been properly noticed in accordance with all provisions of Health and Safety Code Sections 40725 and 40440.5; and

WHEREAS, the South Coast AQMD Governing Board has held a Public Hearing in accordance with all provisions of state and federal law; and

WHEREAS, the South Coast AQMD Governing Board specifies the Planning, Rule Development, and Implementation Manager overseeing the rule development for Proposed Amended Rule 1168 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

NOW, THEREFORE BE IT RESOLVED that the South Coast AQMD Governing Board has considered the Final SEA for Proposed Amended Rule 1168 and, on the basis of the whole record before it, the South Coast AQMD Governing Board: 1) finds that the Final SEA was completed in compliance with CEQA and the South Coast AQMD's certified regulatory program, 2) finds that the Final SEA and all supporting documents were presented to the South Coast AQMD Governing Board, whose members exercised their independent judgment and reviewed, considered, and approved the information therein prior to acting on Proposed Amended Rule 1168, and 3) certifies the Final SEA; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt Findings pursuant to CEQA Guidelines Section 15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093, as required by CEQA and which are included as Attachment F and incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 1168 as set forth in the attached, and incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board requests that Proposed Amended Rule 1168 be submitted for inclusion in the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Amended Rule 1168 to the California Air Resources Board for approval and subsequent submittal to the United States Environmental Protection Agency for inclusion into the State Implementation Plan.

_____ _____

Date: Faye Thomas, Clerk of the Board

ATTACHMENT F

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Attachment 1 to the Governing Board Resolution for:

Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 - Adhesive and Sealant Applications

Findings and Statement of Overriding Considerations

November 2026

State Clearinghouse No. 2017081031
South Coast AQMD No. 20260918ST/ 20220902ST/ 08162017DT

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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CARLOS RODRIGUEZ
Mayor, Yorba Linda
Cities of Orange County

CEDRIC JAMIE RUTLAND, MD, FCCP
Governor's Appointee

EXECUTIVE OFFICER:

WAYNE NASTRI

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Attachment 1 to the Governing Board Resolution for:
Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 - Adhesives and Sealant Applications

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Findings and Statement of Overriding Considerations

Introduction

California Environmental Quality Act Provisions Regarding Findings

Summary of the Proposed Project

Potentially Significant Adverse Impacts That Cannot Be Reduced Below A Significant Level

Findings Regarding Potentially Significant Environmental Impacts

- **Findings for Alternatives to the Proposed Project**
- **Conclusion of Findings**

Statement of Overriding Considerations

Mitigation

Record of Proceedings

1.0 INTRODUCTION

Proposed Amended Rule (PAR) 1168 – Adhesive and Sealant Applications, is considered a "project" as defined by the California Environmental Quality Act (CEQA). [Public Resources Code Section 21000 et seq.]. Specifically, CEQA requires: 1) the potential adverse environmental impacts of proposed project to be evaluated; and 2) feasible methods to reduce or avoid any identified significant adverse environmental impacts of this project to also be evaluated. Public Resources Code Section 21061.1 and CEQA Guidelines Section 15364 define "feasible" as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors."

Since the proposed project is comprised of a South Coast AQMD-proposed amended rule, the South Coast AQMD has the greatest responsibility for carrying out or approving the project as a whole, which may have a significant effect upon the environment, and is the most appropriate public agency to act as lead agency. [Public Resources Code Section 21067 and CEQA Guidelines Section 15051(b)].[1]

The proposed project amends the November 2022 version of Rule 1168 and proposes to: 1) extend the parachlorobenzotriflouride (pCBtF) prohibition date for Roof Adhesive Primers to allow more time for reformulations; 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 3) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, Roof Adhesive Primers, and All Other Adhesive Primers; 4) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 5) require manufacturers to provide a list of their distributors annually; 6) transition reporting to a recordkeeping requirement for distributors; 7) include a new category for battery adhesives with an extended pCBtF prohibition date; and 8) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

The South Coast AQMD, as Lead Agency for the proposed project, prepared a Subsequent Environmental Assessment (SEA) with significant impacts to conduct an environmental review of PAR 1168 pursuant to CEQA Guidelines Section 15187. The SEA is a substitute CEQA document prepared in lieu of a Subsequent Environmental Impact Report (EIR) with significant impacts [CEQA Guidelines Section 15162], pursuant to the South Coast AQMD's Certified Regulatory Program [Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l); codified in South Coast AQMD Rule 110]. Pursuant to CEQA Guidelines Sections 15152, 15162, and 15385, the SEA tiers off of and is a subsequent document to the Final EA for Rule 1168 which was certified on October 6, 2017 (referred to herein as the October 2017 Final EA for Rule 1168), and the Final SEA for Rule 1168 which was certified on November 4, 2022 (referred to herein as the November 2022 Final SEA for Rule 1168).

The purpose of the October 2017 amendments to Rule 1168 was to reduce VOC emissions by 1.38 ton per day (tpd), as well as reduce toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. The October 2017 Final EA for the October 2017 amendments to Rule 1168 analyzed the environmental impacts

[1] CEQA Guidelines refers to California Code of Regulations, Title 14, Section 15000 and following.

associated with the activities manufacturers were anticipated to undertake to reformulate products and that these reformulation activities could create secondary adverse environmental impacts. However, none of the environmental topic areas previously analyzed in the October 2017 Final EA for Rule 1168 were concluded to have significant and unavoidable impacts, including the topic of air quality and greenhouse gases (GHGs). Because the October 2017 Final EA for Rule 1168 concluded that the project will not have a significant adverse impact on the environment, mitigation measures were not made a condition of the approval of the October 2017 version of Rule 1168. Thus, a Mitigation Monitoring and Reporting Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097, was not required or adopted at that time. Findings pursuant to CEQA Guidelines Section 15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 were also not required or adopted for the October 2017 version of Rule 1168.

The October 2017 amendments to Rule 1168 also included a commitment to conduct a technology assessment for top and trim adhesives, roofing products, plastic welding cements, and foam sealants to determine if products for nine adhesive and sealant categories were available that could achieve the VOC limits by January 1, 2023. Accordingly, the technology assessment was conducted in 2022 and concluded that some of these product categories either needed more time beyond January 1, 2023 to meet the VOC limits or that achieving the lower VOC limits would not be technically feasible.

In addition, due to potential toxicity concerns associated with tertiary-Butyl Acetate (t-BAc) and pCBtF and the uncertainty of on-site exposure modeling methodologies, the Stationary Source Committee of the South Coast AQMD Governing Board recommended a precautionary approach such that compounds with a known or suspected toxic endpoint will not be exempted from the definition of VOC in Rule 102 or other South Coast AQMD Rules. In 2017, t-BAc was identified as a carcinogen after it had been previously granted a partial exemption from the definition of a VOC in certain uses in several source specific rules, e.g., Rule 1113 – Architectural Coatings, and Rule 1151 – Automotive Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, but not Rule 1168. Further, in 2020, pCBtF was identified as a stronger carcinogen than t-BAc after it had been previously exempted from the definition of a VOC in Rule 102 for all uses within the South Coast AQMD, including adhesives and sealants that would otherwise be subject to Rule 1168 requirements.

Based on the results of the 2022 technology assessment and the recommendation of the Stationary Source Committee of the South Coast AQMD Governing Board, Rule 1168 was amended in November 2022 which: 1) prohibited the use of pCBtF and t-BAc due to toxicity concerns; 2) either delayed the effective dates of VOC emission limits or maintained the existing VOC emission limits for certain categories of adhesives and sealants; 3) created additional subcategories of Regulated Products to better characterize and refine VOC emission limits; 4) allowed Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) to qualify as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an evaluation by OEHHA; and 5) removed definitions and updated, clarified, and streamlined rule language. The environmental impacts associated with the November 2022 version of Rule 1168 were analyzed in the November 2022 Final SEA for Rule 1168. The types of activities and associated environmental impacts associated with implementing the VOC limits and compliance

dates subject to the October 2017 Rule 1168 amendments were compared to the November 2022 version of Rule 1168; the November 2022 Final SEA for Rule 1168 concluded that the type and extent of the anticipated physical changes would be similar and would cause similar secondary adverse environmental impacts for the same environmental topic areas that were identified and analyzed in the October 2017 Final EA for Rule 1168 except for the topic of air quality and GHG emissions. Specifically, the November 2022 Final SEA for Rule 1168 concluded that the November 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts due to delayed VOC emission reductions of 0.42 tpd over the short-term and permanent VOC emission reductions foregone of 0.28 tpd over the long-term. Because the November 2022 Final SEA for Rule 1168 concluded that the project will have significant and unavoidable adverse impacts on the environment, pursuant to CEQA Guidelines 15252(a)(2)(A), the November 2022 Final SEA included an alternatives analysis for the November 2022 version of Rule 1168. However, no feasible mitigation measures were identified that would reduce or eliminate the significant adverse impacts for the air quality during operation. Thus, mitigation measures were not made a condition of the approval of the November 2022 version of Rule 1168 and were not adopted. Further, since mitigation measures were not adopted for the project, a Mitigation, Monitoring, and Reporting Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097 was neither required nor adopted at that time. However, Findings were made pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 was adopted for the November 2022 version of Rule 1168.

Because this is a subsequent document, the baseline is the project analyzed in the October 2017 Final EA for Rule 1168. The SEA was prepared because PAR 1168 contains new information of substantial importance which was not known and could not have been known at the time the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 were certified and the project will have significant effects that were not previously discussed. [CEQA Guidelines Section 15162(a)(3)(A)].

The SEA, which includes a project description and analysis of potential adverse environmental impacts that could be generated from PAR 1168, concluded to have generally the same or similar environmental effects that were previously examined in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 but that the operational air quality impacts from PAR 1168 will cause some additional delayed VOC emission reductions, which will result in further delays in achieving the full amount of VOC emission reductions anticipated as part of the October 2017 version of PAR 1168 and that will be more severe than the delayed VOC emission reductions as a result of the November 2022 version of Rule 1168. Specifically, the Final SEA for PAR 1168 concluded that significant and unavoidable adverse environmental impacts may occur for air quality during operation because the delayed VOC emission reductions would exceed the South Coast AQMD's daily VOC operational significance threshold of 55 pounds per day. Therefore, pursuant to CEQA Guidelines Section 15252(a)(2)(A), an alternatives analysis was required and has been included in the Final SEA. However, no feasible mitigation measures were identified that would reduce or eliminate the significant adverse impacts for the air quality during operation. Thus, mitigation measures were not made a condition of approval of PAR 1168. Further, since no feasible mitigation measures were identified, a Mitigation, Monitoring, and Reporting

Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097 is not required.

The Draft SEA was released and circulated for a 46-day public review and comment period from September 18, 2026 to November 3, 2026 and no comment letters were received.

However, some modifications have been made to the Draft SEA to make it a Final SEA which include updates to reflect changes made to PAR 1168 after the public notice of availability of the Draft SEA. South Coast AQMD staff evaluated the modifications made to PAR 1168 after the release of the Draft SEA for public review and comment and concluded that none of the revisions constitute significant new information, because: 1) no new significant environmental impacts would result from the proposed project; 2) there is no substantial increase in the severity of an environmental impact; 3) no other feasible project alternative or mitigation measure was identified that would clearly lessen the environmental impacts of the project and was considerably different from others previously analyzed; and 4) the Draft SEA did not deprive the public from meaningful review and comment. In addition, revisions to PAR 1168 and the analysis in response to verbal or written comments during the rule development process would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the Draft SEA pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, the Draft SEA has been revised to include the aforementioned modifications such that it is now the Final SEA. The Final SEA will be presented to the Governing Board prior to its December 4, 2026 public hearing (see Attachment I of the Governing Board package).

South Coast AQMD's certified regulatory program does not impose any greater requirements for making written findings for significant environmental effects than is required for an EIR under CEQA. When considering for approval a proposed project that has one or more significant adverse environmental effects, a public agency must make one or more written findings for each significant adverse effect, accompanied by a brief rationale for each finding. [Public Resources Code Section 21081 and CEQA Guidelines Sections 15065 and 15091]. The analysis in the Final SEA concluded that PAR 1168 has the potential to generate significant adverse air quality impacts during operation which are more severe than what was previously analyzed in the October 2017 EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 for air quality during operation. In addition, extending the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives under PAR 1168 would delay the toxicity-related benefits associated with the requirement to phaseout pCBtF that was adopted in the November 2022 version of Rule 1168.

For a proposed project with significant adverse environmental impacts, CEQA requires the lead agency to balance the economic, legal, social, technological, or other benefits of a proposed project against its significant unavoidable environmental impacts when determining whether to approve the proposed project. Under CEQA Guidelines Section 15093(a), "If the specific economic, legal, social, technological, or other benefits of a project outweigh the unavoidable significant adverse environmental effects, the adverse environmental effects may be considered "acceptable." Thus, after adopting findings, the lead agency must also adopt a "Statement of Overriding Considerations" to approve a proposed project with significant adverse environmental effects.

2.0 CEQA PROVISIONS REGARDING FINDINGS

CEQA generally requires agencies to make certain written findings before approving a proposed project with significant environmental impacts. South Coast AQMD is exempt from some of CEQA's requirements pursuant to its Certified Regulatory Program, but complies with its provisions where required or otherwise appropriate.

Relative to making Findings, CEQA Guidelines Section 15091 provides:

(a) No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:

(1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

(2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

(3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

(b) The findings required by subsection (a) shall be supported by substantial evidence in the record.

(c) The finding in subdivision (a)(2) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subsection (a)(3) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.

(d) When making the findings required in subdivision (a)(1), the agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.

(e) The public agency shall specify the location and custodian of the documents or other material which constitute the record of the proceedings upon which its decision is based.

(f) A statement made pursuant to Section 15093 does not substitute for the findings required by this section.

The "changes or alterations" referred to in CEQA Guidelines Section 15091(a)(1) may include a wide variety of measures or actions as set forth in CEQA Guidelines Section 15370, including:

(a) Avoiding the impact altogether by not taking a certain action or parts of an action.

(b) Minimizing impacts by limiting the degree or magnitude of the action and its implementation.

(c) Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment.

(d) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.

(e) Compensating for the impact by replacing or providing substitute resources or environments.

3.0 SUMMARY OF THE PROPOSED PROJECT

Rule 1168 was adopted in April 1989 to reduce VOC emissions from adhesive and sealant applications. Rule 1168 contains VOC limits for 69 categories of adhesives, adhesive primers, sealants, and sealant primers, and applies to products used during manufacturing at stationary sources as well as products used by consumers that are not regulated by the California Air Resources Board (CARB) in the Consumer Products Regulation (CPR). Rule 1168 has been amended 15 times with the last two amendments in October 2017 and November 2022. The purpose of the October 2017 amendments to Rule 1168 was to primarily reduce VOC emissions by 1.38 tpd but also reduce emissions from toxic air contaminants and stratospheric ozone-depleting compounds in formulations of adhesives, adhesive primers, sealants, and sealant primers.

Rule 1168 was amended on November 4, 2022 to: 1) prohibit the use of pCBtF and t-BAc due to toxicity concerns; 2) delay the effective dates of VOC emission limits or maintain the existing VOC emission limits for certain categories of adhesives and sealants; 3) create additional subcategories of Regulated Products to better characterize and refine VOC emission limits; 4) allow Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an evaluation by OEHHA; and 5) remove definitions and update, clarify, and streamline rule language. Implementation of the November 2022 version of Rule 1168 was expected to result in delayed and permanent foregone VOC emission reductions of 0.42 tpd and 0.28 tpd, respectively, due to extending the effective dates and maintaining the existing VOC limits for certain categories of Regulated Products, while lowering the potential for toxic chemicals to be used in adhesive and sealant products.

As part of adopting amendments to Rule 1168 on November 4, 2022, the South Coast AQMD Governing Board directed South Coast AQMD staff to report back to the Stationary Source Committee in January 2026 regarding the progress of phasing out pCBtF and t-BAc, including data reported in the Rule 1168 Quantity and Emission Reports and feedback from manufacturers of roofing adhesives and sealants. In response to this direction, South Coast AQMD staff conducted a technology assessment which concluded that manufacturers had already either phased out or are on track to phase-out pCBtF from all roofing categories except roofing adhesive primers. Thus, staff developed PAR 1168 to extend the pCBtF prohibition date for roofing adhesive primers to allow more time for reformulation. PAR 1168 also seeks to: 1) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 2) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, Roof Adhesive Primers, and All Other Adhesive Primers; 3) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 4) require manufacturers to provide a list of their distributors annually; 5) transition reporting to a recordkeeping requirement for distributors; 6) include a new category for battery adhesives with an extended pCBtF prohibition date; and 7) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

When comparing the types of activities and associated environmental impacts with implementing the VOC limits and compliance dates subject to the October 2017 and November 2022 versions of Rule 1168 that were previously analyzed in the October 2017 Final EA and November 2022 Final SEA for Rule 1168, respectively, to the currently proposed changes which comprise PAR 1168, the type and extent of the physical changes are expected to be similar and will cause similar secondary adverse environmental impacts for the same environmental topic areas that were identified and analyzed in the October 2017 Final EA for Rule 1168 and November 2022 Final SEA for Rule 1168. Thus, PAR 1168 is expected to have generally the same or similar environmental effects that were previously examined in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 but that the operational air quality impacts from PAR 1168 will cause some additional delayed VOC emission reductions, which will result in further delays in achieving the full amount of VOC emission reductions anticipated as part of the October 2017 version of PAR 1168 and that will be more severe than the delayed VOC emission reductions as a result of the November 2022 version of Rule 1168. In addition, extending the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives under PAR 1168 would delay the toxicity-related benefits associated with the requirement to phaseout pCBtF that was adopted in the November 2022 version of Rule 1168.

4.0 POTENTIALLY SIGNIFICANT ADVERSE IMPACTS THAT CANNOT BE REDUCED BELOW A SIGNIFICANT LEVEL

The analysis in the Final SEA independently considered whether PAR 1168 would result in new significant impacts for any environmental topic areas previously evaluated in the October 2017 Final EA and November 2022 Final SEA for Rule 1168. The Final SEA for PAR 1168 identified the topic of air quality during operation as the only area in which the proposed project may cause significant and unavoidable adverse environmental impacts. No other significant adverse impacts were identified. The following discussion independently considers the currently proposed project (PAR 1168) and analyzes the incremental changes that may occur subsequent to the original

project analyzed in the October 2017 Final EA for Rule 1168 and the revised project in the November 2022 Final SEA for Rule 1168.

Air Quality Impacts During Operation

The October 2017 Final EA for Rule 1168 previously analyzed air quality and GHG impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that less than significant adverse impacts to air quality and GHG emissions would occur. Five years later, the November 2022 Final SEA for Rule 1168 evaluated air quality and GHG emissions impacts associated with the November 2022 version of Rule 1168 and concluded that the November 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts, because the delayed VOC emission reductions of 0.42 tpd over the short-term and the permanent VOC emission reductions foregone of 0.28 tpd over the long-term would exceed South Coast AQMD air quality significance threshold for mass daily emissions of VOCs during operation. No feasible mitigation measures were identified that would avoid or lessen these significant air quality impacts.

PAR 1168 proposes to delay the effective dates for certain categories of adhesives and sealants to comply with the applicable VOC limits established in the November 2022 version of Rule 1168, and these proposed changes are considered operational activities that are expected to generate significant air quality impacts. While the November 2022 Final SEA for Rule 1168 originally estimated that the November 2022 version of Rule 1168 would result in delayed VOC emission reductions ranging from 0.42 tpd to 0.39 tpd through January 1, 2028, PAR 1168 would extend the period of delayed VOC emission reductions beyond January 1, 2028. Implementation of PAR 1168 would delay VOC emission reductions for Clear, Paintable, Immediately Water-Resistant Sealant from January 1, 2026 to January 1, 2029; for Rubber Vulcanization Adhesive from January 1, 2028 to January 1, 2029; and for Top and Trim Adhesive from January 1, 2028 to January 1, 2030.

The analysis in the Final SEA estimated 0.146 tpd of delayed VOC emission reductions through January 1, 2029; and 0.115 tpd from January 1, 2029 through January 1, 2030. Thus, PAR 1168 would extend the period during which VOC emission reductions are delayed by approximately two years compared to the November 2022 version of Rule 1168. The extended duration of delayed VOC emission reductions that would occur as a result of PAR 1168 would create more severe operational air quality impacts than what was analyzed in the November 2022 Final SEA for Rule 1168, and the delayed VOC emission reductions that would occur as a result of PAR 1168 would exceed the South Coast AQMD air quality significance threshold for mass daily operational VOCs of 55 pounds per day. As a result, the peak daily VOC operational impacts associated with the delayed VOC emission reductions from implementing PAR 1168 are significant.

PAR 1168 also proposes to extend the pCBtF prohibition effective date, sell-through end date, and use-through end date for Roof Adhesive Primers and Battery Adhesives. As a result, the air quality benefit associated with the pCBtF phaseout and the corresponding reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives would be delayed. However, the

pCBtF phaseout requirement established in the November 2022 version of Rule 1168 would remain in place under PAR 1168, and the phaseout would still occur under the extended deadline. PAR 1168 would also prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products for use within the South Coast AQMD that contain dimethyl carbonate (DMC) in concentrations greater than 0.01 percent by weight or volatile methyl siloxanes (VMS) in concentrations greater than 1.0 percent by weight, thereby providing an additional toxicity benefit.

If significant adverse environmental impacts are identified, the CEQA document shall describe feasible mitigation measures that could minimize the significant adverse impacts of the proposed project. [CEQA Guidelines Section 15126.4]. Therefore, feasible mitigation measures are required to reduce operational VOC impacts. CEQA defines "feasible" as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors." [Public Resources Code Section 21061.1].

However, the reason PAR 1168 is revising the effective dates of VOC emissions limits for certain categories of adhesives and sealants is because the technology assessment concluded that there are no other replacement products currently available that can feasibly attain the existing VOC limits by the effective dates established in the November 2022 version of Rule 1168. Based upon this technological limitation, there are no feasible mitigation measures that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels. Therefore, PAR 1168 is considered to have significant adverse unavoidable project-specific and cumulative air quality impacts during operation.

It is important to note that because the focus of PAR 1168 is on the VOC content of adhesives and sealants, emissions of other criteria pollutants that are typically associated with combustion activities (e.g., NOx, CO, SOx, PM10, and PM2.5) are not affected by PAR 1168. Thus, PAR 1168 will have no significant air quality impacts associated with NOx, CO, SOx, PM10, and PM2.5 emissions.

5.0 FINDINGS REGARDING POTENTIALLY SIGNIFICANT ENVIRONMENTAL IMPACTS

Public Resources Code Section 21081(a) and CEQA Guidelines Section 15091(a) provide that a public agency shall not approve or carry out a project with significant environmental effects unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. Additionally, the findings must be supported by substantial evidence in the record. [CEQA Guidelines Section 15091(b)]. Three potential findings can be made for potentially significant impacts:

> **Finding 1:** Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final SEA. [Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1)].

Finding 2: Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency. [Public Resources Code Section 21081(a)(2) and CEQA Guidelines Section 15091(a)(2)].

Finding 3: Specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or project alternatives identified in the Final SEA. [Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3)].

As identified in the Final SEA and summarized in Section 4.0 of this attachment, PAR 1168 has the potential to create significant adverse operational air quality impacts. The South Coast AQMD Governing Board, therefore, makes the following findings regarding the proposed project. The Findings are supported by substantial evidence in the record as explained in each finding. These Findings will be included in the record of project approval and will also be noted in the Notice of Decision. The Findings made by the South Coast AQMD Governing Board are based on the following significant adverse impact identified in the Final SEA for PAR 1168:

Potential delayed VOC emission reductions during operation exceed the South Coast AQMD's applicable significance air quality thresholds and cannot be mitigated to less than significant levels.

Finding and Explanation:
When comparing the types of activities and associated environmental impacts with implementing the VOC limits and compliance dates subject the October 2017 and November 2022 versions of Rule 1168 that were previously analyzed in the October 2017 Final EA and November 2022 Final SEA for Rule 1168, respectively, to the currently proposed changes, PAR 1168 is anticipated to cause some additional delayed VOC emission reductions, which will result in further delays in achieving the full amount of VOC emission reductions anticipated as part of the October 2017 version of PAR 1168 and that will be more severe than the delayed VOC emission reductions as a result of the November 2022 version of Rule 1168. The Final SEA estimated these delayed VOC emission reductions to be 0.146 tpd through January 1, 2029; and 0.115 tpd from January 1, 2029 through January 1, 2030, which would exceed the South Coast AQMD's daily VOC operational significance threshold of 55 pounds per day. In addition, extending the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives under PAR 1168 would delay the toxicity-related benefits associated with the requirement to phaseout pCBtF that was adopted in the November 2022 version of Rule 1168

Due to significant adverse air quality impacts during operation, feasible mitigation measures were required in the Final SEA to minimize the significant adverse impacts of the proposed project. However, the analysis in the Final SEA identified no feasible mitigation measures that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels. Therefore, operational air quality impacts for VOC emissions are found to be significant and unavoidable.

The Governing Board finds that: 1) due to technological limitations, there are currently no other products available that can feasibly attain the existing VOC limits by the effective

dates established in the November 2022 version of Rule 1168; and 2) there are no feasible mitigation measures that would eliminate or reduce the project-level or cumulative significant adverse operational air quality impacts for VOC emissions to less than significant levels. [Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3)].

5.1 FINDINGS FOR ALTERNATIVES TO THE PROPOSED PROJECT

A. Alternative A: No Project

Finding and Explanation:
The Final SEA analyzes a No Project Alternative, referred to as Alternative A, which consists of what would occur if the proposed project is not approved; in this case, not proposing amendments to Rule 1168. Under Alternative A, manufacturers would be required to formulate adhesives and sealants for sale and use within South Coast AQMD's jurisdiction that meet the VOC limits and toxic prohibition requirements by their corresponding effective dates established in the November 2022 version of Rule 1168. Specifically, Alternative A would require: 1) the categories of Top and Trim Adhesive, Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant to meet the VOC limits and corresponding effective dates established in the November 2022 version of Rule 1168; and 2) Roof Adhesive Primers and Battery Adhesives (currently included under All Other Adhesives) to comply with the pCBtF prohibition effective date, sell-through end date, and use-through end date established in the November 2022 version of Rule 1168.

The November 2022 Final SEA for Rule 1168 concluded that compliance with the VOC limits and effective dates established in the November 2022 version of Rule 1168 would result in delayed VOC emission reductions ranging from 0.42 tpd to 0.39 tpd through January 1, 2028. Alternative A would also retain the pCBtF prohibition, sell-through, and use-through dates established in the November 2022 version of Rule 1168 and, therefore, provide the earliest reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives. However, manufacturers of certain adhesives and sealants have indicated that they need additional time to develop compliant products or cannot meet the applicable VOC limits or pCBtF phaseout effective dates established in the November 2022 version of Rule 1168 due to technological limitations, creating potential compliance issues.

The main objectives of the PAR 1168 are to: 1) reduce VOC emissions from adhesives and sealants by establishing technologically feasible effective dates for compliance with the VOC limits established in the November 2022 version of Rule 1168; and 2) reduce potential exposure to pCBtF and t-BAc by establishing technologically feasible prohibition, sell-through, and use-through dates for products subject to Rule 1168.

Based upon proceeding discussion, the No Project Alternative is infeasible because it neither meets the objectives of PAR 1168 nor takes into consideration the conclusions of the technology assessment and the Stationary Source Committee's direction to take a

precautionary approach evaluating existing or proposed exemptions for any compound with a toxic endpoint.

Because Alternative A does not achieve the basic project objective, the Governing Board finds that the No Project Alternative is infeasible. [Public Resources Code 21081(a)(3); California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 1000-1001 (upholding finding of infeasibility where agency determined alternative failed to achieve project objective)].

B. Alternative B: More Stringent Proposed Project

Finding and Explanation:
The Final SEA analyzes Alternative B, which is more stringent than PAR 1168. Under Alternative B, the required effective date to meet the VOC limits would be six months earlier than the proposed project for the categories of Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant while the effective date to meet the VOC limit for Top and Trim Adhesive would need to occur 12 months earlier than PAR 1168. In addition, under this alternative, the pCBtF effective date, sell-through end date, and use-through end date would be 12 months earlier than the proposed project for Roof Adhesive Primers and Battery Adhesives. All other elements would be the same under Alternative B as for PAR 1168.

Alternative B would result in 0.146 tpd of delayed VOC emission reductions through July 1, 2028, and 0.115 tpd from July 1, 2028 through January 1, 2029, but the delay would be for a shorter period of time (i.e., six to 12 months less) when compared to PAR 1168. Alternative B would also establish the applicable pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives 12 months earlier than PAR 1168. Thus, of the remaining feasible alternatives, Alternative B would provide the earliest VOC emission reductions for certain categories of adhesives and sealants and the earliest reduction in potential exposure to pCBtF from Roof Adhesive Primers and Battery Adhesives by establishing earlier pCBtF phaseout dates and, therefore, would be considered both the lowest toxic and environmentally superior alternative. However, the technology assessment identified that additional time is needed for manufacturers to develop commercially available formulations for certain categories of adhesives and sealants that meet the VOC limits and pCBtF phaseout requirements established in the November 2022 version of Rule 1168. While Alternative B may be the environmentally superior alternative, uncertainty regarding the ability of manufacturers to meet the applicable VOC limits and pCBtF phaseout requirements within the earlier compliance timeframes may not be fully realistic as a practical matter. Thus, when compared to the proposed project, Alternative B may be infeasible at worst, or difficult to achieve at best, due to technological limitations and time constraints associated with developing and testing new formulations prior to making them commercially available for use.

The Governing Board finds that there are no feasible mitigation measures that would eliminate or reduce the project-level or cumulative significant adverse operational air quality impacts for VOC emissions to less than significant levels if Alternative B is

implemented. As such, the Governing Board finds that Alternative B will not avoid or substantially lessen the significant operational air quality impacts as identified in the Final SEA. [Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3)].

C. Alternative C: Less Stringent Proposed Project

I. Finding and Explanation:
The Final SEA analyzes Alternative C, which is less stringent than the proposed project. Under Alternative C, the categories of Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant would have an additional six months to meet the VOC limits, and the category of Top and Trim Adhesive would have an additional 12 months later than the proposed project. In addition, under this alternative, the pCBtF effective date, sell-through end date, and use-through end date would be 12 months later than the proposed project for Roof Adhesive Primers and Battery Adhesives. All other elements would be the same under Alternative C as for PAR 1168.

With regards to comparing impacts between the proposed project and alternatives, Alternative C would provide the latest VOC emission reductions for certain categories of adhesives and sealants and the latest reduction in potential exposure to pCBtF from Roof Adhesive Primers and Battery Adhesives by establishing later pCBtF phaseout dates. Alternative C would result in 0.146 tpd of delayed VOC emission reductions through July 1, 2029, and 0.115 tpd from July 1, 2029 through January 1, 2031, but the delay would occur over a longer period of time (e.g., twelve months longer) when compared to the proposed project.

The Governing Board finds that there are no feasible mitigation measures that would eliminate or reduce the project-level or cumulative significant adverse operational air quality impacts for VOC emissions to less than significant levels if Alternative C is implemented. Therefore, the Governing Board finds that Alternative C will not avoid or substantially lessen the significant environmental effect as identified in the Final SEA. [Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3)].

5.2 CONCLUSION OF FINDINGS

The Governing Board makes the following findings:

1) No feasible mitigation measures have been identified in the Final SEA that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels.

2) Alternative A, the No Project alternative, is infeasible because it does not achieve the proposed project objectives, and it does not take into consideration the conclusions of the technology assessment and the Stationary Source Committee's direction to take a precautionary approach evaluating existing or proposed exemptions for any compound with a toxic endpoint. Because Alternative A does not achieve the basic project objective,

the Governing Board finds that the No Project Alternative is infeasible. [Public Resources Code 21081(a)(3); California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 1000- 1001 (upholding finding of infeasibility where agency determined alternative failed to achieve project objective)].

3) Alternative B was identified in the Final SEA as the environmentally superior and least toxic alternative; however, for Alternatives B and C, the Governing Board finds that there are no feasible mitigation measures that would eliminate or reduce the project-level or cumulative significant adverse operational air quality impacts for VOC emissions to less than significant levels. As such, the Governing Board finds that neither Alternative B nor Alternative C will avoid or substantially lessen the significant operational air quality impacts as identified in the Final SEA. [Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3)].

The Governing Board further finds that the Final SEA considered alternatives pursuant to CEQA Guidelines Section 15126.6, but there is no alternative to PAR 1168 that would reduce to insignificant levels the significant operational air quality impacts identified for the proposed project and still achieve the objectives of the proposed project.

The Governing Board further finds that the findings required by CEQA Guidelines Section 15091(a) are supported by substantial evidence in the record. The record of approval for this proposed project may be found in the South Coast AQMD's Clerk of the Board's Office located at South Coast AQMD headquarters in Diamond Bar, California.

6.0 STATEMENT OF OVERRIDING CONSIDERATIONS

If significant adverse impacts of a proposed project remain after incorporating mitigation measures, or no measures or alternatives to mitigate the adverse impacts are identified, the lead agency must make a determination that the benefits of the proposed project outweigh the unavoidable adverse environmental effects if it is to approve the proposed project. CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. [CEQA Guidelines Section 15093(a)]. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable" [CEQA Guidelines Section 15093(a)]. Accordingly, a Statement of Overriding Considerations regarding potentially significant adverse operational VOC air quality impacts resulting from PAR 1168 has been prepared. This Statement of Overriding Considerations is included as part of the record of approval for PAR 1168. Pursuant to CEQA Guidelines Section 15093(c), the Statement of Overriding Considerations will also be noted in the Notice of Decision for PAR 1168.

Despite the inability to incorporate changes into PAR 1168 that will mitigate potentially significant adverse operational air quality impacts to a level of insignificance, the South Coast AQMD Governing Board finds that the following benefits and considerations outweigh the significant unavoidable adverse environmental impacts:

1. The analysis of potential adverse environmental impacts incorporates a "worst-case" approach which is based on the premise that whenever the analysis requires that assumptions be made, those assumptions that result in the greatest adverse impacts are typically chosen. This method likely overestimates the actual adverse environmental impacts from PAR 1168.

2. The potential adverse impacts from implementing PAR 1168 consist of delayed VOC emission reductions, not emission increases. The delayed VOC emission reductions would ultimately occur once the applicable VOC limits become effective under the extended compliance dates.

3. Although PAR 1168 would delay the air quality benefit associated with the pCBtF phaseout and the corresponding reduction in potential exposure to pCBtF from Roof Adhesive Primers and Battery Adhesives, the t-BAc and pCBtF phaseout requirements established in the November 2022 version of Rule 1168 would remain in place and continue to apply under PAR 1168, with only the applicable phaseout dates for Roof Adhesive Primers and Battery Adhesives being extended. Accordingly, the air quality benefit associated with the pCBtF phaseout would be delayed but would eventually be realized once the extended phaseout dates take effect.

4. PAR 1168 would prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products for use within the South Coast AQMD that contain DMC in concentrations greater than 0.01 percent by weight or volatile methyl siloxanes VMS in concentrations greater than 1.0 percent by weight, thereby providing an additional benefit of reduced toxicity.

5. PAR 1168 will provide relief for manufacturers of certain categories of adhesives and sealants which are technologically unable to meet the VOC limits or pCBtF phaseout requirements previously established in the November 2022 version of Rule 1168.

6. Although PAR 1168 would still cause significant operational air quality impacts for VOC emissions, it is considered to provide the best balance in achieving the project objectives while minimizing the significant adverse environmental impacts to operational air quality.

The South Coast AQMD Governing Board finds that the above-described considerations outweigh the unavoidable significant effects to the environment as a result of PAR 1168.

7.0 MITIGATION

CEQA requires an agency to prepare a plan for reporting and monitoring compliance with the implementation of measures to mitigate significant adverse environmental impacts. When making findings as required by Public Resources Code Section 21081 and CEQA Guidelines Section 15091, the lead agency must adopt a reporting or monitoring program for the changes to the project which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment [Public Resources Code Section 21081.6 and CEQA

Guidelines Section 15097(a)]. The provisions of CEQA Guidelines Section 15097 and Public Resources Code Section 21081.6 are triggered when the lead agency certifies a CEQA document in which mitigation measures changes, or alterations have been required or incorporated into the project to avoid or lessen the significance of adverse impacts identified in the CEQA document.

However, no feasible mitigation measures were identified for PAR 1168 that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels. Since no feasible mitigation measures were identified, mitigation measures and a corresponding mitigation, monitoring and reporting plan are not required and have not been prepared.

8.0 RECORD OF PROCEEDINGS

For purposes of CEQA, including the Findings and Statement of Overriding Considerations, the Record of Proceedings for PAR 1168 consists of the following documents and other evidence, at a minimum:

- The Final SEA for PAR 1168, including appendices and technical studies attached to or referenced in the Final SEA, and all other public notices issued by South Coast AQMD for the Final SEA.
- The Draft SEA for the proposed project including appendices and technical studies included or referenced in the Draft SEA, and all other public notices issued by South Coast AQMD for the Draft SEA.
- The Preliminary Draft, Draft, and Final versions of the rule language and associated staff report.
- The Draft and Final version of the Socioeconomic Impact Assessment.
- All written and verbal public testimony presented during a noticed public hearing for PAR 1168.
- All documents, studies, EAs, or other materials incorporated by reference and tiered-off in the Draft SEA and Final SEA.
- The Resolution adopted by South Coast AQMD in connection with PAR 1168, and all documents incorporated by reference therein.
- Matters of common knowledge to South Coast AQMD, including but not limited to federal, state, and local laws and regulations.
- Any documents expressly cited in the Findings and Statement of Overriding Considerations.
- Any other relevant materials required to be in the record of proceedings by Public Resources Code Section 21167.6(e).
- The Notice of Decision, prepared in compliance with Public Resources Code Section 21080.5(d)(2)(E), CEQA Guidelines Section 15252(b), and South Coast AQMD Rule 110(f), if the Governing Board certifies the Final SEA and approves PAR 1168.

To comply with CEQA Guidelines Section 15091(e), the South Coast AQMD specifies the Deputy Executive Officer of the Planning, Rule Development, and Implementation Division as the custodian of the administrative record for PAR 1168, which includes the documents or other materials which constitute the record of proceedings upon which the South Coast AQMD's actions related to the proposed project is based, and which are located at the South Coast AQMD headquarters, 21865 Copley Drive, Diamond Bar, California 91765. Copies of these documents, which constitute the record of proceedings, are and at all relevant times have been and will be available upon request. This information is provided in accordance with Public Resources Code Section 21081.6(a)(2) and CEQA Guidelines Section 15091(e).

(Adopted April 7, 1989)(Amended March 2, 1990)(Amended Feb. 1, 1991)
(Amended July 19, 1991)(Amended August 2, 1991)
(Amended December 4, 1992)(Amended December 10, 1993)
(Amended April 11, 1997)(Amended February 13, 1998)(Amended September 15, 2000)
(Amended June 7, 2002)(Amended July 12, 2002)(Amended October 3, 2003)
(Amended January 7, 2005)(Amended October 6, 2017)(Amended November 4, 2022)
(Amended [Date of Adoption])
[RULE INDEX TO BE ADDED AFTER RULE ADOPTION]

PROPOSED AMENDED RULE 1168. ADHESIVE AND SEALANT APPLICATIONS

(a) Purpose

The purpose of this rule is to reduce emissions of volatile organic compounds (VOCs), toxic air contaminants, and stratospheric ozone-depleting compounds from the application of adhesives, adhesive primers, sealants, and sealant primers.

(b) Applicability

This rule applies to any ~~person~~Person who uses or stores any adhesives, adhesive primers, sealants, or sealant primers in the South Coast AQMD; any ~~person~~Person who sells, supplies, distributes, offers for sale, or manufactures any adhesives, adhesive primers, sealants, or sealant primers for use within the South Coast AQMD; and any owner or operator of a Facility within the South Coast AQMD conducting operations which include the use of adhesives, adhesive primers, sealants, or sealant primers; unless otherwise specifically exempted by this rule.

(c) Definitions

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

(1) ACRYLIC is a thermoplastic polymer or a copolymer of acrylic acid, methacrylic acid, esters of these acids, or acrylonitrile.

(2) ACRYLONITRILE-BUTADIENE-STYRENE (ABS) plastic is made by reacting monomers of acrylonitrile, butadiene, and styrene and is normally identified with an ABS marking.

(3) ABS TO POLYVINYL CHLORIDE (PVC) TRANSITION CEMENT is Plastic Welding Cement used to join ABS and PVC building drains or building sewers.

(4) ABS WELDING CEMENT is a Plastic Welding Cement that is used to join ABS pipe, fittings, and other system components, including, but not limited to, components for shower pan liner, drain, closet flange, and backwater valve systems.

(5) ADHESIVE is any substance that is used to bond one surface to another surface by attachment.

(6) ADHESIVE PRIMER is a film-forming material applied to a substrate, prior to the application of an adhesive or adhesive tape, to increase adhesion or film bond strength, promote wetting, or form a chemical bond with a subsequently applied adhesive.

(7) ADHESIVE TAPE is a backing material coated with an adhesive, and includes, but is not limited to, drywall tape, heat sensitive tape, pressure-sensitive adhesive tape, and water-activated tape.

(8) AEROSOL ADHESIVE is any adhesive packaged as an Aerosol Product in which the spray mechanism is permanently housed in a can designed for hand-held application where no ancillary hoses or spray equipment is used.

(9) AEROSOL PRODUCT is a pressurized spray system that dispenses product ingredients by means of a propellant contained in a product or a product's container, or by means of a mechanically induced force. -Aerosol Products do not include Pump Spray.

(10) ARCHITECTURAL APPLICATION is the use of a Regulated Product on stationary structures, including mobile homes, and their appurtenances.

(11) ARCHITECTURAL APPURTENANCE is any accessory to a stationary structure, including, but not limited to, hand railings; cabinets; bathroom and kitchen fixtures; fences; rain-gutters and down-spouts; window screens; lamp-posts; heating and air conditioning equipment; other mechanical equipment; large fixed stationary tools; signs; motion picture and television production sets; and concrete forms.

(12) BATTERY ADHESIVE is an adhesive used to bond or seal components within a battery assembly, engineered to maintain integrity when exposed to battery operating conditions, including chemical, thermal, and mechanical stresses.

(~~12~~13) BIG BOX RETAILER is a physically large -chain ~~retail outlet~~ Retail Outlet that is classified by the ~~U.S. Department of Labor~~ Office of Management and Budget under North American Industry Classification System code 444110: Home Centers or identified in a list maintained by the Executive Officer.

(~~13~~14) BUILDING ENVELOPE is the exterior and demising partitions of a building that enclose conditioned space.

(~~14~~15) BUILDING ENVELOPE MEMBRANE ADHESIVES are used to adhere membranes applied to the building envelope to provide a barrier to air or vapor leakage through the building envelope that separates conditioned from unconditioned spaces. ~~-~~Building Envelope Membranes are applied to diverse materials, including, but not limited to, concrete masonry units, oriented strand~~ed~~ board, gypsum board, and wood substrates.

(~~15~~16) CARPET PAD ADHESIVE is an adhesive used for the installation of a carpet pad (or cushion) beneath a carpet.

(~~16~~17) CERAMIC, GLASS, PORCELAIN, AND STONE TILE ADHESIVE is an adhesive used for the installation of tile products.

(18) CHEMICAL ABSTRACTS SERVICE REGISTRATION NUMBER or CAS RN means a unique numerical identifier assigned by the Chemical Abstracts Service to a single chemical substance to ensure unambiguous identification.

(~~17~~19) CHLORINATED POLYVINYL CHLORIDE (CPVC) plastic is a polymer of the chlorinated polyvinyl monomer that contains 67~~%~~ percent chlorine and is normally identified with a CPVC marking.

(~~18~~20) CPVC WELDING CEMENT is a Plastic Welding Cement that is used to join CPVC pipe, fittings, and other system components, including, but not limited to, components for shower pan liner, drain, closet flange, and backwater valve systems.

(~~19~~21) CPVC WELDING CEMENT FOR LIFE SAFETY SYSTEM is a CPVC welding cement with an increased resistance to high temperatures which is used for life safety systems, including standalone and multipurpose fire sprinkler systems.

(~~20~~22) CLEAR, PAINTABLE, AND IMMEDIATELY WATER-RESISTANT SEALANT is a compound with adhesive properties that contains no appreciable level of opaque fillers or pigments; transmits most or all visible light through itself when cured; is capable of being painted; is immediately resistant to precipitation upon application; and must meet the following criteria:

(A) Clarity of 15 turbidity units or less per ASTM Method D7315 - Determination of Turbidity Above 1 Turbidity Unit (TU) in Static Mode as manufactured and packaged;

(B) Color of Gardner 0 as tested by ASTM Method D1544 - Standard Test Method for Color of Transparent Liquids (Gardner Color

Scale) or Platinum-Cobalt Color of 50 or less using ASTM Method D1209 - Standard Test Method for Color of Clear Liquids (Platinum-Cobalt Scale) as manufactured and packaged; and

(C) Compatible with paint per ASTM Method C1520 - Standard Guide for Paintability of Latex Sealants.

(~~21~~23) COMPUTER DISKETTE MANUFACTURING is the process where the fold-over flaps are glued to the body of a vinyl jacket.

(~~22~~24) CONTACT ADHESIVE is an adhesive applied to two separate surfaces, allowed to dry before the two surfaces are placed in contact with each other, and forms an immediate bond after both adhesive-coated surfaces are placed in full contact with each other.

(~~23~~25) CONSUMER PRODUCTS REGULATION is the regulation implemented by the California Air Resources Board (CARB) under Title 17 of the California Code of Regulations, Section 94507, et seq.

(~~24~~26) COVE BASE ADHESIVE is a flooring trim unit, generally made of vinyl or rubber, having a concave radius on one edge and a convex radius on the opposite edge, that is used in forming a junction between the bottom wall course and the floor, to form an inside corner.

(~~25~~27) CUT EDGE SINGLE PLY ROOF MEMBRANE SEALANT is a Low-Solids sealant used on single ply roof membrane installations, which is designed to seal the non-factory edges (cut edges) with exposed scrim to inhibit water penetration.

(~~26~~28) CYANOACRYLATE ADHESIVE is an acrylic adhesive that contains ethyl, methyl, methoxymethyl or other functional groupings of cyanoacrylate.

(~~27~~29) DIP COAT is a method of application to a substrate by submersion into, and removal from, a bath.

~~(28) DISTRIBUTION CENTER is a warehouse or other specialized building, which is stocked with products (goods), to be redistributed to retailers, wholesalers, or directly to end-users.~~

(30) DISTRIBUTOR means any Person, company, firm, or establishment to whom Regulated Product are sold or supplied for the purposes of resale or distribution into or within the South Coast AQMD, except that Manufacturers are not Distributors.

(~~29~~31) DRY WALL ADHESIVE is an adhesive used during the installation of gypsum dry wall to studs or solid surfaces.

(3032) EDGE GLUE ADHESIVE is an adhesive applied to the edge of multi-sheet carbonless forms prior to being fanned apart after drying.

(3133) ELECTROSTATIC APPLICATION is a spray method where the atomized droplets are charged and subsequently deposited on the substrate by electrostatic attraction.

(3234) EPDM/TPO SINGLE PLY ROOF MEMBRANE ADHESIVE is any adhesive to be used for the installation or repair of Ethylene Propylene Diene Terpolymer (EPDM) and Thermoplastic Polyolefin (TPO) single ply roof membrane. Installation includes, but is not limited to, attaching the edge of the membrane to the edge of the roof and applying flashings to vents, pipes, or ducts that protrude through the membrane.

(35) EXECUTIVE OFFICER is as defined in Rule 102 – Definition of Terms.

(3336) EXEMPT COMPOUNDS are as defined in Rule 102~~ Definition of Terms (Rule 102)~~, including Group I and Group II Exempt Compounds. For the purpose of this rule, Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) shall only be considered exempt as a VOC for High-Pressure Two-Component Foam Sealants and Low-Pressure Two-Component Foam Sealants when used in an industrial or professional setting by workers trained with procedures and guidelines to reduce potential risk of exposure, if the Office of Environmental Health Hazard Assessment has sufficient information to conduct a toxicity assessment and, upon completion of its assessment:

(A) Does not adopt a Cancer Inhalation Unit Risk Factor for Opteon 1100;

(B) Develops an acute reference exposure level (REL) or interim acute REL for Opteon 1100, which is higher than or equal to the acute REL or interim acute REL for trans-1-Chloro-3,3,3-Trifluoropropene (HFO-1233zd); and

(C) Develops a chronic REL or interim chronic REL for Opteon 1100, which is higher than or equal to the chronic REL or interim chronic REL for trans-1-Chloro-3,3,3-Trifluoropropene (HFO-1233zd).

(3437) FACILITY means any permit unit or grouping of permit units or other air contaminant-emitting activities which are located on one or more contiguous properties within the South Coast AQMD, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same ~~person~~Person (or by

~~person~~Persons under common control). Such above-described groupings, if not contiguous, but connected only by land carrying a pipeline, shall not be considered one ~~facility~~Facility.

(~~35~~38) FIBERGLASS is fine filaments of glass.

(~~36~~39) FLOW COAT is an application method that coats an object by flowing a stream of Regulated Product over the object and draining off any excess product.

(~~37~~40) FOAM INSULATION is an expanding foam that is sprayed into ceiling or wall cavities to provide thermal resistance or to minimize air infiltration.

(~~38~~41) FOAM SEALANT is a foam used to fill and form a durable, airtight, water-resistant seal to common building substrates, such as wood, brick, concrete, foam board, and plastic.

(~~39~~42) GRAMS OF VOC PER LITER (g/L) OF REGULATED PRODUCT, LESS WATER AND LESS EXEMPT COMPOUNDS or REGULATORY VOC is the weight of VOC per combined volume of VOC and product solids, and can be calculated by the following equation:

~~Grams of VOC per Liter of Regulated Product, Less Water and Less Exempt Compounds~~

$$\text{Regulatory VOC (g/L-regulated product)} = \frac{\text{~~W_s~~}W_V - W_W - \text{~~W_{es}~~}W_{ex}}{V_m - V_W - \text{~~V_{es}~~}V_{ex}}$$

Where: ~~W_s~~ W_v = weight of volatile compounds, in grams (includes water, Exempt Compounds, and VOCs);

W_w = weight of water, in grams;

~~W_{es}~~ W_{ex} = weight of ~~exempt compounds~~Exempt Compounds, in grams;

V_m = volume of material, in liters;

V_w = volume of water, in liters; and

~~V_{es}~~ V_{ex} = volume of ~~exempt compounds~~Exempt Compounds, in liters.

For Regulated Products that contain ~~reactive products~~Reactive Products, the VOC content is determined after curing~~. The grams of VOC per liter of any~~

~~Regulated Product, except a Low-Solids product, shall~~ and can be calculated by the following equation:

~~Grams of VOC per Liter of Regulated Product, Less Water and Less~~

~~Exempt Compounds~~

$$\text{Regulatory VOC (g/L-regulated product)} = \frac{W_{rs} - W_{rw} - W_{res}}{V_{rm} - V_{rw} - V_{res}}$$

Where: W_{rs} = weight of volatile compounds not consumed during curing, in grams;

W_{rw} = weight of water not consumed during curing, in grams;

W_{res} = weight of ~~exempt compounds~~ Exempt Compounds not consumed during curing, in grams;

V_{rm} = volume of material prior to reaction, in liters;

V_{rw} = volume of water not consumed during curing, in liters; and

V_{res} = volume of ~~exempt compounds~~ Exempt Compounds not consumed during curing, in liters.

(~~40~~43) GRAMS OF VOC PER LITER OF MATERIAL or ACTUAL VOC is the weight of VOC per volume of material, to be used for a Low-Solids product, and can be calculated by the following equation:

~~Grams of VOC per Liter of Material~~

$$\text{Actual VOC (g/L-material)} = \frac{\text{~~W_s~~Wv} - W_w - \text{~~W_{es}~~Wex}}{V_m}$$

Where: ~~W_s~~ Wv = weight of volatile compounds, in grams (includes water, Exempt Compounds, and VOCs);

W_w = weight of water, in grams;

~~W_{es}~~ Wex = weight of ~~exempt compounds~~Exempt Compounds, in grams; and

V_m = volume of material, in liters.

For reactive products, the VOC content is determined after curing.

(~~41~~44) GROUT is a cement-based sealant formulated to fill or seal gaps, including those associated with, but not limited to, tile installations.

(~~42~~45) HAND APPLICATION METHODS is the application of a Regulated Product using handheld equipment. Such equipment includes paint brush, hand roller, trowel, spatula, dauber, rag, sponge, and mechanically- and/or pneumatically-driven syringe provided there is no atomization of the materials.

(~~43~~46) HIGH-PRESSURE TWO-COMPONENT FOAM SEALANT is a foam sealant packaged as two containers and applied using a propellant system that is pressurized to greater than or equal to 250 pounds per square inch (psi).

(~~44~~47) HIGH-VOLUME, LOW-PRESSURE (HVLP) SPRAY is equipment used to apply a Regulated Product by means of a spray gun that is designed to be operated and that is operated between 0.1 and 10 ~~pounds per square inch~~ psi gauge air pressure measured dynamically at the center of the air cap and at the air horns.

(~~45~~48) HIGHER VISCOSITY CPVC WELDING CEMENT is a CPVC welding cement with a viscosity greater than or equal to 500 centipoise.

(~~46~~49) HOT APPLIED MODIFIED BITUMEN/BUILT UP ROOF ADHESIVE is a thermoplastic hot melt adhesive which requires high temperature conversion to a fluid at the point of application and complies with ASTM Method D312 - Standard Specification for Asphalt Used in Roofing or ASTM Method D6152 - Standard Specification for SEBS-Modified Mopping Asphalt Used in Roofing. Installation or repair includes the application of roofing insulation, roofing ply sheets, roofing membranes, and aggregate surfacing.

(~~47~~50) INDOOR FLOOR COVERING ADHESIVE is an adhesive used during the installation of a carpet or indoor flooring that is in an enclosure and is not exposed to ambient weather conditions during normal use.

(~~48~~51) LOW-PRESSURE TWO-COMPONENT FOAM SEALANT is a foam sealant packaged as two containers pressurized to less than 250 psi.

(~~49~~52) LOW-SOLIDS is any Regulated Product that contains less than one pound of solids per gallon of material (or 120 grams of solids per liter of material).

(~~50~~53) MAINTENANCE is a routine process to keep equipment and machinery in working order or to prevent breakdowns.

(54) MANUFACTURER means any Person, company, firm, or establishment who imports, manufactures, blends, assembles, produces, packages, repackages, or re-labels any Regulated Product. The Manufacturer listed on

the product's label shall be primarily responsible for compliance with applicable provisions of this rule. For the purpose of this rule, a Private Labeler is considered a Manufacturer.

(~~51~~55) MANUFACTURING is the use of tools and labor to make things for sale.

(~~52~~56) MARINE APPURTENANCES include, but are not limited to, a wood boardwalk, deck, dock, fender, lock gate, or other wooden structure specified for the marine environment.

(~~53~~57) MARINE DECK SEALANT is any sealant that is applied to wooden marine decks and their appurtenances and is specified and used exclusively for the marine environment.

(~~54~~58) MARINE DECK SEALANT PRIMER is any sealant primer that is applied to wooden marine decks and their appurtenances and is specified and used exclusively for the marine environment.

(59) MAXIMUM INCREMENTAL REACTIVITY (MIR) means the measure of the photochemical reactivity of a VOC, which estimates the weight of ozone produced from a weight of VOC expressed as gram of ozone per gram of VOC (g O_3 /g VOC). MIR values for individual VOCs are specified in Title 17, California Code of Regulations Sections 94700 and 94701.

(~~55~~60) MODIFIED BITUMINOUS PRIMER consists of bituminous materials, and a high flash solvent used to prepare a surface by:

(~~1~~A) ~~improving~~ Improving the adhesion; and

(~~2~~B) ~~absorbing~~ Absorbing dust from the surface for adhesive or flashing cement bitumen membrane.

(~~56~~61) MODIFIED BITUMINOUS MATERIALS are materials obtained from natural deposits of asphalt or residues from the distillation of crude oil petroleum or coal which consist mainly of hydrocarbons, and include, but are not limited to, asphalt, tar, pitch, and asphalt tile that are soluble in carbon disulfide.

(~~57~~62) MULTI-PURPOSE CONSTRUCTION ADHESIVE is any adhesive to be used for the installation or repair of various construction materials, including, but not limited to, drywall, subfloor, panel, fiberglass reinforced plastic, ceiling tile, and acoustical tile.

(~~58~~63) NON-STAINING PLUMBING PUTTY is a non-staining sealant formulated for use on natural surface materials that remains flexible and creates a waterproof seal when setting plumbing fixtures.

(~~59~~64) ONE-COMPONENT FOAM SEALANT is a foam sealant packaged in aerosol containers and dispensed using propellant under pressure.

(~~60~~65) OUTDOOR FLOOR COVERING ADHESIVE is an adhesive used during the installation of carpet or floor covering that is not in an enclosure and is exposed to ambient weather conditions during normal use.

(~~61~~66) OZONE-DEPLETING COMPOUND is as defined in Rule 102.

(~~62~~67) PANEL ADHESIVE is an adhesive used for the installation of plywood, pre-decorated hardboard (or tileboard), fiberglass reinforced plastic, and similar pre-decorated or non-decorated panels to studs or solid surfaces.

(~~63~~68) PERCENT VOC BY WEIGHT is the ratio of the weight of the VOC to the weight of the material, expressed as a percentage of VOC by weight. -The percent VOC by weight can be calculated as follows:

$$\text{~~\%~~Percent VOC by weight} = \frac{W_v}{W} \times 100$$

Where: W_v = weight of the VOCs, in grams; and

W = weight of material, in grams.

(~~64~~69) PERSON is as defined in Rule 102.

(~~65~~70) PLASTIC ADHESIVE PRIMER is a material applied to CPVC and PVC plastic to prepare joining surfaces for the application of CPVC or PVC welding cements.

(~~66~~71) PLASTIC WELDING CEMENT is the use of adhesives made of resins and solvents which are used to dissolve the surfaces of plastic, except ABS, CPVC, and PVC plastic, to form a bond between mating surfaces.

(~~67~~72) PLASTIC FOAM is a foam constructed of plastics.

(~~68~~73) PLASTICS are synthetic materials chemically formed by the polymerization of organic (carbon-based) substances. -Plastics are usually compounded with modifiers, extenders, and/or reinforcers. –They are capable of being molded, extruded, cast into various shapes and films, or drawn into filaments and are used to produce pipe, solid sheet, film, or bulk products.

(~~69~~74) POLYCARBONATE is a thermoplastic resin derived from bisphenol A and phosgene, a linear polyester of carbonic acid, dihydroxy compound and any carbonate diester, or by ester interchange.

(7075) POLYETHYLENE TEREPHTHALATE is a thermoplastic polyester formed from ethylene glycol by direct esterification or by catalyzed ester exchange between ethylene glycol and dimethyl terephthalate.

(7176) POLYETHYLENE TEREPHTHALATE GLYCOL is a glycol modified polyethylene terephthalate.

(7277) POLYVINYL CHLORIDE (PVC) plastic is a polymer of the vinyl chloride monomer that contains 57 percent chlorine.

(7378) POROUS MATERIAL is a substance which has tiny openings, often microscopic, in which fluids may be absorbed or discharged. –Such materials include, but are not limited to, wood, fabric, paper, corrugated paperboard, and plastic foam.

(7479) POTABLE WATER ~~ARCHITECTURAL~~ SEALANT is a sealant used in water treatment or water distribution applications required to comply with ~~NSF~~National Sanitation Foundation/~~ANSI~~ American National Standards Institute Standard 61: Drinking Water System Components – Health Effects.

(7580) PRESSURE SENSITIVE ADHESIVE is an adhesive, typically coated on backings or release liners that forms a bond when pressure is applied, without the need for solvent, water, or heat.

(7681) PRIVATE LABELER is the ~~person~~Person, company, firm, or establishment (other than the ~~toll manufacturer~~Toll Manufacturer) identified on the label of a Regulated Product.

(82) PRODUCT-WEIGHTED MIR (PW-MIR) means the sum of all weighted MIR for all ingredients in a product. The PW-MIR is the total product reactivity expressed to hundredths of a gram of ozone formed per gram of product (excluding container and packaging) and calculated according to the following equations:

Weighted MIR (Wtd-MIR) ingredient = MIR × Weight Fraction ingredient and

$$PW\text{-}MIR = (Wtd\text{-}MIR)_1 + (Wtd\text{-}MIR)_2 + \ldots + (Wtd\text{-}MIR)_n$$

Where:

MIR = ingredient MIR; and

1, 2, 3…n = each ingredient in the product up to the total n ingredients in the product.

(7783) PUMP SPRAY is a packaging system in which the product ingredients within the container are not under pressure and in which the product is

expelled only while a pumping action is applied to a button, trigger, or other actuator.

(~~78~~84) PVC WELDING CEMENT is a Plastic Welding Cement that is used to join PVC pipe, fittings, and other system components, including, but not limited to, components for shower pan liner, drain, closet flange, and backwater valve systems.

(~~79~~85) QUANTITY AND EMISSION~~S~~ REPORTS (QER) are the reports specified in subdivision (e).

(~~80~~86) REACTIVE PRODUCTS are Regulated Products composed, in part, of monomers that become integral parts of the cured product through chemical reaction. Reactive Products include, but are not limited to, monomers used in: polyurethane~~s~~, ~~and~~ two-component Regulated Products, and energy curable Regulated Products, which are cured upon exposure to visible-light, ultra-violet light or to an electron beam.

(~~81~~87) REGULATED PRODUCT is an adhesive, adhesive primer, sealant, or sealant primer subject to this rule.

(~~82~~88) REINFORCED PLASTIC COMPOSITE is a composite material consisting of plastic reinforced with fibers.

(~~83~~89) REPAIR is an operation or activity to return a damaged object or an object not operating properly, to good condition.

(90) RETAIL OUTLET means any establishment at which a Regulated Product is sold, supplied, or offered for sale directly to end-users. For the purposes of this rule, a Distributor who sells Regulated Products directly to end-users within the South Coast AQMD is considered a Retail Outlet.

(~~84~~91) ROADWAY SEALANT is any sealant to be applied to streets, highways, and other surfaces, including, but not limited to, curbs, berms, driveways, and parking lots.

(~~85~~92) ROLL COATER is a series of mechanical rollers that form a thin film on the surface roller, which is applied to a substrate by moving the substrate underneath the roller.

(~~86~~93) ROOF ADHESIVE PRIMER is a film-forming material applied to a substrate, prior to the application of an adhesive or adhesive tape to increase adhesion or bond strength, promote wetting, or form a chemical bond with a subsequently applied adhesive and is marketed and sold exclusively for the installation or repair of roofing materials.

(~~87~~94) ROOF SEALANT PRIMER is a film-forming material applied to a substrate prior to the application of a sealant to increase bond strength and is marketed and sold exclusively for the installation or repair of roofing materials.

(~~88~~95) RUBBER is any natural or manmade rubber-like substrate, and includes, but is not limited to, styrene-butadiene, polychloroprene (neoprene), butyl, nitrile, chlorosulfonated polyethylene, and ethylene propylene diene terpolymer.

(~~89~~96) RUBBER FLOOR~~ING~~ ADHESIVE is an adhesive that is used for the installation of flooring material in which both the back and top surfaces are made of synthetic rubber, and which may be in sheet or tile form.

(~~90~~97) RUBBER VULCANIZATION ADHESIVE is a reactive adhesive used for rubber-to-substrate bonding achieved during vulcanization of the rubber elastomer at temperatures greater than 250°F. Vulcanized rubber adhesive does not include bonding previously vulcanized rubber.

(~~91~~98) SEALANT is any material with adhesive properties that is designed to fill, seal, waterproof, or weatherproof gaps or joints between two surfaces. Sealants include caulks.

(~~92~~99) SEALANT PRIMER is any film-forming product applied to a substrate, prior to the application of a sealant, to enhance the bonding surface.

(~~93~~100) SHINGLE LAMINATING ADHESIVE is an asphalt based thermoplastic hot melt adhesive used to adhere individual layers during the manufacture of multi-layer asphalt shingles.

(~~94~~101) SHOE REPAIR, LUGGAGE AND HANDBAG ADHESIVE is an adhesive used to repair worn, torn, or otherwise damaged uppers, soles, and heels of shoes, or for making repairs to luggage and handbags.

(~~95~~102) SINGLE PLY ROOF MEMBRANE ADHESIVE (EXCEPT EPDM/TPO) is any adhesive to be used for the installation or repair of any non EPDM or TPO single ply roof membrane. Installation includes, but is not limited to, attaching the edge of the membrane to the edge of the roof and applying flashings to vents, pipes, or ducts that protrude through the membrane.

(~~96~~103) SINGLE PLY ROOF MEMBRANE SEALANT (EXCEPT CUT EDGE) is any sealant used for the installation or repair, except for sealing the cut edges, of single ply roof membrane.

(~~97~~104) SOLVENT WELDING is the softening of the surfaces of two substrates by wetting them with solvents, and/or adhesives, and joining them together through a chemical and/or physical reaction(s) to form a fused union.

(105) SOUTH COAST AQMD TEST METHOD means a test method included in the manual of "Laboratory Methods of Analysis for Enforcement Samples," which can be found on the South Coast AQMD website and are referenced in subdivision (f).

(~~98~~106) SPECIAL PURPOSE CONTACT ADHESIVE is a contact adhesive that is used to bond ~~all of~~ the following substrates to any surface: melamine covered board, metal, unsupported vinyl, ~~Teflon~~Polytetrafluoroethylene, ultra-high molecular weight polyethylene, rubber, and wood veneer 1/16 inch or less in thickness.

(~~99~~107) STRUCTURAL GLAZING ADHESIVE is any adhesive to be used to adhere glass, ceramic, metal, stone, or composite panels to exterior building frames.

(~~100~~108) STRUCTURAL WOOD MEMBER ADHESIVE is an adhesive used for the construction of any load bearing joints in wooden joists, trusses, or beams.

(~~101~~109) SUBFLOOR ADHESIVE is an adhesive used for the installation of subflooring material over floor joists.

(~~102~~110) THIN METAL LAMINATING ADHESIVE is an adhesive for bonding multiple layers of metal to metal or metal to plastic in the production of electronic or magnetic components in which the thickness of the bond line(s) is less than 0.25 mil.

(~~103~~111) TIRE REPAIR is the expanding of a hole, tear, fissure, or blemish in a tire casing by grinding or gouging, applying adhesive, and filling the hole or crevice with rubber.

(~~104~~112) TIRE TREAD ADHESIVE is any adhesive to be applied to the back of precured tread rubber and to the casing and cushion rubber, or to be used to seal buffed tire casings to prevent oxidation while the tire is being prepared for a new tread.

(~~105~~113) TOLL MANUFACTURER is a ~~Regulated Product~~ third-party ~~manufacturer~~Manufacturer who produces Regulated Product for a ~~private labeler~~Private Labeler.

(~~106~~114) TOP AND TRIM ADHESIVE is an adhesive used during the installation of automotive and marine trim, including, but not limited to, headliners, vinyl tops, vinyl trim, sunroofs, dash covering, door covering, floor covering, panel covering, and upholstery.

(~~107~~115) TOXIC AIR CONTAMINANT ~~(TAC)~~ is an air pollutant which may cause or contribute to an increase in mortality or serious illness, or which may pose a present or potential hazard to human health as listed by the Office of Environmental Health Hazard Assessment.

(~~108~~116) TRAFFIC MARKING TAPE is preformed reflective tape that is applied to public streets, highways, and other surfaces, including, but not limited to, curbs, berms, driveways, and parking lots.

(~~109~~117) TRAFFIC MARKING TAPE ADHESIVE PRIMER is any Adhesive Primer that is applied to surfaces prior to installation of traffic marking tape.

(~~110~~118) TRANSFER EFFICIENCY is the ratio of the weight or volume of the Regulated Product solids adhering to an object to the total weight or volume, respectively, of the Regulated Product solids dispensed in the application process, expressed as a percentage.

(~~111~~119) VINYL COMPOSITION~~S~~ TILE (VCT) is a material made from thermoplastic resins, fillers, and pigments.

(~~112~~120) VEHICLE GLASS ADHESIVE PRIMER is a primer applied to vehicle glass or to the frame of a vehicle prior to installation or repair of the vehicle glass using an adhesive or sealant to improve adhesion to the pinch weld. -For the purposes of this definition, a vehicle is a mobile machine that transports passengers or cargo, and includes, but is not limited to, automobiles, trucks, buses, motorcycles, trains, ships, and boats.

(~~113~~121) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 102.

(~~114~~122) WATERPROOF RESORCINOL GLUE is a two-part, resorcinol-resin-based adhesive used in applications where the bond line must be resistant to conditions of continuous immersion in fresh or salt water.

(~~115~~123) WOOD FLOORING ADHESIVE is an adhesive used to install a wood floor surface, which may be in the form of parquet tiles, wood planks, or strip-wood.

(d) Requirements

(1) A ~~person~~Person shall not use, sell, store, supply, distribute, offer for sale, or manufacture Regulated Products subject to the provisions of this rule, which contain VOC in excess of the applicable limits specified in Table 1 – Regulated Product Categories and VOC Content Limits ~~below~~:

Table 1 – Regulated Product Categories and VOC Content Limits

Category	Regulatory VOC Limits (g/L-regulated product unless otherwise indicated)[1]			Future Effective Date
	Current Limit[2]	~~Limit Effective 1/1/2023~~	Limit at Future Effective Date	
Adhesives				
Architectural Applications				
Building Envelope Membrane Adhesive	250			
Carpet Pad Adhesive	50			
Ceramic Glass, Porcelain, & Stone Tile Adhesive	65			
Cove Base Adhesive	50			
Dry Wall and Panel Adhesive	50			
Multi-Purpose Construction Adhesives	70			
Roofing				
Hot Applied Modified Bitumen/Built Up Roof Adhesive	~~250~~30	~~30~~		
EPDM/TPO Single Ply Roof Membrane Adhesive	250			
Single Ply Roof Membrane Adhesive (Except EPDM/TPO)	250			
Shingle Laminating Adhesive	~~250~~30	~~30~~		
All Other Roof Adhesives	250			
Rubber Floor Adhesive	60			
Structural Glazing Adhesive	100			
Structural Wood Member Adhesive	140			
Subfloor Adhesive	50			
VCT and Asphalt Tile Adhesive	50			
Wood Flooring Adhesive	~~100~~20	~~20~~		
All Other Indoor Floor Covering Adhesives	50			

Category	Regulatory VOC Limits (g/L-regulated product unless otherwise indicated)[1]			Future Effective Date
	Current Limit[2]	~~Limit Effective 1/1/2023~~	Limit at Future Effective Date	
All Other Outdoor Floor Covering Adhesives	50			
Battery Adhesive	120			
Computer Diskette Manufacturing Adhesive	350			
Contact Adhesive	80			
Edge Glue Adhesive	250			
Plastic Welding Cement				
ABS Welding Cement	325			
ABS to PVC Transition Cement	~~510~~425	~~425~~		
CPVC Welding Cement	~~490~~400	~~400~~		
CPVC Welding Cement For Life-Safety Systems	490			
Higher Viscosity CPVC Welding Cement	~~490~~400		~~400~~	~~7/1/2024~~
PVC Welding Cement	~~510~~425	~~425~~		
All Other Plastic Welding Cements	100			
Rubber Vulcanization Adhesive	850		250	~~1/1/2028~~ 1/1/2029
Special Purpose Contact Adhesive	250			
Thin Metal Laminating Adhesive	780			
Tire Tread Adhesive	100			
Top and Trim Adhesive	540		250	~~1/1/2028~~ 1/1/2030
Waterproof Resorcinol Glue	170			
All Other Adhesives	250			
Substrate Specific Adhesives				
Metal	30			
Plastic Foam~~s~~	50			
Porous Material (except wood)	50			
Wood	30			
Fiberglass	80			
Reinforced Plastic Composite	200			
Sealants				
Architectural Applications				

Category	Regulatory VOC Limits (g/L-regulated product unless otherwise indicated)[1]			Future Effective Date
	Current Limit[2]	~~Limit Effective 1/1/2023~~	Limit at Future Effective Date	
Clear, Paintable, and Immediately Water-Resistant Sealant	380		250	~~1/1/2026~~ 1/1/2029
Foam Insulation	~~250~~5%[3]	~~5%[2]~~		
One-Component Foam Sealant	~~250~~18%		~~18%[2]~~	~~7/1/2023~~
High-Pressure Two-Component Foam Sealant	~~250~~5%	~~5%[2]~~		
Low-Pressure Two-Component Foam Sealant	~~250~~5%	~~5%[2]~~		
Grout	65			
Roadway Sealant	250			
Non-Staining Plumbing Putty	~~150~~50	~~50~~		
Potable Water Sealant	100			
Roofing				
Single Ply Roof Membrane Sealant (Except Cut Edge)	~~450~~250	~~250~~		
Cut Edge Single Ply Roof Membrane Sealant	~~450~~250	~~250~~		
All Other Roof Sealants	300			
All Other Architectural Sealants	50			
Marine Deck Sealant	760			
All Other Sealants	~~420~~250	~~250~~		
Adhesive Primers				
Plastic	550			
Pressure Sensitive	785			
Traffic Marking Tape	150			
Vehicle Glass	700			
Roof Adhesive Primer~~s~~	250			
All Other Adhesive Primers	250			
Sealant Primers				
Architectural Applications				
Non Porous	250			
Porous	775			
Marine Deck	760			
Modified Bituminous	500			

Category	Regulatory VOC Limits (g/L-regulated product unless otherwise indicated)[1]			Future Effective Date
	Current Limit[2]	~~Limit Effective 1/1/2023~~	Limit at Future Effective Date	
Roof Sealant Primers	750			
All Other Sealant Primers	750			

1. VOC limits are expressed as the Regulatory VOC~~grams of VOC per liter of Regulated Product, less water and less exempt compounds,~~ as defined in paragraph (c)(~~39~~42), except for: Low-Solids Regulated Products, where the VOC limits ~~is~~are expressed as the Actual VOC~~in grams per liter of material~~ as defined in paragraph (c)(~~40~~43), and VOC limits listed as a percent, which are expressed as VOC by weight as defined in paragraph (c)(68).
2. The specified limits remain in effect unless revised limits are listed in subsequent columns in the table. ~~VOC limits are expressed as percent VOC by weight as defined in paragraph (c)(63).~~

(2) Alternative PW-MIR VOC Content Limits

In lieu of complying with the Table 1 VOC content limits, a Person may manufacture, supply, sell, offer for sale, market, distribute, package, or repackage any Regulated Product listed in Table 2 – Alternative PW-MIR VOC Limits for use within South Coast AQMD, that:

(A) Complies with the Table 2 Alternative PW-MIR VOC limit; and

(B) Shall calculate the PW-MIR VOC content using the October 2, 2010 MIR values listed in the Title 17, California Code of Regulations Sections 94700 and 94701 unless the MIR values are revised. If the MIR values are revised, a Person may continue to use the October 2, 2010 MIR values to determine the PW-MIR VOC content for up to three years after the effective date of the amended regulation, after which a Person shall use the revised MIR values to determine the PW-MIR VOC content.

Table 2 – Alternative PW-MIR VOC Limits

Category	g O_3/g Product
All Other Adhesive Primer	0.65
Roof Adhesive Primer	0.65
Top and Trim Adhesive	0.60

(~~2~~3) Regulated Product Categorization

Adhesives not regulated by a specific adhesive category and Regulated Products that are suitable for more than one category in Table 1 shall be regulated as follows:

(A) Adhesives not regulated by a specific adhesive category, shall be limited to the VOC limits listed under the Substrate Specific Adhesive category in Table 1, if anywhere on the Regulated Product container, on any sticker or label affixed thereto, or in any sales or advertising literature, any representation is made that the Regulated Product may be used, or is suitable for use, on that substrate. If the adhesive is used to bond dissimilar substrates together, the higher Substrate Specific Adhesive VOC limit shall apply~~.~~; and

(B) If anywhere on the Regulated Product container, on any sticker or label affixed thereto, or in any sales or advertising literature, any representation is made that the Regulated Product may be used, or is suitable for use, as a Regulated Product for which a VOC standard in a specific category is specified in Table 1, then the lowest VOC standard shall apply. This provision does not apply to Substrate Specific Adhesives or the default categories which include: All Other Roof Adhesives, All Other Indoor Floor Covering Adhesives, All Other Outdoor Floor Covering Adhesives, All Other Plastic Welding Cements, All Other Adhesives, All Other Roof Sealants, All Other Architectural Sealants, All Other Sealants, All Other Adhesive Primers, and All Other Sealant Primers.

(~~3~~4) Sell-Through and Use-Through Provision

Any Regulated Product that is manufactured prior to the effective date of the applicable limit specified in Table 1 and that has a VOC content above that limit (but not above the limit in effect on the date of manufacture), may be sold, supplied, or offered for sale for up to three years after the specified effective date and used up to four years after the specified effective date.

(~~4~~5) All Regulated Product containers shall be closed when not in use. Any VOC-laden application tools, such as a brush, pad, rag, cloth, or paper, used in the Regulated Product application, shall be stored and disposed of in closed containers when not in use.

(~~5~~6) 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 conducted pursuant to Rule 1171 - Solvent Cleaning Operations.

(~~6~~7) Transfer Efficiency

A ~~person~~Person shall not apply VOC-containing Regulated Product unless the Regulated Product is applied with properly operating equipment in accordance with operating procedures specified by either the equipment ~~manufacturer~~Manufacturer or by use of one of the following methods:

(A) Electrostatic application;

(B) Flow coat;

(C) Dip coat;

(D) Roll coat;

(E) High-Volume, Low-Pressure (HVLP) spray;

(F) Hand application methods; or

(G) Such other application methods as are demonstrated to the Executive Officer to be capable of achieving a transfer efficiency equivalent to or better than the method listed in subparagraph ~~(d)(6)(E)~~(d)(7)(E) –and for which prior written approval of the Executive Officer has been obtained.

(~~7~~8) Control Devices

A ~~person~~Person may comply with the provisions of paragraph~~s~~ (d)(1), or ~~(d)(6)~~(d)(7), or both, by using approved air pollution control equipment to apply a Regulated Product, provided:

(A) The control device reduces VOC emissions from an emission collection system by at least 95 percent by weight or the output of the air pollution control device is no more than 50 parts per million VOC by volume calculated as carbon with no dilution; and

(B) The owner or operator demonstrates that the emission collection system collects at least 90 percent by weight of the VOC emissions generated by the sources of VOC emissions.

(~~8~~9) A ~~person~~Person may comply with the provisions of paragraph (d)(1) by means of an Alternative Emission Control Plan to apply a Regulated Product pursuant to Rule 108 – Alternative Emission Control Plans.

(~~9~~10) The VOC content of Regulated Products that are applied with the use of refillable pressurized spray system ~~are~~is subject to the VOC limits of this rule.

(~~10~~11) Except as provided in subdivision (j) and paragraphs (d)(2),~~(d)(3)~~(d)(4), ~~(d)(7)~~(d)(8), and ~~(d)(8)~~(d)(9), a ~~person~~Person shall not store Regulated Products which contain VOC in excess of the limits specified in paragraph (d)(1).

(~~11~~12) Containers used for mixing VOC-containing Regulated Products shall be kept closed at all times except when in use or when product is being added or removed.

(e) Reporting and Recordkeeping Requirements

(1) General Quantity and Emission Report (QER)

The ~~manufacturer~~ Manufacturer or ~~private labeler~~Private Labeler of Regulated Products shall submit to the South Coast AQMD a QER for Regulated Product sales into or within the South Coast AQMD according to the schedule in Table ~~2~~3. The QER for a ~~manufacturer~~ Manufacturer or ~~private labeler~~Private Labeler of Regulated Products shall include the following information:

(A) Product manufacturer (as listed on the label);

(B) Product name and code;

(C) Applicable Rule 1168 category;

(D) VOC content of Regulated Products as follows:

(i) Regulated Products subject to percent VOC by weight limits shall be reported as percent VOC by weight; and

(ii) All other Regulated Products shall be reported as:

(~~A~~I) Grams of VOC per liter of Regulated Product (less water and exempt solvents); and

(~~B~~II) Grams of VOC per liter of material

(E) Whether the product is waterborne or solvent-based;

(F) Weight percent of ~~tertiary-Butyl Acetate and~~ *para*-Chlorobenzotriflouride (pCBtF, CAS RN 98-56-6) and *tert*-Butyl Acetate (t-BAc, CAS RN 540-88-5) for any product containing more than 0.01 weight percent of either;

(G) Total annual ~~volume~~quantity of each product sold through Distributors ~~into or~~ located within or outside the South Coast AQMD for use in the South Coast AQMD~~,~~. The annual quantity of each product shall ~~including~~ include products sold to Retail Outlets, Distributors, and through Big Box Retailers with ~~Distribution~~

~~Center~~Distributors located within or outside the South Coast AQMD, reported in gallons for all container sizes; and

(H) For any Regulated Product with VOC content higher than the applicable limit in Rule 1168, an indication whether the product has been sold under any of the following provision of this rule:

(i) Sell-through provision;

(ii) Low-Solids product;

(iii) Exempted under subdivision (j);

(iv) Complying with ~~sub~~paragraph ~~(d)(7)~~(d)(8) – Control Device; or

(v) Complying with ~~sub~~paragraph ~~(d)(8)~~(d)(9) – Alternative Emission Control Plans.

(2) Aerosol QER

The ~~manufacturer~~ Manufacturer or ~~private labeler~~Private Labeler of ~~a~~Aerosol ~~a~~Adhesives and aerosol adhesive primers shall submit to the South Coast AQMD a QER of ~~a~~Aerosol ~~a~~Adhesive and aerosol adhesive primer sales into or within the South Coast AQMD according to the schedule in Table ~~2~~3. The report shall include the following information:

(A) Product manufacturer (as listed on the label);

(B) Product name and code;

(C) Percent VOC by weight;

(D) Weight percent of ~~tertiary-Butyl Acetate and para-Chlorobenzotriflouride~~pCBtF and t-BAc for any product containing more than 0.01 weight percent of either;

(E) Total weight sold, including products sold through ~~distribution centers~~Distributors located within or outside the South Coast AQMD, for use in the South Coast AQMD, and shall include products sold to Retail Outlets, Distributors, and through Big Box Retailers with Distributors located within or outside the South Coast AQMD; and

(F) Container size of product.

(3) A corporate officer of the ~~manufacturer~~Manufacturer or ~~private labeler~~Private Labeler of Regulated Products, who previously reported under paragraphs (e)(1) and (e)(2), that had no distribution or sales into or within the South Coast AQMD for the specified reporting years in Table ~~2~~3,

must certify that fact in a letter and on company letterhead by the reporting deadline specified in Table ~~2~~3.

(A) A ~~manufacturer~~Manufacturer or ~~private labeler~~Private Labeler of Regulated Products that has no intention to sell Regulated Products into or within the South Coast AQMD in future years, must indicate that fact to be removed from future outreach efforts~~.~~; and

(B) A ~~manufacturer~~Manufacturer or ~~private labeler~~Private Labeler of Regulated Products who resumes sales of Regulated Product into or within the South Coast AQMD, must adhere to the reporting requirements specified in paragraphs (e)(1) and (e)(2).

(4) Big Box Retailer ~~or Distribution Center~~ QER

A ~~big bBox rRetailer~~ Big Box Retailer ~~or distribution centers~~shall submit a QER to the Executive Officer and Regulated Product ~~manufacturer~~ Manufacturer or ~~private labeler~~Private Labeler, according to the schedule in Table ~~2~~3 and maintain records to verify all required data being reported for three years and make them available upon request by the Executive Officer. The QER must be electronically submitted, in a spreadsheet format and certified that all information reported is true and correct. The QER must contain the following information:

(A) The ~~manufacturer~~Manufacturer or ~~private labeler~~Private Labeler's product name and code; and

(B) The quantity of each Regulated Product, aerosol adhesive, and aerosol adhesive primer distributed into the South Coast AQMD.

(5) QER Reporting Timeline

A ~~manufacturer~~Manufacturer and ~~private labeler~~Private Labeler of Regulated Products~~;~~, and ~~big box retailers~~Big Box Retailer, ~~and distribution centers;~~ shall submit to the ~~South Coast AQMD~~Executive Officer a QER of Regulated Products sold into or within the South Coast AQMD according to the reporting timeline identified in Table ~~2~~3 ~~below~~:

Table ~~2~~3: Reporting Timeline

Reporting Deadlines		Reported Years
Manufacturers & Private Labelers	**Big Box Retailers ~~&~~ ~~Distribution Centers~~**	
September 1, 2019	May 1, 2019	2017, 2018
September 1, 2022	May 1, 2022	2020, 2021
September 1, 2025	May 1, 2025	2023, 2024
September 1, 2030	May 1, 2030	2028, 2029
September 1, 2035	May 1, 2035	2033, 2034
September 1, 2040	May 1, 2040	2038, 2039

(6) Facilities Using the 55-Gallon Exemption

For each calendar year (January 1 through December 31), through calendar year 2028, an owner or operator of a Facility using or purchasing Regulated Products under the provisions of paragraph ~~(j)(5)(C)~~(j)(11) shall submit to the South Coast AQMD by September 1st of the following calendar year, an annual report of Regulated Product used or purchased under the provisions of paragraph ~~(j)(5)(C)~~(j)(11) within the South Coast AQMD and maintain records to verify all required data being reported for three years from the date the report is submitted and make them available upon request by the Executive Officer. The final report required by this paragraph shall be submitted no later than September 1, 2029. The report shall include the following information:

(A) Product manufacturer (as listed on the label);

(B) Product name and code;

(C) Grams of VOC per liter of Regulated Product (less water and exempt solvents);

(D) Grams of VOC per liter of material;

(E) Unit size of product;

(F) Total volume purchased, in gallons; and

(G) The name and address of the company or retailer where the products were purchased.

(7) Distributor(s) List

On or before September 1, 2027, all Manufacturers and Private Labelers subject to this rule shall provide to the Executive Officer a list of all their

U.S. Distributors to whom they supply Regulated Products, that are supplied or sold for use in the South Coast AQMD and shall provide updates to the distributor(s) list to the Executive Officer on or before September 1st of each calendar year, if applicable. The distributor(s) list shall be in a format determined by the Executive Officer, and include:

(A) Distributor's name;

(B) Address;

(C) Contact person; and

(D) Phone number.

(8) On or before September 1, 2027, all Manufacturers and Private Labelers subject to this rule shall provide to the Executive Officer ~~details or~~ a copy of ~~any~~each unique written notification provided to ~~a~~their Distributor(s) pursuant to paragraph (j)(10), that the Regulated Product is not to be used in the South Coast AQMD, and shall provide updated notifications or new notifications to the Executive Officer on or before September 1st of each calendar year, if applicable.

~~(7)~~(9) Manufacturers or~~,~~ ~~private labeler~~Private Labelers~~, or suppliers~~ of Regulated Products shall maintain records to verify all required data being reported to the South Coast AQMD pursuant to ~~sub~~paragraphs (e)(1), (e)(2), and (e)(3). The records shall be maintained for three years and made available upon request by the Executive Officer. Such records shall include, but not be limited to:

(A) Laboratory reports or formulation data used for VOC content calculations; and

(B) Records used to determine annual sales volumes.

(10) Distributors shall maintain records of all annual sales of Regulated Products into and within the South Coast AQMD. The records shall be maintained for five years and made available upon request by the Executive Officer.

(11) If a Regulated Product includes two or more Manufacturers, they may mutually designate in writing the Manufacturer responsible for complying with the requirements in paragraphs (e)(1), (e)(2), (e)(3), (e)(5), (e)(7), and (e)(8). The Manufacturers shall provide the written mutual agreement to the Executive Officer by September 1, 2027, and provide any update to that mutual agreement to the Executive Officer on or before September 1st of each calendar year, if applicable.

~~(8)~~(12) An owner or operator of a Facility within the South Coast AQMD conducting operations, which include the use of Regulated Products, shall maintain records pursuant to Rule 109 – Recordkeeping ~~For~~for Volatile Organic Compound Emissions.

~~(9)~~(13) Confidentiality of Information

Subject to the provisions of the California Public Records Act (~~Gov Code §§ 6250-6276.48~~ Government Code Section 7920.000 et seq.) information submitted to the Executive Officer may be designated as confidential. The designation must be clearly indicated on the reporting form, identifying exactly which information is deemed confidential. South Coast AQMD guidelines require a detailed and complete basis for such claim in the event of a public records request.

(f) Test Methods

(1) The VOC content of Regulated Products shall be determined by the South Coast AQMD using the applicable test methods below. When a test method specifies it is inapplicable to a product category, it shall not be used for that inapplicable category. The "South Coast AQMD Test Method Guidance Document" determines which test method should be used when two or more applicable test methods can be used to demonstrate compliance with the rule. The selected test method will be based on product type, chemistry, and VOC content.

(A) VOC content may be determined by United States Environmental Protection Agency (U.S. EPA) Reference Method 24 – ~~(~~Determination of Volatile Matter Content, Water Content, Density, Volume Solids, and Weight Solids of Surface Coating, Code of Federal Regulations Title 40, Part 60, Appendix A, utilizing Procedure B of ASTM Method D2369~~).~~;

(B) VOC content may be determined by South Coast AQMD Test Method 304 – ~~(~~Determination of Volatile Organic Compounds (VOC) in Various Materials~~) in the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.~~;

(C) Exempt compound content shall be determined by South Coast AQMD Test Method 303 – Determination of Exempt Compounds.~~in~~

~~the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" or ASTM Method D4457.~~;

(D) VOC content may be determined by South Coast AQMD Test Method 313 – ~~(~~Determination of Volatile Organic Compounds VOC by Gas Chromatography-Mass Spectrometry~~) in the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.~~;

(E) VOC content may be determined by ASTM ~~Test~~ Method D6886 – ~~(~~Standard Test Method for Determination of the Weight Percent Individual Volatile Organic Compounds in Waterborne Air-Dry Coatings by Gas Chromatography~~).~~;

(F) The VOC content of PVC, CPVC, ABS, ABS to PVC Transition Welding Cements, and plastic adhesive primers shall be determined by South Coast AQMD Test Method 316A – Determination of Volatile Organic Compounds (VOC) in Materials Used for Pipes and Fittings ~~in the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples."~~;

(G) The VOC content of cyanoacrylate adhesives shall be determined by South Coast AQMD Test Method 316B – Determination of Volatile Organic Compounds VOC in Adhesive containing Cyanoacrylates~~in the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples."~~; and

(H) The VOC content of reactive adhesives may be determined by Appendix A to Subpart PPPP of 40 CFR Part 63—Determination of Weight Volatile Matter Content and Weight Solids Content of Reactive Adhesives.

(2) The efficiency of the control device and the VOC content measured and calculated as carbon in the control device exhaust gases shall be determined by:

(A) U.S. EPA Test Method 18 – Measurement of Gaseous Organic Compound Emissions by Gas Chromatography, or CARB Method 422 – Determination of Volatile Organic Compounds in Emissions from Stationary Sources for the determination of emissions of Exempt Compounds; and

(B) The total organic compound emissions shall be determined by:

(i) U.S. EPA Test Method~~s~~ 25 – Determination of Total Gaseous Nonmethane Organic Emissions as Carbon,

(ii) U.S. EPA Test Method 25A – Determination of Total Gaseous Organic Concentration Using a Flame Ionization Analyze,

(iii) South Coast AQMD Test Method 25.1 – Determination of Total Carbon Analysis Using GC/NDIR, or

(iv) South Coast AQMD Test Method 25.3. – ~~(~~Determination of Total Gaseous Non-Methane Organic Emissions as Carbon~~)~~ ~~for the determination of total organic compound emissions~~.

(3) Viscosity shall be determined by ASTM Method D-1084 – Standard Test Methods for Viscosity of Adhesives.

(4) The following classes of compounds shall be analyzed as Exempt Compounds for compliance with subdivision (d), only at such time as Manufacturers specify which individual compounds are used in the Regulated Product formulation and identify the test methods, which have been approved by the U.S. EPA, CARB and the Executive Officer prior to such analysis, that can be used to quantify amounts of each Exempt Compound:

(A) ~~cyclic~~Cyclic, branched, or linear, completely fluorinated alkanes;

(B) ~~cyclic~~Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations;

(C) ~~cyclic~~Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations; and

(D) ~~sulfur~~Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine~~, will be analyzed as exempt compounds for compliance with subdivision (d), only at such time as manufacturers specify which individual compounds are used in the Regulated Product formulations and identify the test methods, which, prior to such analysis, have been approved by the U.S. EPA and the South Coast AQMD, that can be used to quantify the amounts of each exempt compound~~.

(5) Equivalent Test Methods

Other test methods may be used provided they are determined to be equivalent ~~after review by the Executive Officer, CARB, and the U.S. EPA,~~

and approved in writing by the U.S. EPA, CARB, and the ~~South Coast AQMD~~ Executive Officer~~, may also be used~~.

(6) All test methods referenced in this subdivision shall be the version most recently approved by the appropriate governmental entities.

(7) Emissions determined to exceed any limits established by this rule through the use of any of the above-referenced test methods shall constitute a violation of the rule.

(g) Administrative Requirements

(1) Each container shall display the VOC content of the Regulated Product, as recommended for application and as determined by calculation based on product formulation or laboratory analysis using the applicable test method in subdivision (f)~~.~~ ~~The~~the applicable VOC content shall be displayed as follows:

(A) ~~grams~~Grams of VOC per liter of Regulated Product, excluding water and exempt compounds, ~~for all but the following Regulated Products:~~ unless designated in subparagraphs (g)(1)(B) through (g)(1)(E);

(~~A~~B) ~~Low-Solids materials shall display the VOC as grams~~Grams of VOC per liter of material for Low-Solids materials;

(~~B~~C) ~~Effective January 1, 2026, Foam Insulation, One-Component Foam Sealants, High-Pressure Two-Component Foam Sealants, and Low-Pressure Two-Component Foam Sealant shall display the VOC as percent~~ Percent VOC by weight for Foam Insulation, One-Component Foam Sealants, High-Pressure Two-Component Foam Sealants, and Low-Pressure Two-Component Foam Sealants; ~~and~~

(D) Gram of O_3 per gram of product for Regulated Product complying with the alternative PW-MIR VOC limits in paragraph (d)(2); and

(~~C~~E) VOC content as percent VOC by weight for Regulated Products subject to both the provisions of this rule and the Consumer Products Regulation ~~may display the VOC content as percent VOC by weight~~ provided the Regulated Product has supplemental product documentation published from the ~~manufacturer~~Manufacturer that displays the VOC content in grams of VOC per liter of Regulated Product.

(2) Each container or an associated product data sheet shall display a statement of the ~~manufacturer~~Manufacturer's recommendations regarding thinning, reducing, or mixing with any other VOC containing material, if applicable. Mixing recommendations shall specify a ratio which results in a compliant, as applied, product.

(3) Each container shall display the date of manufacture of the contents or a date code indicating the date of manufacture. A ~~manufacturer~~Manufacturer utilizing a date code shall file an explanation of each date code with the ~~South Coast AQMD~~ Executive Officer.

(4) Each container of all Top and Trim Adhesives shall include the statement "For Top and Trim Uses Only" prominently displayed.

(5) Each container of all Rubber Vulcanization Adhesives shall include the statement "For Rubber Vulcanization Adhesive Uses Only" prominently displayed.

(6) Each container of all Pressure Sensitive Adhesive Primers shall include the statement "For Pressure Sensitive Adhesive Primer Uses Only" prominently displayed.

(7) Each container of all ABS to PVC Transition Cements shall include the statement "For ABS to PVC Transition Uses Only" prominently displayed.

(8) ~~Effective July 1, 2023, each~~ Each container of CPVC For Life Safety Systems shall include the statement "For CPVC Life Safety System Uses Only" prominently displayed.

(9) ~~Effective July 1, 2023, each~~ Each container of Higher Viscosity CPVC Welding Cement shall include a statement prominently displayed on the label to indicate if the product is formulated for "Medium" or "Heavy" or "Extra Heavy" applications.

(h) Prohibition of Sales and Use

(1) ~~Except as provided in subdivision (j), no~~ No ~~person~~Person shall use, supply, sell, ~~or~~ offer for sale, distribute, package, repackage, or possess a Regulated Product for use within the South Coast AQMD that contains more than any of the following chemicals in concentrations greater than the following limits:

(A) 0.01 percent by weight of ~~the following chemicals:~~ chloroform, ethylene dichloride, methylene chloride, perchloroethylene, trichloroethylene, or Group II exempt compounds~~. This provision~~

~~does not apply to~~ excluding cyclic, branched, or linear, completely methylated siloxanes (VMS);~~.~~

~~(2) Prohibition of tertiary-Butyl Acetate (t-BAc and para-Chlorobenzotriflouride (pCBtF)~~

~~On and after the prohibition effective dates specified in Table 3, no person shall manufacture a Regulated Product for sale into or within the South Coast AQMD or supply, sell, offer for sale or use a Regulated Product in the South Coast AQMD that contains more than~~

(B) 1.0 percent by weight of VMS that was manufactured after the applicable Table 4 –Prohibition Timeline Final Manufacture Date;

(C) 0.01 percent by weight of ~~either~~ pCBtF ~~or~~ t-BAc, or dimethyl carbonate (DMC, CAS RN 616-38-6) that was manufactured after the applicable Table 4 Final Manufacture Date for Regulated Products; and

(D) 1.0 percent by weight of pCBtF that was manufactured on and before the applicable Table 4 Final Manufacture Date for a Battery Adhesive.

(2) Sell Through and Use Through Provision

Any Regulated Product that is manufactured prior to the applicable Table 4 Final Manufacture Date, that contains more than the applicable limits in paragraph (h)(1), may be sold, supplied, or offered for sale until the applicable Table 4 Sell-Through Date and may be possessed, used, or solicited for use until the applicable Table 4 Use-Through Date.

Table 34: pCBtF and t-BAc Prohibition Timeline

Category	Prohibition Effective DateFinal Manufacture Date	Sell through Through End Date	Use through Through End Date
	pCBtF Prohibition Effective Dates		
Roof Adhesive Primer	January 1, 2030	January 1, 2031	January 1, 2032
Battery Adhesive	January 1, 2029	January 1, 2030	January 1, 2031
Cut Edge Single Ply Roof Membrane Sealant	January 1, 2027	January 1, 2028	January 1, 2028
EPDM/TPO Single Ply Roof Membrane Adhesive			
~~Roof Adhesive Primer~~	~~January 1, 2027~~	~~January 1, 2028~~	~~January 1, 2028~~
Single Ply Roof Membrane Adhesive (Except EPDM/TPO)	January 1, 2025	January 1, 2028	January 1, 2028
Single Ply Roof Membrane Sealant (Except Cut Edge)			
All Other Roof Sealant			
Roof Sealant Primer			
Clear, Paintable, and Immediately Water-Resistant Sealant	January 1, 2026	January 1, 2028	January 1, 2028
All Regulated Products not listed above	January 1, 2024	January 1, 2027	January 1, 2028
	t-BAc Prohibition Effective Dates		
All Regulated Products	January 1, 2024	January 1, 2027	January 1, 2028
	DMC and VMS Prohibition Effective Dates		
All Regulated Products	January 1, 2028	January 1, 2029	January 1, 2030

(i) Rule 442 Applicability

Any Regulated Product which is exempt from all or a portion of this rule shall comply with the provisions of Rule 442 – Usage of Solvents.

(j) Exemptions

(1) The provisions of this rule shall not apply to:

(A) Adhesives, adhesive primers, sealants, or sealant primers, and associated application processes that are subject to Rule 1124 – Aerospace Assembly and Component Manufacturing Operations;

(B) Adhesive tape;

(C) Regulated Products shipped, supplied, or sold to ~~person~~Persons for use outside the South Coast AQMD; or

(D) ~~Distribution centers~~Distributors that do not ship Regulated Products into or within the South Coast AQMD.

(2) The provisions of this rule, except paragraph (e)(2), shall not apply to ~~a~~Aerosol ~~a~~Adhesives and aerosol adhesive primers dispensed from non-refillable aerosol spray systems.

(3) The provisions of this rule, except paragraphs (h)(1) and (h)(2), shall not apply to:

(A) Regulated Products sold in quantities of one fluid ounce or less;

(B) Adhesives used to glue flowers to parade floats;

(C) Adhesives used to fabricate orthotics and prosthetics under a medical doctor's prescription; or

(D) Shoe repair, luggage, and handbag adhesives.

(4) The provisions of subdivision (d) shall not apply to:

(A) Research and development programs and quality assurance labs~~. Records shall be~~ provided records are maintained ~~in accordance with the provisions of~~ pursuant to subdivision (e)~~ of this rule~~; or

(B) Solvent welding operations used in the manufacturing of medical devices.

(5) The provisions of paragraph (d)(1) shall not apply to the following:

(A) Adhesives used in tire repair;

(B) Adhesives and/or adhesive application processes in compliance with:

(i) Rule~~s~~ 1104 – Wood Flat Stock Coating Operations~~,~~;

(ii) Rule 1106 – Marine and Pleasure Craft Coating~~,~~;

(iii) Rule 1128 – Paper, Fabric, and Film Coating Operations~~,~~;

(iv) Rule 1130 – Graphic Arts~~,~~; and

(v) Rule 1130.1 – Screen Printing Operations; or

~~(C) A Facility that demonstrates that the total volume of noncompliant products is less than 55 gallons per facility per calendar year. A Facility may not use this paragraph to exclude noncompliant adhesives used in architectural applications; contact adhesives; special purpose contact adhesives; adhesives used on porous substrates; rubber vulcanization adhesives and top and trim adhesives; or~~

(~~D~~C) Regulated Products used in the field installation and repair of potable water linings and covers at water treatment, storage, or water distribution facilities.

(6) The provisions of paragraph ~~(d)(6)~~(d)(7) shall not apply to Regulated Products with a viscosity of 200 centipoise or greater.

(7) The provisions of subdivision (g) shall not apply to thermoplastic hot melt adhesives or to Regulated Products offered for sale as a dry mix, containing no polymer, which are ready for use or only mixed with water prior to use, and include, but are not limited to, grouts, cements, and mortars.

(8) The recordkeeping provisions in paragraph ~~(e)(8)~~(e)(12) shall not apply to an owner or operator of a Facility within the South Coast AQMD provided the VOC content of the Regulated Products are lower than the following:

(A) Regulated Products subject to percent VOC by weight limits, ~~2~~ two percent VOC by weight or half the applicable VOC limit, whichever is lower;

(B) Low-Solids Regulated Products, 20 grams per liter material or half the applicable VOC limit, whichever is lower; and

(C) All other Regulated Products, 20 grams per liter, or half the applicable VOC limit, less water and less exempt compounds, whichever is lower.

(9) The provisions of this rule shall not apply to Regulated Products, which weigh one pound or less, or consist of 16 fluid ounces or less and have VOC content limits in Section 94509(a) of the Consumer Products Regulation, unless they are:

(A) Incorporated into or used exclusively in the manufacture or construction of the goods or commodities, and not exempted in paragraph (j)(2); or

(B) Used in pollution-generating activities that take place at stationary sources, excluding maintenance and repair, and not exempted in paragraph (j)(2).

(10) The provisions of paragraph (d)(1) ~~and subdivision (h)~~ shall not apply to any ~~manufacturer~~ Manufacturer or Private Labeler ~~supplier of Regulated Products~~ provided the ~~product~~ Regulated Product was sold to an ~~independent distributor~~ Distributor that was informed in writing by the Manufacturer or Private Labeler, including electronic formats, ~~by the manufacturer or supplier,~~ that the Regulated Product is not to be used in the South Coast AQMD. Manufacturers and Private Labelers utilizing this provision shall comply with the reporting requirement pursuant to paragraph (e)(8) and maintain notification letters for ~~three~~five years~~, which shall be made available to the Executive Officer or designee upon request~~.

(11) Until January 1, 2029, the provisions of paragraph (d)(1) shall not apply to a Facility that demonstrates that the total volume of noncompliant products is less than 55 gallons per facility per calendar year provided the Facility complies with the reporting and recordkeeping requirements in paragraph (e)(6). A Facility may not use this paragraph to exempt adhesives used in architectural applications; contact adhesives; special purpose contact adhesives; adhesives used on porous substrates; rubber vulcanization adhesives and top and trim adhesives from the provisions of paragraph (d)(1).

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Rule 1168 – Adhesive and Sealant Applications

December 2026

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EXECUTIVE SUMMARY

Rule 1168 – Adhesive and Sealant Applications was adopted in April 1989 to control volatile organic compound (VOC) emissions from adhesive and sealant applications. The rule has been amended 15 times; the last rule amendment was in November 2022 and included a phase-out schedule for *para*-chlorobenzotrifluoride (pCBtF) and *tert*-Butyl Acetate (t-BAc) which have been determined to be carcinogenic by the Office of Environmental Health Hazard Assessment (OEEHA). Rule 1168 regulates and establishes VOC limits for 69 categories of adhesives, adhesive primers, sealants, and sealant primers. Rule 1168 applies to products used during manufacturing at stationary sources as well as products used by consumers that are not regulated by the California Air Resources Board (CARB) in the Consumer Products Regulation (CPR)[1].

The proposed amendments to Rule 1168 began as a result of the technology check-in that was included in the 2022 amendment to assess the progress of the pCBtF and t-BAc phase out. As a result of the technology check-in, staff concluded that roof adhesive primers required more time for reformulation. Staff also reached out to manufacturers to assess the reformulation progress for three categories of adhesives and sealants with upcoming VOC limit reductions.

Staff initiated the rule development process in June 2026 to address the additional time needed to meet the January 2027 proposed pCBtF prohibition for roof adhesive primers. Further meetings with additional manufacturers and industry representatives identified three more categories that require additional time to comply with future-effective lower VOC limits. The three additional categories identified are: top and trim adhesives; rubber vulcanization adhesives; and clear, paintable, and immediately water-resistant sealants. Staff is proposing to delay the pCBtF prohibition timeline for roof adhesive primers and battery adhesives and to delay the future-effective lower VOC limit timelines for top and trim adhesives; rubber vulcanization adhesives; and clear, paintable, and immediately water-resistant sealants. The proposed timeline for the extension dates are:

- Roof adhesive primers pCBtF phase out, January 1, 2030
- Battery Adhesive pCBtF phase out, January 1, 2029
- Top and trim adhesive VOC limit reduction, January 1, 2030
- Rubber vulcanization adhesive VOC limit reduction, January 1, 2029
- Clear, paintable, and immediately water-resistant sealants VOC limit reduction, January 1, 2029

Staff is also proposing to include an alternative equivalent PW-MIR limit for roof adhesive primers and top and trim adhesives; prohibit the use of cyclic, branched, or linear, completely methylated siloxane (VMS) and dimethyl carbonate (DMC) due to toxicity and environmental concerns; phase out the exemption that allows facilities to use 55 gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to recordkeeping requirement for distributors; addition of a new category for battery adhesives; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

This rule amendment will result in delayed emission reductions and toxic reductions due to technical feasibility and reformulation challenges. The estimated rule inventory is approximately 9 tons per day (tpd) of VOC. The projected delayed emission reductions from the proposed amendments are 0.146 tpd of VOC emissions. Extending the pCBtF prohibition date for roof

adhesive primers will delay the benefit of reducing the use of and exposure to pCBtF, a known carcinogen.

[1]The California Consumer Products Regulations; https://ww2.arb.ca.gov/sites/default/files/2020-08/v3_ADA_Regs-all_8-31-2020.pdf

CHAPTER 1 : BACKGROUND

INTRODUCTION
REGULATORY HISTORY
AFFECTED INDUSTRIES
PUBLIC PROCESS

Introduction

Rule 1168 was adopted in April 1989 to control VOC emissions from adhesive applications. The rule has been amended 15 times; the last amendment was in November 2022. The rule applies to products that were used during manufacturing at stationary sources and to products used by consumers that were not regulated by the CARB in the CPR. Rule 1168 currently regulates and establishes VOC limits for 69 categories of adhesives, adhesive primers, sealants, and sealant primers.

Regulatory History

In the 2017 rule amendment, the resolution directed staff to conduct a technology check-in in 2022 to evaluate the feasibility of several future effective VOC limit reductions. During the 2022 technology check-in, staff identified the need to amend the rule to provide additional time for product reformulation. As part of this effort, staff also chose to address the emerging toxicity concerns associated with pCBtF and t-BAc.

The 2022 amendment was the first rule to consider and change the status of two exempt or partially exempt compounds: pCBtF and t-BAc. pCBtF is considered exempt from the definition of VOC for all use within the South Coast Air Quality Management District (South Coast AQMD), including Rule 1168 products, whereas t-BAc is only exempt in a few South Coast AQMD rules. Rule 1168 included a phase-out schedule for pCBtF and t-BAc and through extensive discussions with stakeholders, staff determined that certain roofing product categories would require additional time to transition to formulations that do not rely on either exempt compound. Based on these findings, the South Coast AQMD Governing Board adopted a resolution committing staff to conduct a technology check-in to evaluate the progress of the pCBtF and t-BAc phase-out and report back to the Stationary Source Committee by January 2026. Staff determined rule amendment is necessary to address reformulation challenges for the pCBtF phase out in roof adhesive primers.

The primary goal of the current rule development is to delay the pCBtF phase out date for roof adhesive primers. In addition, staff is proposing to delay the future effective VOC limit reductions for two adhesive and one sealant categories with upcoming VOC limit reductions and add a new category for battery adhesives due to formulation challenges. The proposal also includes alternative reactivity-based limits for two challenging categories; removal of an existing exemption at a future-effective date; and clarification of reporting requirements for manufacturers.

Regulatory History of t-BAc and pCBtF

In 1994, the U.S. EPA exempted pCBtF from the definition of a VOC, and in 1995, South Coast AQMD added pCBtF as an exempt VOC compound in Rule 102. A Rule 102 VOC exemption means pCBtF is not considered a VOC for any application in the South Coast AQMD.

In 2004, U.S. EPA similarly exempted t-BAc; however, South Coast AQMD did not grant a full exemption under Rule 102 due to toxicity concerns, instead allowing limited exemptions through source-specific rules such as Rule 1113.

In 2013, amendments to Rule 1113 directed staff to re-evaluate the t-BAc exemption based on emerging health concerns. In 2017, staff presented preliminary findings on t-BAc and pCBtF to the Stationary Source Committee (SSC), and the SSC subsequently directed staff to remove t-BAc

exemptions following completion of OEHHA's health risk assessment and to evaluate pCBtF for potential carcinogenicity.

OEHHA finalized the t-BAc health risk assessment in 2018, concluding that its cancer risk was higher than previously estimated, and finalized the pCBtF assessment in 2020, identifying pCBtF as a potential carcinogen. In response, South Coast AQMD has taken action to prohibit these compounds through amendments to Rule 1168 in 2022, Rule 1151 in 2024, Rule 1171 and 1107 in 2025, and Rules 1144 and 1136 in 2026.

Regulatory History of Rule 102 Group II Exempt Compounds

When the U.S. EPA exempts compounds from the federal definition of a VOC, they only consider the photochemical reactivity, they do not consider other potential adverse factors such as toxicity. When the South Coast AQMD considers exempting compounds, considerations such as toxicity, potentially toxicity, or other environmental impacts are evaluated. Compounds are then categorized in Rule 102 as Group I compounds, which are not restricted from use, or Group II compounds, which are restricted or will be restricted in the future due to toxicity, potentially toxicity, or other environmental impacts.

Since the 1990s, Rule 1168 included prohibitions for the use of certain Group II exempt compounds, the compounds prohibited changed with different amendments.

Currently, the Group II prohibition excludes VMS, even though VMS was added to Rule 102 as Group II exempt compounds in the 1995 amendment. OEHHA has identified non-cancer chronic toxic endpoint for VMS, specifically impacting the liver and spleen and the U.S. EPA preliminary evaluation on a type of VMS indicated unreasonable risk to workers in manufacturing and industrial use and to consumers through certain conditions of use including:

- Workers who manufacture the VMS octamethylcyclotetrasiloxane (D4), use D4 in the processing of products including adhesives and sealants, or use paints and coatings containing D4 in industrial and commercial applications, and
- Consumers who use certain paints and coatings containing D4.

Small, but non-negligible, quantities of VMS can be found in certain types of silicone-based materials. VMS are not intentionally added but can be found as an impurity in certain materials. To address this, many recent VOC coatings rules have been amended to include a prohibition of VMS but at a higher prohibition level. Staff is proposing to prohibit the use of VMS at 1.0 percent by weight.

Regulatory History of Dimethyl Carbonate (DMC)

The U.S. EPA exempted DMC from the definition of a VOC in 2009 due to its low photochemical reactivity. Manufacturers requested Rule 102 be amended to include DMC as an exempt; however, there was enough information about the potential toxicity of DMC that staff did not include it as an exempt. Rule 1144 – Metal Working Fluids did include a partial exemption for DMC, but that partial exemption was removed during the 2026 rule amendment. Staff is concerned that the proposed alternative MIR limit will encourage the use of DMC due to its low chemical reactivity. OEHHA has not finalized its toxicity assessment for DMC because manufacturers have not provided sufficient data. The information available indicates strong negative outcomes, including developmental consequences such as low fetal birth rates. Staff is not aware of any materials using

DMC, introducing a prohibition before manufacturers work to reformulate their materials will prevent another unfortunate substitution.

Affected Industries

Adhesive and sealant use subject to the rule spans a wide range of industries that have miscellaneous uses during manufacturing. The industry sectors that make extensive use of products subject to this rule include[1]:

- Adhesive Manufacturing (NAICS 325520)
- Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing (NAICS 333415)
- All Other Rubber Product Manufacturing (NAICS 326299)
- Asphalt Shingle and Coating Materials Manufacturing (NAICS 324122 and 325520)
- Commercial and Institutional Building Construction (NAICS 236220)
- Custom Architectural Woodwork and Millwork Manufacturing (NAICS 337212)
- Drywall and Insulation Contractors (NAICS 238310)
- Flooring Contractors (NAICS 238330)
- Footwear Manufacturing (NAICS 316210)
- Glass and Glazing Contractors (NAICS 238150)
- Hardwood Veneer and Plywood Manufacturing (NAICS 321211)
- Household Furniture (except Wood and Metal) Manufacturing (NAICS 337125)
- Industrial Building Construction (NAICS 236210)
- Manufactured Home (Mobile Home) Manufacturing (NAICS 321991)
- Motor Vehicle Seating and Interior Trim Manufacturing (NAICS 336360)
- New Multifamily Housing Construction (except For-Sale Builders) (NAICS 236116)
- New Single-Family Housing Construction (except For-Sale Builders) (NAICS 236115)
- Office Furniture (except Wood) Manufacturing (NAICS 337214)
- Oil and Gas Pipeline and Related Structures Construction (NAICS 237120)
- Other Millwork (including Flooring) (NAICS 321918)
- Plumbing, Heating, and Air-Conditioning Contractors (NAICS 238220)
- Polystyrene Foam Product Manufacturing (NAICS 326140)
- Residential Remodelers (NAICS 236118)

[1] NAICS Association from http://www.naics.com/index.html

- Roofing Contractors (NAICS 238160)
- Rubber Product Manufacturing for Mechanical Use (NAICS 326291)
- Showcase, Partition, Shelving, and Locker Manufacturing (NAICS 337215)
- Siding Contractors (NAICS 238170)
- Surgical Appliance and Supplies Manufacturing (NAICS 339113)
- Tile and Terrazzo Contractors (NAICS 238340)
- Tire Retreading (NAICS 326212)
- Urethane and Other Foam Product (except Polystyrene) Manufacturing (NAICS 326150)
- Water and Sewer Line and Related Structures Construction (NAICS 237110)
- Wood Container and Pallet Manufacturing (NAICS 321920)
- Wood Kitchen Cabinet and Countertop Manufacturing (NAICS 337110)
- Wood Window and Door Manufacturing (NAICS 321911)
- Paint and Wallpaper Stores (NAICS 444120)

Public Process

The rule amendment process for PAR 1168 began in June 2026. Staff conducted two Working Group Meetings and held multiple individual meetings with manufacturers and distributors. The table below summarizes the key topics discussed at each of the Working Group Meetings; presentations from those meetings are posted on the South Coast AQMD's website.[2]

Table 1-1: Working Group Meetings

Meeting title	Date	Highlights
Technology Check In	November 18, 2025	• Summary of stakeholder meetings • Technology check-in process
Working Group Meeting #1	July 8, 2026	• Rule background • Key amendment objectives
Working Group Meeting #2	August 26, 2026	• Proposed amendments and timelines extensions • Other rule considerations
Public Workshop	September 30, 2026	• Proposed amended rule including updated VOC limits and revised effective dates

[2] https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1168

Staff also met with industry stakeholders and their representatives throughout the rule development process. Table 1-2 below summarizes stakeholder meetings during the rulemaking:

Table 1-2: Meetings with Stakeholders

Date	Stakeholder
October 15, 2025	Single-Ply Roofing Industry (SPRI)
October 17, 2025	Johns Manville
November 17, 2025	Carlisle Construction Materials (CCM)
June 25, 2026	DAP Global Inc.
June 25, 2026	R.D. Abbot Co.
July 30, 2026	Adhesive and Sealant Council (ASC)
September 3, 2026	Concorde Battery Corporation
October 7, 2026	Parker Lord

CHAPTER 2 : TECHNOLOGY ASSESSMENT

TECHNOLOGY CHECK-IN

PROPOSED TIMELINES

OTHER PROPOSED CHANGED TO THE RULE

Technology Check-In

During the 2022 rule amendment, the Governing Board directed staff to assess the progress of the pCBtF and t-BAc phase-out and to report back to the Stationary Source Committee. As part of this effort, the technology check-in included meetings with manufacturers, review of data reported by an industry trade group, and additional stakeholder feedback relevant to the transition away from pCBtF and t-BAc.

Staff met with roofing industry stakeholders as part of the technology check-in process. These meetings included discussions with the Single-Ply Roofing Industry (SPRI) on October 15, 2025, followed by a meeting with a manufacturer on October 17, 2025, and another manufacturer meeting with Carlisle CCM on November 14, 2025. Stakeholders did not identify phase-out concerns for most roofing adhesive and sealant categories, with the exception of Ethylene Propylene Diene Monomer (EPDM) roofing adhesive primers, which may require additional time for reformulation. For the majority of products, the phase-out had already been implemented. The remaining products were undergoing testing prior to commercial release.

Product-Weighted Maximum Incremental Reactivity (PW-MIR)

One component of the amended rule is the introduction of an optional PW-MIR compliance pathway for two categories. PW-MIR is a reactivity-based metric that reflects the ozone-forming potential of a product based on the weighted reactivity of all VOC ingredients in the formulation.

Under PAR 1168, PW-MIR limits are established only for roof adhesive primers and top and trim adhesives. These limits were derived through equivalency analyses to ensure that compliance using PW-MIR achieves an ozone impact comparable to compliance with existing mass-based VOC limits. The PW-MIR pathway is optional and does not replace or modify the existing VOC content limits.

MIR values used to calculate PW-MIR are published by CARB and represent the relative ozone-forming potential of individual VOCs. PW-MIR is calculated by weighing each VOC's MIR value by its proportion in the product formulation, resulting in a single metric that represents the overall ozone-forming potential of the product. This approach allows the rule to distinguish between VOCs with substantially different reactivities rather than treating all VOCs equally on a mass basis.

This approach provides manufacturers with additional reformulation flexibility by allowing substitution of lower-toxicity VOCs with known reactivity characteristics, rather than relying on exempt solvents. By maintaining existing VOC limits and offering PW-MIR as an alternative pathway, the rule avoids backsliding while supporting feasible transitions away from toxic exempt compounds.

The PW-MIR framework has been used in prior South Coast AQMD rulemakings, including Rules 1151, 1171, and 1136, to support equivalent or greater ozone protection while providing flexibility during reformulation. Consistent with those rules, PW-MIR under PAR 1168 is offered as an alternative compliance option and is designed to achieve equal or lower ozone formation compared to traditional mass-based VOC limits.

This layered compliance framework balances public health protection with technical feasibility, allowing transition away from toxic exempt solvents and VOC reductions while maintaining product performance and regulatory compliance.

EPDM/TPO Roofing Adhesive Primer

EPDM roofing adhesive primers are low-use specialty coatings but serve as a critical component of EPDM roofing systems. These products are typically formulated as low-solids coatings that rely on a high percentage of pCBtF to meet the current 250 g/L VOC limit. At this time, no EPDM roofing adhesive primer has been reported as being formulated without pCBtF.

Staff continued engagement with manufacturers and trade associations to assess progress in developing compliant, non-pCBtF EPDM roofing adhesive primers. Since reformulation efforts did not demonstrate sufficient progress, staff considered extending the pCBtF phase-out for this specialty category and considered alternative equivalent PW-MIR limits for this category.

Thermoplastic Olefin (TPO) roofing adhesive primers are high-solvent-content primers used to achieve the necessary bond strength in TPO roofing systems. These primers meet the current VOC limits through the use of high levels of pCBtF, typically ranging from 40 to 70 percent of the formulation.

Staff reviewed EPDM/TPO Roofing Adhesive Primers sold in South Coast AQMD, and based on manufacturer submitted data, staff is proposing a PW-MIR of 0.65 g O_3/g of product for this category.

Table 2-1: PW-MIR Limit for Roofing Adhesive Primer

Category	PW-MIR (g O_3/g of product)
Roof adhesive primer	0.65

To allow time for manufacturers to comply with the proposed PW-MIR VOC limit, staff is recommending extending the pCBtF prohibition timeline for three years to January 1, 2030.

Table 2-2: Revised Prohibition Date for Roofing Adhesive Primer

Category	Prohibition Effective Date	Sell-through End Date	Use-through End Date
Roof adhesive primer	~~January 1, 2027~~ January 1, 2030	~~January 1, 2028~~ January 1, 2031	~~January 1, 2028~~ January 1, 2032

Other Rule 1168 Categories

During the rule amendment process, staff also evaluated upcoming VOC limit reductions. As part of this evaluation, staff met with adhesive manufacturers to assess the status of reformulation efforts for categories with upcoming VOC reductions, including top and trim adhesives, rubber vulcanization adhesives, and Clear, Paintable, and Immediately Water-Resistant Sealants. These discussions provided insight into manufacturers' progress, technical challenges, and anticipated timelines for transitioning to lower-VOC or non-pCBtF formulations.

Top and Trim Adhesives

In 2007, the VOC limit for this product category was reduced from 540 g/L to 250 g/L. However, manufacturers reported technical challenges that prevented reformulation to meet the lower limit. As a result, end users continued to rely on high-VOC products under the 55-gallon-per-year exemption allowed in the rule.

During the 2017 rule amendment, staff reinstated the 540 g/L limit through 2023 based on manufacturer feedback indicating that progress was being made toward achieving the 250 g/L limit. This temporary reinstatement was intended to provide additional time for reformulation while ensuring continued product availability.

On January 1, 2019, the 55-gallon-per-year exemption expired for the category, further emphasizing the need for compliant low-VOC formulations.

In 2021 and 2022, staff conducted the required technology assessment to determine whether the 250 g/L limit would be feasible by 2023. The assessment concluded that a rule amendment was necessary due to reformulation challenges. Based on these findings, the compliance deadline for achieving the 250 g/L VOC limit was extended to January 1, 2028.

On June 25, 2026, staff met with a stakeholder to discuss the phase-out process and evaluate progress in developing compliant reformulations. Initial stakeholder feedback indicated that a low-VOC, water-based contact adhesive has been successfully developed and performs well in many applications. However, manufacturers reported that the product did not pass critical top-and-trim performance tests required for automotive use, and that water-based systems are unable to provide the high-heat-resistant properties needed for certain applications. Based on this feedback, stakeholders indicated that an extended timeline is necessary to meet the 250 g/L.

Staff reviewed top and trim adhesives sold in South Coast AQMD and evaluated additional data provided by manufacturers. Based on this review, staff determined that a PW-MIR of 1.00 g O_3/g product is equivalent to the current 540 g/L VOC limit. Using PW-MIR values applied in comparable rules with a 250 g/L VOC limit, staff proposes a PW-MIR of 0.60 g O_3/g product for this category.

Table 2-3: PW-MIR Limit for top and trim adhesive

Category	PW-MIR (g O_3/g of product)
Top and trim adhesive	0.60

The current rule establishes a top and trim VOC limit of 250 g/L, effective January 1, 2028. Given ongoing reformulation challenges and the absence of compliant products, staff is proposing to extend the compliance timeline by two years, to January 1, 2030.

Table 2-4: Revised Future Effective Date for Top and Trim

Category	Current Limit (g/L)	Limit at Future Effective Date	Future Effective Date
Top and trim adhesive	540	250	~~1/1/2028~~ 1/1/2030

Rubber Vulcanization Adhesives

Prior to 2017, the VOC limit for this category was set at 250 g/L; however, most facilities complied using the 55-gallon exemption rather than reformulating products to meet the lower VOC limit.

During the 2017 rule amendment, the 55-gallon exemption was removed, and the VOC limit was raised to 850 g/L to reflect existing product formulations. The 250 g/L limit was retained as a future effective limit to allow manufacturers additional time to complete necessary reformulation work.

In 2022, stakeholders requested reconsideration of the future 250 g/L limit due to ongoing reformulation challenges. Based on stakeholder feedback and available product data, staff retained the 850 g/L limit as the current requirement and provided an additional five years for reformulation to support the development of compliant products.

On June 25, 2026, staff met with stakeholders to evaluate progress on reformulating rubber vulcanization adhesives to meet the future effective 250 g/L VOC limit. Initial stakeholder feedback indicated that rubber vulcanization adhesives are highly specialized products that vary significantly depending on the specific use case, with each formulation uniquely developed for a particular application. Stakeholders reported that product development had been temporarily halted due to an incident at a manufacturing plant, which slowed progress on reformulation efforts. Manufacturers also noted that next-generation water-based technologies are currently being evaluated but are still in the early stages of testing.

Stakeholder follow-up on reformulation progress indicated that three compliant water-based products are currently in development; however, not all applications will be fully tested and ready by January 1, 2028, due to ongoing technical challenges associated with reformulating this product category. Additional time will be necessary to meet the current VOC limit.

Based on this information, staff is proposing to extend the compliance timeline by one year, to January 1, 2029.

Table 2-5: Revised Future Effective Date for rubber vulcanization adhesive

Category	Current Limit (g/L)	Limit at Future Effective Date	Future Effective Date
Rubber vulcanization adhesive	850	250	~~1/1/2028~~ 1/1/2029

In addition, staff is also providing an alternative PW-MIR VOC limit to help address reformulation challenges for the rubber vulcanization adhesive category. Manufacturers have indicated that many products can be transitioned to aqueous formulations, however there will be a few low-volume products that are used part of the rubber vulcanization system which may encounter potential challenges. Staff evaluated data provided by manufacturers. And based on the review, staff determined that a PW-MIR of 0.65 g O_3/g product is equivalent to the current 250 g/L VOC limit. Using PW-MIR values applied in comparable low-solids products with a 250 g/L VOC limit, staff proposes a PW-MIR of 0.65 g O_3/g product for this category.

Table 2-6: PW-MIR Limit for all other adhesive primer

Category	PW-MIR (g O_3/g of product)
All Other Adhesive Primer	0.65

Clear, Paintable, and Immediately Water-Resistant Sealants

Before 2017, this product category was included within the broader "Architectural Sealant" category. During the 2017 amendment, a new subcategory—Clear, paintable, and immediately water-resistant sealant—was created with a 380 g/L VOC limit. Stakeholders indicated that the product provides immediate water resistance, allowing rapid sealing during rain or snow conditions. Staff noted, however, that other Architectural Sealants that comply with the 250 g/L VOC limit also provide immediate water resistance; the distinction lies in these products being "clear" and then also "paintable."

In 2017, the stakeholder requested additional time to reformulate products to meet the future 250 g/L limit. During the 2022 rule amendment, the stakeholder again requested additional time due to ongoing technical challenges. The compliance deadline was extended to January 1, 2026, providing approximately eight years for reformulation.

The majority of clear, paintable, and immediately water-resistant Sealants are used for architectural applications; some are used as roofing sealants. The 250 g/L VOC limit went into effect January 1, 2026; however, products manufactured before January 1, 2026 can be sold until January 1, 2029 and used January 1, 2030.

Staff met with the Adhesive and Sealant Council on July 30, 2026, a national trade group representing North American adhesive and sealant manufacturers, raw material suppliers, equipment suppliers, and distributors. The trade group claimed products in this category have not successfully been reformulated to meet the 250 g/L VOC limit. Reformulation efforts had been initiated with pCBtF; however, pCBtF is no longer a viable option. Staff noted that Clear,

Paintable, Immediately Water-Resistant Sealants were reported in manufacturer Quantity and Emissions Reports (QERs) at VOC levels around 50 g/L, indicating that some manufactures have successfully reformulated these types of sealants.

Clear, paintable, and immediately water-resistant sealants are used across both architectural and roofing applications. Approximately 66 percent of use occurs in architectural settings, including sinks, bathtubs, and windows. The Architectural Sealant category has a VOC limit of 50 g/L, and many products already meet this limit. While these products are not immediately water-resistant, this property is generally less critical for architectural applications. While these products are not both clear and paintable, as previously stated, those characteristics do not justify the extremely high VOC levels of the products.

The remaining 34 percent of use occurs in roofing applications, where the sealants are used for flashing, vent pits, and ductwork. Roofing Sealants have a VOC limit of 300 g/L, and many products meeting this limit, including those that provide immediate water resistance, are available. While compliant roofing sealants may not be both "clear" and then also "paintable," those characteristics are even less relevant when used on a roof, where the opacity and paintability are even less relevant.

The need for this high VOC category carve out is not clear when there are many low-VOC sealants available. The South Coast AQMD is in extreme non-compliance for ground level ozone; therefore, emission reductions are crucial. Architectural sealants with VOC levels under 50 g/L are commercially available and widely used. It is difficult to justify a high VOC category to be carved out at 380 g/L for a sealant that is clear but then is obscured by paint or is paintable when low-VOC sealants tinted to color match any installation are widely available. At the time of the category carve out, architectural sealants had a 250 g/L limit, and the manufacturers committed to lowering the clear, paintable, and immediately water-resistant sealant VOC content down to 250 g/L, but that has not been achieved. Now that architectural sealants can comply with a 50 g/L VOC limits, these high VOC products need to be reformulated or eliminated from this air basin.

Staff is recommending one additional VOC limit reduction delay for the clear, paintable, and immediately water-resistant sealant category, which was established in 2017, by approximately two years from the date of rule adoption to January 1, 2029. Multipurpose water-resistant sealants that meet the 50 g/L VOC limit are commercially available, and some products have been reported with VOC levels below 50 g/L. In addition, non-clear or paintable water-resistant outdoor roofing sealants that meet the 300 g/L VOC limit are also commercially available.

Summary of the Proposed Timelines

The following tables show the summary of proposed revised timelines for the four categories.

Table 2-7: Proposed Revised Timelines for VOC Limits Effective Date

Category	Proposed Date
Clear, paintable, and immediately Water-Resistant Sealant	January 1, 2029
Rubber vulcanization adhesives	January 1, 2029
Top and trim adhesives	January 1, 2030

Table 2-8: Proposed Revised Timelines for pCBtF Prohibition, sell-through, and use-through date

Category	Final Manufacturer Date	Sell-Through Date	Use-Through Date
Roof adhesive primers	January 1, 2030	January 1, 2031	January 1,2032

Other Considerations

Quantity and Emission Reports

As part of the proposed amendments, staff is also proposing updates to the Quantity and Emissions Report (QER) requirements to streamline reporting, improve data quality, and ensure consistency with similar provisions in Rules 1113 and 314. These changes are intended to address gaps in current reporting, reduce ambiguity, and strengthen the completeness and accuracy of product data submitted to the South Coast AQMD.

To improve alignment with Rules 1113/314 and enhance data quality, staff is proposing revisions to the QER requirements. Although Rule 1168 contains similar reporting provisions, staff has determined that not all manufacturers are reporting adhesives and sealants when products are sent through distributors rather than sold directly to retailers. The proposed change will ensure that all products sold directly to retailers or distributors, including those distributed through big box retailers, are included in annual QER submissions. This approach is consistent with Rule 314/1113, which requires big box retailers to report sales volumes to both the South Coast AQMD and the architectural coatings manufacturer, including products distributed through centers inside or outside the South Coast AQMD. The manufacturers rely on those big box reports to ensure their Rule 314 annual sales volumes reflect what is sold at big box retail outlets.

Rule 1168 currently requires reporting of "total annual volume sold into or within the South Coast AQMD," including products distributed through centers located inside or outside the South Coast AQMD; however, the South Coast AQMD primarily relies on manufacturers to provide complete information. To improve accuracy and eliminate gaps, staff is proposing to amend the rule to clarify that manufacturers must report:

- All sales to retailers who directly sell products within the South Coast AQMD
- All sales to distributors who sell into the South Coast AQMD
- All sales information reported back to manufacturers by big box retailers

In addition, manufacturers will be required to submit a list of distributors to support verification of reporting completeness. Distributors would be required to maintain records but would not be required to report their sales to the South Coast AQMD. This change will avoid duplication, double counting, and unnecessary administrative burden. Manufacturers will be primary source of quantity and emissions data.

Staff also proposes redefining and updating the definition of "distribution centers" to "distributors" to ensure it refers to midstream distributors and not retailers that sell directly to end users.

Some QER submissions currently include ambiguous or outdated category names (e.g., reporting generic "adhesives" without specifying the correct adhesive subcategory), which results in incorrect classification and complicates data validation, reporting, and trend analysis. To address

these inconsistencies, staff is introducing standardized Rule 1168 category codes in reporting templates. These codes will eliminate ambiguity, improve accuracy, and ensure consistent and reliable data across reporting cycles.

55-Gallon Exemption

In addition to proposed timeline amendments and updates to the QER reporting requirements, staff is also recommending changes to the existing 55-gallon exemption in Rule 1168. The exemption was originally adopted to allow facilities limited use of non-compliant products when compliant formulations were not yet commercially available. As product reformulation has progressed and VOC limits have been updated over time, staff has reassessed the need for this provision as part of the current rule amendment.

Currently, facilities may use up to 55 gallons per year of non-compliant products. Historically, facilities relied on this exemption for top and trim adhesives and rubber vulcanization adhesives because compliant formulations were not available. In 2017, staff increased the VOC limits for these categories and required facilities to report any use of the exemption. Since that time, staff is not aware of any adhesives or sealants that cannot meet current VOC limits, and no annual reports have been received from facilities utilizing the exemption; however, one manufacturer indicated to staff that they intend to use this exemption during the reformulation. Compliant products now exist in every category, but the continued availability of the exemption has led manufacturers to cite it as justification for selling non-compliant products into the South Coast AQMD.

Given the lack of reported use, the availability of compliant products, and the potential for misuse, staff is proposing to sunset the 55-gallon exemption effective January 1, 2029. Eliminating this provision will eliminate a potential loophole that allows the sale of non-compliant products into and within the South Coast AQMD.

Independent Distributor Exemption

Another consideration in this rule amendment is the existing independent distributor exemption. Under the current provision, manufacturers and suppliers are exempt from the prohibition to sell non-compliant products provided they notify independent distributors in writing that the products may not be used within the South Coast AQMD.

Manufacturers have reported selling large quantities of non-compliant adhesives and sealants into the South Coast AQMD citing this exemption. Staff's review of written notices provided by manufacturers to distributors indicates that the notifications often lack specificity and may not clearly communicate that the products cannot be used within the South Coast AQMD. This increases the potential for misuse and creates enforcement ambiguity.

Given these concerns, staff is proposing to require manufacturers to provide the written notification they provide to distributors to the South Coast AQMD.

CHAPTER 3 : SUMMARY OF PROPOSALS

INTRODUCTION
PROPOSED AMENDED RULE STRUCTURE
PROPOSED AMENDED RULE 1168

Introduction

The main objective of the proposed amendments to Rule 1168 is to extend the pCBtF prohibition date for roofing adhesive primers to allow additional time for reformulation; extend future-effective VOC limit reductions for two adhesive categories and one sealant category; introduce alternative reactivity-based limits for categories with significant reformulation challenges; sunset the 55-gallon exemption that allows limited use of non-compliant products; and clarify manufacturer reporting requirements to improve data quality and consistency. The proposed revised rule structure and key provisions are discussed in the following sections.

Proposed Amended Rule Structure

(a) *Purpose*
(b) *Applicability*
(c) *Definitions*
(d) *Requirements*
(e) *Reporting and Recordkeeping Requirements*
(f) *Test Methods*
(g) *Administrative Requirements*
(h) *Prohibition of Sales and Use*
(i) *Rule 442 Applicability*
(j) *Exemptions*

Proposed Amended Rule 1168

Definitions [Subdivision (c)]

To provide clarity, definitions are used in the proposed amended rule as a proper noun to better distinguish defined terms from common terms. Refer to PAR 1168 for a complete list of definitions. New definitions were added to clarify applicability and requirements. Revised timeline for categories are discussed later in subdivision (d).

The following are new and modified definitions for PAR 1168. For all definitions, refer to the preliminary draft of PAR 1168 released with the Staff Report. Accordingly, the following definitions will be added

Refer to PAR 1168 for a complete list of definitions. The following are new or revised definitions for PAR 1168:

The definition for battery adhesive is added to address pCBtF prohibition and phase-out challenges.

“BATTERY ADHESIVE means an adhesive used to bond or seal components within a battery assembly, engineered to maintain integrity when exposed to battery operating conditions, including chemical, thermal, and mechanical stress.”

The definition of Big Box Retailer was updated to correct a reference to the Office of Management and Budget

“BIG BOX RETAILER means a physically large-chain Retail Outlet that is classified by the Office of Management and Budget under North American Industry Classification System code 444110: Home Centers or identified in a list maintained by the Executive Officer.”

The definition for chemical abstracts service registration number or CAS RN is added to provide clarification.

"CHEMICAL ABSTRACTS SERVICE REGISTRATION NUMBER or CAS RN means a unique numerical identifier assigned by the Chemical Abstracts Service to a single chemical substance to ensure unambiguous identification'.

The definition of Distribution Center has been revised to Distributors for consistency with other South Coast AQMD rules.

"DISTRIBUTOR means any Person, company, firm, or establishment to whom Regulated Product are sold or supplied for the purposes of resale or distribution into or within the South Coast AQMD, except that Manufacturers are not Distributors."

The definition of Executive Officer was added to clarify reporting and recordkeeping requirements

"EXECUTIVE OFFICER is as defined in Rule 102 – Definition of Terms."

The definition of Exempt Compounds was revised to include applicability to Group I and Group II Exempt Compounds to reference the revised prohibition of sale or use provisions in subdivision (h)

"EXEMPT COMPOUNDS are as defined in Rule 102, including Group I and Group II Exempt Compounds. For the purpose of this rule, Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) shall only be considered exempt as a VOC for High-Pressure Two-Component Foam Sealants and Low-Pressure Two-Component Foam Sealants when used in an industrial or professional setting by workers trained with procedures and guidelines to reduce potential risk of exposure, if the Office of Environmental Health Hazard Assessment has sufficient information to conduct a toxicity assessment and, upon completion of its assessment."

The definition for Manufacturer is added to provide clarification of reporting and recordkeeping requirements.

"MANUFACTURER means any Person, company, firm, or establishment who imports, manufactures, blends, assembles, produces, packages, repackages, or re-labels any Regulated Product. The Manufacturer listed on the product's label shall be primarily responsible for compliance with applicable provisions of this rule. For the purpose of this rule, Private Labeler is considered and Manufacturer."

The definitions for maximum incremental reactivity (MIR) and definition for product-weighted MIR (PW-MIR) are added to support the introduction of reactivity-based compliance options.

"MAXIMUM INCREMENTAL REACTIVITY (MIR) means the measure of the photochemical reactivity of a VOC, which estimates the weight of ozone produced from a weight of VOC expressed as gram of ozone per gram of VOC (g O_3 /g VOC). MIR values for individual VOCs are specified in Title 17, California Code of Regulations Sections 94700 and 94701."

"PRODUCT-WEIGHTED MIR (PW-MIR) means the sum of all weighted MIR for all ingredients in a product. The PW-MIR is the total product reactivity expressed to hundredths of a gram of

ozone formed per gram of product (excluding container and packaging) and calculated according to the following equations:

Weighted MIR (Wtd-MIR) ingredient = MIR × Weight Fraction ingredient and

$PW\text{-}MIR = (Wtd\text{-}MIR)_1 + (Wtd\text{-}MIR)_2 + \ldots + (Wtd\text{-}MIR)_n$

Where:

MIR = ingredient MIR; and

1, 2, 3…n = each ingredient in the product up to the total n ingredients in the product."

Please note that MIR values are expressed in g O_3/g VOC for each ingredient, while PW-MIR is expressed in g O_3/g product because it reflects the sum of each ingredient's MIR multiplied by its weight fraction in the product. MIR is an ingredient-level value; PW-MIR is the product-level result of that calculation.

The definition of Reactive Products was revised to include monomers used in energy curable products. The existing definition included other examples of materials that contain reactive products; it is being expanded to include the reactive monomers in energy curable coatings. This is not a change, just a clarification.

"REACTIVE PRODUCTS means a regulated products composed, in part, of monomers that become integral parts of the cured product through chemical reaction. Reactive Products include, but are not limited to, monomers used in: polyurethanes, two-component Regulated Products, and energy curable Regulated Products, which are cured upon exposure to visible-light, ultra-violet light or to an electron beam."

The definition for Retail Outlet is added to provide clarification.

"RETAIL OUTLET means any establishment at which a Regulated Product is sold, supplied, or offered for sale directly to end-users. For the purposes of this rule, a Distributor who sells Regulated Products directly to end-users within the South Coast AQMD is considered a Retail Outlet."

The following definitions are added for clarification.

"EXECUTIVE OFFICER is as defined in Rule 102 – Definition of Terms."

"SOUTH COAST AQMD TEST METHOD means a test method included in the manual of "Laboratory Methods of Analysis for Enforcement Samples," which can be found on the South Coast AQMD website and are referenced in subdivision (f)."

The following list of definitions are revised for clarification without changing the original intent.

- Big-box retailer
- Building envelope membrane adhesives
- Clear, paintable, and immediate water-resistant sealant
- Cove base adhesive
- Edge glue adhesive
- Hand application methods
- High-pressure two component foam sealant
- High-volume low-pressure (HVLP) spray
- Hot applied modified bitumen/built up roof adhesive

- Percent VOC by weight
- Private labeler
- Potable water sealant
- Quantity and Emission Reports (QERs)
- Rubber floor adhesive
- Special purpose contact adhesive
- Toll manufacturer
- Toxic air contaminant
- Vinyl composition tile (VCT)

The Regulatory and Material (Actual) VOC definitions have been revised for consistency with other South Coast AQMD rules.

Requirements [Subdivision (d)]

This subdivision contains the provisions for any person that uses or stores any adhesives, adhesive primers, sealants, or sealant primers conducting operations in the South Coast AQMD and applies to any person who sells, offers for sale, markets, blends, distributes, packages, repackages, or supplies marine or pleasure craft and marine structure coatings.

This provision sets the requirements for VOC limits and effective dates for adhesives and sealants by categories and subcategories, as summarized in Rule 1168 Table 1 – Regulated Product Categories and VOC Limits. Staff is proposing a revision to Rule 1168 Table 1 to reflect the VOC limits that became effective dates January 1, 2023 for 11 subcategories. Staff is also proposing to provide additional time and extend the lower VOC limit effective dates for three categories:

- Top and trim adhesive
- Clear, paintable, and immediately water-resistant sealant
- Rubber vulcanization adhesive

A new product category for battery adhesives was added to Table 1 of the rule to allow time for testing and recertification of pCBtF-free battery adhesives used at a local manufacturing facility. Battery adhesives are currently subject to the "all other adhesive" category and have a VOC content limit 250 g/L. The newly added battery adhesives category will have a more stringent VOC content limit of 120 g/L and will not result in any potential VOC emissions increase. The concern related to this battery adhesive category is related to pCBtF reformulation and not VOC limit related. The future effective prohibition date was added to Table 3 – pCBtF and t-BAc Prohibition timeline of the rule in subdivision (h).

The following table provides a summary of the proposed changes and updates to Table 1 in Rule 1168. New changes to the table include: the addition of the revised effective dates for Top and Trim and rubber vulcanization adhesive categories; addition of one new category for battery adhesive along with an associated VOC limit; updating VOC limit for 17 adhesive and sealant categories which became effective on January 1, 2023. This change to the 17 categories was to clean up and streamline the table with existing VOC limits that became effective and is not a lowering of the VOC limits.

Table 3-1: Summary of Table 1 Revisions

Category	Current Limit	Limit at Future Effective Date	Effective Date
Adhesives			
Top and Trim Adhesive	540 g/L	250 g/L	1/1/2030
Rubber Vulcanization Adhesive	850 g/L	250 g/L	1/1/2029
Battery Adhesive	120 g/L		
Wood Flooring Adhesive	20 g/L		1/1/2023
Roofing Adhesive			
Hot Applied Modified Bitumen/Built Up Roof Adhesive	30 g/L		1/1/2023
Shingle Laminating Adhesive	30 g/L		1/1/2023
Plastic Welding Cement			
CPVC Welding Cement	400 g/L		1/1/2023
CPVC Welding Cement for Life -Safety Systems	490 g/L		1/1/2023
ABS to PVC Transition Cement	425 g/L		1/1/2023
PVC Welding Cement	425 g/L		1/1/2023
Sealants			
Foam Insulations	5%		1/1/2023
One-Component Foam Sealant	18%		1/1/2023
High-Pressure Two-Component Foam Sealant	5%		1/1/2023
Low-Pressure Two-Component Foam Sealant	5%		1/1/2023
Non-Staining Plumbing Putty	50 g/L		1/1/2023
Clear, Paintable, and Immediately Water-Resistant Sealant	380 g/L	250 g/L	1/1/2029
All Other Sealants	250 g/L		1/1/2023
Roofing Sealants			
Single Ply Roof Membrane Sealant (Except Cut Edge)	250 g/L		1/1/2023
Cut Edge Single Ply Roof Membrane Sealant	250 g/L		1/1/2023

Additionally, staff is proposing an alternative PW-MIR limit to paragraph (d)(2) for three adhesive categories, all other adhesive primer, roof adhesive primers and top and trim adhesives to address potential reformulation challenges for the three categories. The alternative PW-MIR limits are equivalent to the current mass-based limits for the respective category. Please see Table 3-2 for a summary of the proposed PW-MIR limits.

Table 3-2: Summary of Alternative PW-MIR limits

Category	PW-MIR Limit (g O_3/g Product)
All Other Adhesive Primer	0.65
Roof adhesive primer	0.65
Top and trim adhesive	0.60

To provide additional clarity for the PW-MIR VOC content calculation in Table 3-2, subparagraph (d)(2)(B) was added to the rule. The new subparagraph references the October 2, 2010 MIR values as the default values that should be used in PW-MIR calculation and is the most recent MIR value at the time of this rule amendment. If the MIR values are updated at a future date, subparagraph (d)(2)(B) now clarifies that the manufacturer can use the 2010 MIR values for up to three years from the publication date of the latest MIR values. After three years from the publication date of the latest MIR values, manufacturers must use the latest MIR value for calculating the PW-MIR VOC content. This three-year grace period will provide time for manufacturers to ensure their products still comply with the PW-MIR VOC limits and to relabel products if the PW-MIR VOC content changes based on the update MIR values.

Reporting and Recordkeeping Requirements [Subdivision (e)]

Rule 1168 includes two specific recordkeeping provisions. Manufacturers, big box retailers, and distributors must retain records to support the data reported in the QERs; owners or operators of stationary sources that use adhesives or sealants to manufacture products must maintain records pursuant to Rule 109 – Recordkeeping for Volatile Organic Compound Emissions. The current rule specifies reporting and recordkeeping under separate subdivisions (f) and (d) and it is not specific that Rule 109 only applies to stationary sources.

Staff proposes to clarify and update recordkeeping and reporting requirements for manufacturers, private labelers, big box retailers, retail outlets, and distributors. The key change is that distributors are now only required to maintain records and make them available upon request to the South Coast AQMD. Big Box Retailers are still required to report volume sold to the manufacturers and to South Coast AQMD, this requirement is not changing the existing requirements. To avoid further confusion of reporting requirements between responsible parties, staff also clarified and added several definitions in subdivision (c) - definitions section of the rule.

The definitions of big box retailer, private labeler, and toll manufacturers have been revised for clarification. Additionally, new definitions for distributor, manufacturer, and retail outlet was also added to help delineate between reporting responsible parties. The definition of:

- Distributor is a new definition that has been added to clarify reporting requirements. The definition of distribution center has been removed and replaced with distributor as the new definition. Distributor is defined to include a person, company, firm, or establishment that sells or supplies regulated products into the South Coast AQMD for purpose of resale or distribution. This addition clarifies reporting applicability and requirements because previously, a distribution center was required to report a QER, but now is only required to maintain records pursuant to paragraph (e)(10). Whether a distributor is located inside or outside the South Coast AQMD region, if the distributor sells or distributes regulated products into the South Coast AQMD region, they are subject to paragraph (e)(10) and

must maintain records of annual sales for five years and must be made available upon request by the Executive Officer. Distributors are no longer required to report a QER to South Coast AQMD.

- Private Labeler only had minor revisions in formatting and structure for consistency with other South Coast AQMD rules, but elements of the definition have been incorporated into the definitions of a manufacturer and distributor. The elements incorporated are applicability to a person, company, firm, or establishment for clarification. The reporting and recordkeeping requirements for a private labeler remain unchanged and subject to paragraph (e)(1), (e)(2), (e)(3), (e)(5), (e)(7), (e)(8), (e)(9), and (e)(13). A private labeler is required to report all sales to distributors or retail outlets that sell into the South Coast AQMD.
- Toll Manufacturer has been revised to clarify that it is a third-party who manufacturers regulated products for a private labeler. The private labeler is subject to the reporting and recordkeeping requirements in paragraph (e)(1), (e)(2), (e)(3), (e)(5), (e)(7), (e)(8), (e)(9), and (e)(13).
- Manufacturer is a new definition that has been added to further clarify the party responsible for reporting provisions of the rule. A manufacturer is now required to submit a list of distributors to South Coast AQMD which will help ensure reporting completeness. A manufacturer is required to report all sales to retailers, distributors, and all sales by big box retailers that sell within the South Coat AQMD. Manufacturers are subject to the reporting requirements in paragraph (e)(1), (e)(2), (e)(3), (e)(5), (e)(7), (e)(8), (e)(9), (e)(11), and (e)(13). A manufacturer is required to report all sales to any distributor or retail outlet that sell into the South Coast AQMD.
- Retail outlet is a new definition added to clarify and ensure that all products sold directly to retailers or distributors, especially those distributed through big box retailers, are included in the reporting requirement. Since the reporting requirements for a distributor have changed. It is important to note now that any distributor who sells regulated products directly to a person as defined in Rule 102 is classified as a retail outlet.
- Big box retailer has been updated and references the new definition of retail outlet for clarity. A big box retailer is classified as a large chain retail outlet since they sell and supply directly to a person. Big box retailers are subject to the reporting requirements in paragraph (e)(4) and must report to both South Coast AQMD and the manufacturers or private labelers.

The proposed changes to the definition and reporting are intended to help improve any inconsistencies in data reporting between manufacturers, private labelers, big box retailers, and retail outlets. The changes also ensure all products sold directly to retailers and distributors are included or captured in the QER submissions. The following figure shows reporting responsibilities.

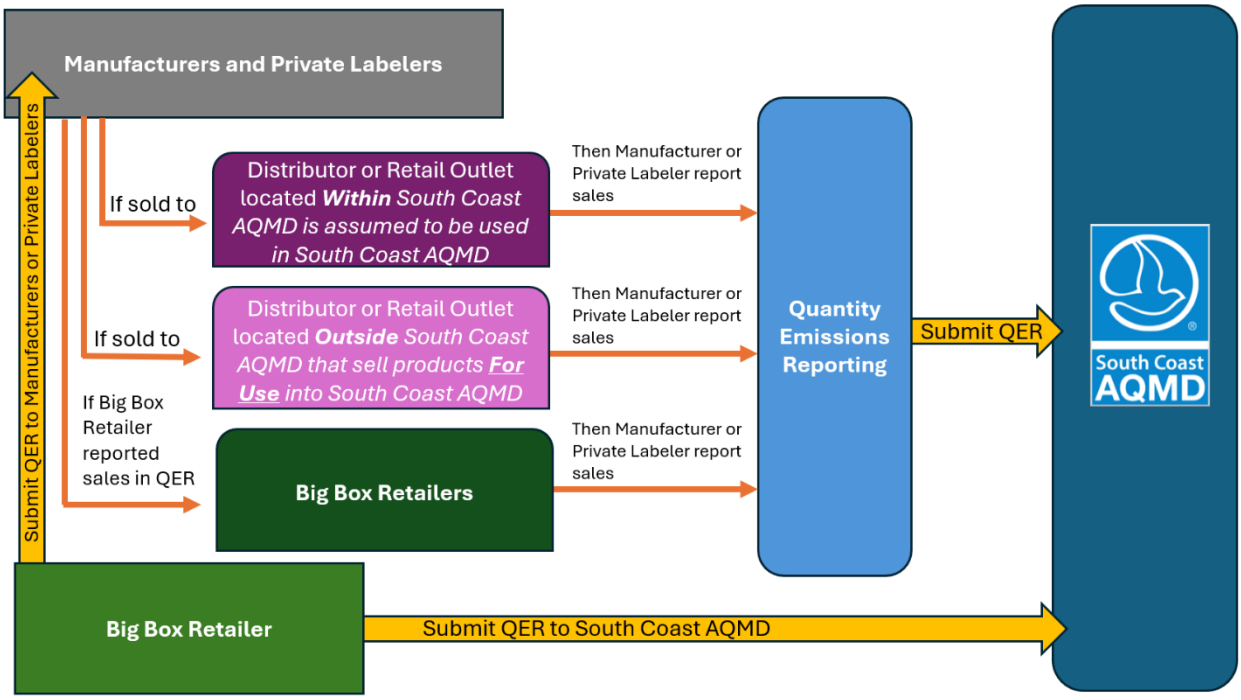

Figure 3-1: Reporting Requirement Flow Chart

The 55-gallon exemption in paragraph (e)(6) will be phased out beginning January 1, 2029. Paragraph (e)(6) now establishes that the 55-gallon exemption is now valid through calendar year 2028. Beginning January 1, 2029, the 55-gallon exemption is no longer available to facilities. Historically, no facility has reported to South Coast AQMD that they are using the exemption, so the exemption is no longer necessary and will be phased out. For any facility electing to use the 55-gallon exemption until the phase out effective date of January 1, 2029, the reporting date of September 1 of the following calendar has not changed. The provision also establishes a requirement that the final report must be submitted no later than September 1, 2029.

Subparagraph (e)(1)(G) was revised to clarify that manufacturers and private labelers must report the total annual quantity of each product sold and "distributed" for use into or within the South Coast AQMD not just products sold by the manufacturer. The provision also clarifies that the annual quantity of each product sold must include those products that are sold to retail outlets, distributors, through big box retailers.

Paragraph (e)(4) has been updated and now only requires big box retailers to submit QERs. Distributors are only required to maintain records and be made available upon request pursuant to paragraph (e)(10).

Paragraph (e)(7) is a new provision which establishes a requirement for manufacturers and private labelers to provide to the Executive Officer a list of their U.S. distributors in which they supply for sell their products into or within South Coast AQMD. The provision also specifies the type of information that must be submitted which includes name, address, contact person, phone number, and copies of any written notifications provided to an independent distributor such as notices stating that any product not complying with the rule limits cannot be sold within South Coast

AQMD. These new requirements are necessary to prevent potential rule circumvention. The manufacturer or private labeler does not need to submit a list annually, however if there are any changes to the distributor list, a new distributor list must be submitted to the Executive Officer by September 1st of the calendar year.

Paragraph (e)(8) is a new provision requiring all manufacturers and private labelers to submit to the Executive Officer any copies of written notification provided to a distributor pursuant to paragraph (j)(10). Any manufacturer or private labeler that informs a distributor in writing or electronic format regarding a product that should not be sold in South Coast AQMD must also provide a copy to the Executive Officer by September 1, 2027. Copies of any new notifications or updates to the notification must be provided to the Executive Officer by September 1st each calendar year. Paragraph (e)(8) was clarified to specify that manufacturers are not required to submit duplicate copies of notifications provided to distributors and are required to submit only unique notifications.

Paragraph (e)(10) establishes a new requirement for distributors that sell products within the South Coast AQMD. Distributors are now required to maintain records of all annual sales for five years and must be made available to the executive officer upon request. Distributors or distribution centers along with big box retailers were previously required to directly report QERs to the manufacturers and private labelers pursuant to paragraph (e)(4). Distributors are now only required to maintain records and must be made available upon request to the Executive Officer.

Paragraph (e)(11) is a new provision for a regulated product with two or more manufacturers. Any regulated product with two or more manufacturers may designate in writing the manufacturer responsible for complying with the reporting requirements in the rule. The written agreement must be submitted to the executive officer by September 1, 2027 and if there are any changes or updates to the mutual agreement.

Paragraph (e)(5) contains the reporting timeline for manufacturers, private labelers, and big box retailers. The Table below shows the QER reporting schedule adopted during the 2017 amendment. "Big Box Retailers and Distribution Centers" in the heading has been changed to "Big Box Retailers: to provide clarity who must report. There is no change to the actual reporting date or timelines.

Table 3-3: QER Reporting Schedule

Reporting Deadlines		Reported Years
Manufacturers & Private Labelers	Big Box Retailers	
September 1, 2019	May 1, 2019	2017, 2018
September 1, 2022	May 1, 2022	2020, 2021
September 1, 2025	May 1, 2025	2023, 2024
September 1, 2030	May 1, 2030	2028, 2029
September 1, 2035	May 1, 2035	2033, 2034
September 1, 2040	May 1, 2040	2038, 2039

Test Methods [Subdivision (f)]

Staff is not proposing any major changes to this provision. This subdivision was streamlined for consistency with recently adopted VOC rule amendments

Administrative Requirements [Subdivision (g)]

Paragraph (g)(1)(D) establishes labeling requirements for manufacturers or private labelers that elect to comply with the alternative PW-MIR limits in Table 2 – Alternative PW-MIR VOC Limit in paragraph (d)(2) of the rule.

Prohibition of Sale and Use [Subdivision (h)]

Currently the rule prohibits the sale and use of regulated products that contain chloroform, ethylene dichloride, methylene chloride, perchloroethylene, and trichloroethylene and all Group II exempt solvents except ~~volatile methyl siloxanes (~~VMS~~)~~. Small, but non-negligible, quantities of VMS ~~are widely used~~ are found in silicone-based sealants. VMS are not intentionally added to the adhesives and sealants, they are introduced as an impurity from some of the raw materials or resins. The Group II exempt solvent prohibition was included during the 2017 amendments, and it included an effective date of January 1, 2019.

~~PAR~~ Rule 1168 prohibit the use of t-BAc and pCBtF under subdivision (h). This proposal is based on staff's assessment of t-BAc and pCBtF health risk and the Stationary Source Committee's direction to take a precautionary approach when considering expanding or including an exemption for any compound with a toxic endpoint. The proposal also includes a sell-through and use-through provision for products manufactured prior to the effective date of the t-BAc and pCBtF prohibition. Sell-through and use-through provision are already included in Rule 1168 when there is a VOC limit change for a Regulated Product.

Based on stakeholder feedback and evaluation during the technology check-in conducted, staff proposes to delay the pCBtF prohibition for roof adhesive primers from January 1, 2027 to January 1 2030 and delay the sell-through date from January 1, 2028 to January 1, 2031, and use-through date from January 1, 2028 to January 1, 2032. Additionally, staff also added a new category to Table 4 of the rule for battery adhesives with a prohibition effective date of January 1, 2029, a sell-through date of January 1, 2030 and use-through date of January 1, 2031. The prohibition delay for the two categories and future-effective prohibition date for battery adhesive is to provide additional testing and certification time for pCBtF-free materials. PAR 1168 would prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products for use within the South Coast AQMD that contain DMC in concentrations greater than 0.01 percent by weight or VMS in concentrations greater than 1.0 percent by weight.

The prohibition effective dates based on the product categories are illustrated in the following table included in the rule as below, the red box illustrates the categories with proposed changes.

Table 3-4: Prohibition Effective Dates

Category	Prohibition Effective Date	Sell-through End Date	Use-through End date
	pCBtF Prohibition Effective Dates		
Roof Adhesive Primer	January 1, 2030	January 1, 2031	January 1, 2032
Battery Adhesive	January 1, 2029	January 1, 2030	January 1, 2031
Cut Edge Single Ply Roof Membrane Sealant	January 1, 2027	January 1, 2028	January 1, 2028
EPDM/TPO Single Ply Roof Membrane Adhesive			
Roof Adhesive Primer			
Single Ply Roof Membrane Adhesive (Except EPDM/TPO)	January 1, 2025	January 1, 2028	January 1, 2028
Single Ply Roof membrane Sealants (Except Cut Edge)			
All Other Roof Sealants			
Roof Sealant Primer			
Clear, Paintable, and Immediately Water-Resistant Sealant	January 1, 2026	January 1, 2028	January 1, 2028
All Regulated Products not listed above	January 1, 2024	January 1, 2027	January 1, 2028
	t-BAc Prohibition Effective Dates		
All Regulated Products	January 1, 2024	January 1, 2027	January 1, 2028
	DMC and VMS Prohibition Effective Dates		
All Regulated Products	January 1, 2028	January 1, 2029	January 1, 2030

Exemptions [Subdivision (j)]

No facility has reported using the subparagraph (j)(5)(c) 55-gallon per year exemption, as required under paragraph (e)(6); therefore, staff is proposing to sunset this exemption as of January 1, 2029.

Paragraph (j)(10) requires any manufacturer or private labeler utilizing this exemption to comply with the new reporting requirements specified in subparagraph (e)(8).

Paragraph (j)(11) was originally subparagraph (j)(5)(C) which has been moved and revised. The revision now includes a sunset date of January 1, 2029. A facility may continue using the exemption until that date except for adhesives used in architectural applications; contact adhesives; special purpose contact adhesives; adhesives used on porous substrates; rubber vulcanization adhesives and top and trim adhesives.

CHAPTER 4 : IMPACT ASSESSMENT

EMISSIONS IMPACT

COSTS

SOCIOECONOMIC IMPACT ASSESSMENT

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

COMPARATIVE ANALYSIS

Emission Impacts

The baseline VOC emissions for PAR 1168 are based on 2020 and 2021 QERs reported by the manufacturers on September 2022. The estimated baseline VOC emissions are approximately 9 tpd and were determined by taking an average of the 8.6 and 9.4 tons per day VOC emissions reported for the 2020 and 2021 year in the QERs. The proposed amendments to Rule 1168 are not expected to result in additional VOC emissions; however, there will be delayed emission reductions. The amendments maintain existing VOC control limits but provide manufacturers with additional time to complete reformulations. Introduction of alternative PW-MIR reactivity-based limits is intended to support compliance without increasing ozone-forming potential. Overall, no emission increases are anticipated at full implementation; however, there will be delayed emission reductions because of delaying compliance deadlines. In addition, minor emission reductions may occur because of removing the 55-gallon per year exemption by eliminating an outdated allowance for limited use of non-compliant products, though staff is not aware of any facility using this exemption.

Three categories, including top and trim adhesives; rubber vulcanization adhesives; and clear, paintable, and immediately water-resistant sealants, have delayed emission reductions due to extended compliance timelines. Table 4-1 shows the delayed emission reductions from these categories based on 2022 QER reports.

Table 4-1: Delayed Emission Reductions (tpd)

Category	Delayed Emission Reductions (tpd)	Date
Top and trim adhesive	0.115	1/1/2030
Rubber vulcanization adhesive	0.020	1/1/2029
Clear, paintable, immediately water-resistant sealant	0.011	1/1/2029
Total	0.146	

Costs

Staff does not anticipate significant cost impacts associated with the proposed amendments. The timeline extensions reduce near-term compliance costs by providing manufacturers with additional time to develop and commercialize reformulated products. The optional PW-MIR compliance pathway may further reduce costs for categories facing technical reformulation barriers. Revisions to QER reporting requirements are largely administrative and are not expected to create substantial new burdens; manufacturers already track the necessary sales and distribution information. Sunsetting the 55-gallon exemption does not impose additional costs, because staff is not aware of any facility currently using the exemption and compliant products are available for all categories. As such, the proposed amendments are expected to have minimal economic impact.

Socioeconomic Impact Assessment

PAR 1168 is an area-source rule that is applicable to manufacturers and product supply chains as well as facilities and consumers that use adhesives and sealants. PAR 1168 would maintain

existing VOC limits for some product categories, establish alternative PW-MIR VOC limits for top and trim adhesives and roof adhesive primer, extend existing prohibition timelines for pCBtF for roof adhesive primer, provide additional reformulation time to meet future-effective VOC limits for three product categories (i.e., top and trim adhesives, rubber vulcanization adhesives, and clear, paintable and immediately water-resistant sealants), and establish prohibition timelines for VMS and DMC.

Staff identified 12 manufacturers which are located within South Coast AQMD jurisdiction that formulate products that would be subject to PAR 1168 requirements with three manufacturers in the Paint, Coating and Adhesive Manufacturing (NAICS 3255) sector, and two manufacturers in the Plastics Product Manufacturing industry (NAICS 3261) sector. Each of seven other manufacturers belong to the following sectors: Residential Construction (NAICS 2361), Petroleum and Coal Products Manufacturing (NAICS 3241), Basic Chemical Manufacturing (NAICS 3251), Cement and Concrete Product Manufacturing (NAICS 3273), Chemical and Allied Products Merchant Wholesalers (NAICS 4246), Building Material and Supplies Dealers (NAICS 4441), and Grocery and Convenience Retailers (NAICS 4451).

For the portions of PAR 1168 that seek to extend the timelines for phasing out pCBtF while establishing lower VOC limits, an overall cost savings to manufacturers is expected because: 1) the proposed alternative PW-MIR VOC limits will provide manufacturers more flexibility when deciding whether reformulation is necessary; and 2) if reformulation is necessary, delaying the phase out of pCBtF will provide more time for manufacturers to reformulate, which in turn, will potentially lower the reformulation costs and result in smaller discounted total compliance costs over time. However, manufacturers have not provided specific data pertaining to which adhesives and sealants will either require reformulation or will retain the existing formulation by demonstrating compliance with the alternative PW-MIR VOC limits. For this reason, the amount of cost savings from implementing PAR 1168 cannot be quantified and as such, has not been included in this assessment.

Phasing out DMC is anticipated to result in minimal to no compliance costs due to its limited use in a small subset of battery-related products. Moreover, alternative compliant formulations without DMC are currently available at equivalent prices to formulations that contain DMC.

Lastly, while delaying the phase-out of pCBtF and implementation of the lowered VOC limits could also delay the corresponding health benefits from reducing emissions and potential exposures to pCBtF and VOC, any foregone health benefits cannot be quantified due to a lack of data. Nonetheless, when these requirements go into effect, the associated health benefits from reducing VOC and pCBtF emissions will be permanent.

California Environmental Quality Act (CEQA)

Pursuant to CEQA and South Coast AQMD's certified regulatory program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(l), and South Coast AQMD Rule 110), the South Coast AQMD, as lead agency for PAR 1168, ~~has~~ prepared a ~~Draft~~ Subsequent Environmental Assessment (SEA) for the proposed project. The ~~Draft~~ SEA is a substitute CEQA document prepared pursuant to CEQA Guidelines Section 15252 and in lieu of a Subsequent Environmental Impact Report. As allowed by CEQA Guidelines Sections 15152, 15162, and 15385, the ~~Draft~~ SEA tiers off of: 1) the Final Environmental Assessment for the October 2017 amendments to Rule 1168; and 2) the Final SEA for the November 2022 amendments to Rule 1168. The Draft SEA was released and circulated for a 46-day public review and comment period

from September 18, 2026 to November 3, 2026 to provide public agencies and the public an opportunity to obtain, review, and comment on the environmental analysis. No comment letters were received during the comment period.~~Comments made relative to the analysis in the Draft SEA and responses to the comments will be included in the Final SEA~~.

Draft Findings Under the Health and Safety Code

Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, nonduplication, and reference, as defined in that section, based on relevant information presented at the hearing, this written analysis, and the rulemaking record. The draft findings are as follows:

Necessity – PAR 1168 is needed to allow additional time for roof sealant primer to be reformulated without pCBtF.

Authority – The South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702 and 41508.

Clarity – Proposed Amended Rule 1168 – Adhesive and Sealant Applications, is written and displayed so that the meaning can be easily understood by persons directly affected by it.

Consistency – Proposed Amended Rule 1168 – Adhesive and Sealant Applications, is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal and state regulations.

Nonduplication – Proposed Amended Rule 1168 – Adhesive and Sealant Applications, does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference – In amending this rule, the South Coast AQMD Governing Board references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 39002, 40000, 40001, 40406, 40702, 40440(a), 40725 through 40728.5, 40920.6, 41508 and federal Clean Air Act Sections 110, 172, and 182(e).

Comparative Analysis

Under Health and Safety Code Section 40727.2, the South Coast AQMD is required to perform a comparative analysis when adopting, amending, or repealing a rule or regulation. The comparative analysis is relative to existing federal requirements, existing or proposed South Coast AQMD rules and air pollution control requirements and guidelines which are applicable to VOC regulations for Adhesive and Sealant Applications..

	PAR 1168	CARB Consumer Products Regulation	U.S. EPA Control Techniques Guideline for Miscellaneous Industrial Adhesives	Ozone Transport Commission Model Rule for Consumer Products
Applicability	All use of adhesives, adhesive primers, sealants, or sealant primers excluding consumer and institutional use where the units of product, less packaging, weigh one pound or less and consist of less than 16 fluid ounces, and where there is an applicable VOC limit in the California Air Resources Board (CARB) Consumer Products Regulation.	Adhesives and sealants where the units of product, less packaging, weigh one pound or less and consist of 16 fluid ounces or less, that are sold for consumer and institutional use.	Voluntary guidelines to states to develop regulation to address adhesives used for industrial operations.	Sale and manufacture of consumer adhesives, adhesive primers, sealants, and sealant primers; and use restrictions that apply primarily to commercial/industrial applications.
Requirements	• VOC limits for adhesives used in architectural applications, industrial operations, and substrate specific applications. VOC limits for sealants used in architectural applications, roadway, and other applications. VOC limits for adhesive and sealant primers • PW-MIR alternative VOC limits for some categories • Most restrictive clause for products subject to multiple VOC limits	• VOC limits for adhesives and sealants sold as consumer products for personal or institutional use • Three-year sell through for products on shelf prior to effective date of rule • Most restrictive clause for products subject to multiple VOC limits	• VOC limits for adhesives, and adhesive primers used in industrial operations • Minimum transfer efficiency requirements • Minimum air pollution capture and control efficiency of 85% • Trash and debris containing VOC must be in closed containers • Containers used for mixing shall be closed except when in use • Closed containers for cleaning solvent storage	• VOC limits for adhesives used in architectural applications, industrial operations, and substrate specific applications. VOC limits for sealants used in architectural applications, roadway, and other applications. VOC limits for adhesive and sealant primers • Limit on VOC content of solvents used for cleaning, surface preparation or stripping • VOC content limit for solvents used to clean application equipment and requirements to

	PAR 1168	CARB Consumer Products Regulation	U.S. EPA Control Techniques Guideline for Miscellaneous Industrial Adhesives	Ozone Transport Commission Model Rule for Consumer Products
	• Sell-through for products on shelf prior to effective date of rule • Trash and debris containing VOC must be in closed containers • Minimum transfer efficiency requirements • Minimum air pollution capture efficiency of 90%; minimum air pollution reduction efficiency of 95% • Alternative Emission Control Plan • Storage restrictions for noncompliant products • Containers used for mixing shall be closed except when in use			clean in enclosed cleaning system • Minimum air pollution capture and control efficiency of 85% • Trash and debris containing VOC must be in closed containers
Recordkeeping	Daily recordkeeping	None	None	Monthly recordkeeping
Administrative	• Container labeling of VOC content and date of manufacture • Sales reporting from manufacturers, private labelers, big box retailers, and distribution centers • Annual reporting of sales utilizing 55-gallon per year exemption effective until January 1, 2029	• Container labeling of VOC content and date of manufacture • Sales reporting from manufacturers	• None	• Container labeling of VOC content
Prohibitions	• Prohibition of sale of products that do not meet VOC content limit	• Prohibition of sale of products that do not meet VOC content limit	• No atomization of cleaning solvent	• Prohibition of sale of products that do not meet VOC content limit

	PAR 1168	CARB Consumer Products Regulation	U.S. EPA Control Techniques Guideline for Miscellaneous Industrial Adhesives	Ozone Transport Commission Model Rule for Consumer Products
	• Prohibition of sale of products containing certain chlorinated compounds • Prohibition of sale of products containing certain exempt compounds • Prohibition of sale of products containing pCBtF and t-BAc	• Prohibition of sale of products containing certain chlorinated compounds • Prohibition of sales of adhesives with any chemical compound that has a Global Warming Potential of 150 or greater		
Exemptions	• Exemption for adhesives and sealants subject to other source specific rules • Regulated Products packaged and applied using a propellant, 2 percent VOC by weight or half the applicable VOC limit, whichever is lower, • Low-solids Regulated Products, 20 grams per liter material or half the applicable VOC limit, whichever is lower • Record keeping exemption (end-user) for products that contain less than 20 g/L VOC content or half the applicable VOC limit, less water and less exempt compounds, whichever is lower • Exemption for containers less than one ounce • Rule does not apply to use in research and development • Exemption for products in certain categories when used in quantities of 55 gallons per	• Exemption for solvents defined as low vapor pressure • Exemption for containers less than one ounce	• None	• Rule does not apply to use in research and development • Rule does not apply to consumer products used for personal or institutional use if regulated by another agency • Exemption for products that contain less than 20 g/L VOC content • Exemption for contact adhesives sold in volumes of one gallon or less • Exemption for certain miscellaneous uses • Rule does not apply to uses where annual emissions are less than 200 pounds per year • Exemption for products when used in quantities of 55 gallons per year or less

	PAR 1168	CARB Consumer Products Regulation	U.S. EPA Control Techniques Guideline for Miscellaneous Industrial Adhesives	Ozone Transport Commission Model Rule for Consumer Products
	year or less effective until January 1, 2029 • Exemption for parade floats • Rule does not apply to consumer products used for personal or institutional use if regulated by CARB Consumer Product Regulation • Exemption for certain miscellaneous uses			

APPENDIX A: RESPONSE TO COMMENTS

Public Workshop Comments

Staff held a Public Workshop on September 30, 2026, to provide a summary of PAR 1168. The following is a summary of the verbal comments provided on PAR 1168 and staff responses.

Commentator #1 Rita Loof – RadTech International

Rita Loof sought clarification on the definition of 'Reactive Products' in the rule and whether it includes energy-curable materials. Also expressed concerns that under paragraphs (j)(8) and (e)(10), materials under 20 g/L should not be subject to QERs and stated that requiring reporting for zero- or near-zero-VOC products is unnecessary and creates an avoidable burden on industry, and commented that QERs are burdensome overall.

Staff Response to Commentator #1:

Staff revised the definition of Reactive Products in paragraph (c)(86) to include monomers used in energy curable materials.

Staff disagrees that zero- and near-zero-VOC products should be excluded from QERs. QER data for these products is needed to develop an accurate emissions inventory, track the market share of low-VOC technologies, and identify compliant products when assessing future VOC limits. Staff further notes that QERs are submitted only once every three to five years, which balances the need for representative data with the reporting burden on industry.

Commentator #2 Doug Raymond – National Aerosol Association

Doug Raymond voiced appreciation for including reactivity-based VOC limits and sought clarification on whether the labeling for PW-MIR limits should reflect the maximum limit or the actual limit. He asked staff to hold off on the prohibition for VMS and DMC until OEHHA provides clarity on their toxicity. He also sought clarification on why the sell-through and use-through dates are the same for categories in Table 4.

Staff Response to Commentator #2:

Staff appreciates the comment and continued support and assistance regarding reactivity-based VOC limits.

In regard to VOC labeling, the current rule requires (emphasis added):

> Each container shall display the VOC content of the Regulated Product, as recommended for application and **as determined by calculation based on product formulation or laboratory analysis** using the applicable test method.

Existing VOC labeling requires the VOC of the product to be displayed, as determined by test method or formulations, and not the maximum VOC, e.g., the Rule 1168 VOC limit. The PW-MIR label should align with the current VOC content labeling requirements.

Staff does not support delaying the prohibition of VMS or DCM. At this time, staff is not aware of many materials that contain VMS or DMC. The introduction of the MIR limits may encourage

manufacturers to re-formulate using VMS and/or DMC. Staff would like to prevent another unfortunate substitution and avoid another costly effort to reformulate regulated materials.

Regarding having the same sell-through and use-through dates, that change was a request from a manufacturer to provide more upfront time as long as the end date did not change. Staff agrees that it does not provide flexibility to have the same sell-through and use-through date and delayed the proposed use-through date in Table 4.

Commentator #3 Annabelle Klein – Environmental Policy Council for American Coating Association (ACA)

Annabelle Klein sought clarification on the written comment deadline and on the definitions of distributor and retail outlet where business roles may overlap. She mentioned that a comment letter will be submitted and stated that QER reporting under paragraph (e)(7) is unnecessary and burdensome, involves potentially confidential information, and that the Executive Officer can already request such data at any time. She requested clarification on whether distributors are inside or outside the District. She stated that ACA is in opposition to the proposed prohibition of DMC and VMS, and noted that for sell-through and use-through, the industry prefers an 18–24-month period.

Staff Response to Commentator #3:

Staff has revised the rule language to clarify the definitions of distributor, manufacturer, and retail outlet.

QER data is necessary to develop an accurate emissions inventory, track the market share of different products and categories, and identify compliant products when assessing future VOC limits. Staff further notes that QERs are submitted once every three to five years, which provides representative data while minimizing the reporting burden on industry.

Regarding the distributor list provided by manufacturers or private labelers, staff has revised the rule language to remove the annual requirement and to require the list to be submitted once and provide updates if the distributor(s) list changes. Information provided to the South Coast AQMD can be flagged as confidential business information.

Rule 1168 applies to products used by consumers, not products used in industrial settings where personal protective equipment may be utilized; therefore, staff recommends a precautionary approach. Several VMS compounds have been banned by the European Union in personal care products. The U.S. EPA has also conducted a draft risk evaluation under the Toxic Substances Control Act for a type of VMS product, with preliminary determinations indicating unreasonable risk to workers in manufacturing and industrial uses, as well as to consumers under certain conditions of use. Staff recognizes that a precautionary approach is more health protective, particularly for a rule that applies to consumer products, and that it is preferable to proactively prohibit a potentially toxic substance before manufacturers rely on it to comply with VOC limits. A strong example is t-BAc, where, due to suspected toxicity, staff allowed only limited exemptions. Manufacturers did not rely heavily on t-BAc, and its phase-out has been relatively straightforward compared to pCBtF, where a full exemption was granted and use became widespread. Given the potential concerns with VMS, staff recommends prohibiting their use in consumer products subject to this rule.

The proposed PW-MIR limits will cause manufacturers to seek alternative solvents to replace pCBtF. If DMC and VMS are not prohibited, they may become potential substitutes during reformulation despite having toxic endpoints. This would result in replacing one potentially harmful solvent with another. As studies on these compounds are finalized, manufacturers could again face challenges in reformulating away from DMC and VMS in the future. The intent of the proposed prohibition is to prevent this scenario and avoid repeated reformulation cycles driven by emerging toxicity concerns.

VOC rules generally provide one year for sell-through and one year use-through when compliant products are available. Staff is only aware of a few adhesives and sealants that currently contain VMS and/or DMC and is providing time for the manufacturers to ensure those products are not sold into our jurisdiction and providing one year for sell-through and an additional year for use-through, mostly out of an abundance of caution in case there are products of which we are not aware.

Commentator #4 Nicholas Georges – Household and Commercial Products Association (HCPA)

Nicholas George expressed support for alternative MIR limits. He stated that QERs and distributor lists should be provided upon request rather than on an annual basis. He opposed the prohibition of DMC and VMS and advised not to rely on draft EPA evaluations since they are subject to change.

Staff Response to Commentator #4:

QER data is necessary to develop an accurate emissions inventory, track the market share of various products and categories, and identify compliant products when assessing future VOC limits. Staff further notes that QERs are submitted once every three to five years, which provides representative data while minimizing reporting burden on industry.

Staff has revised the rule language to require the distributor list to be submitted once and then updated if there are changes, rather than on an annual basis.

For comments regarding the VMS and DMC prohibition, please refer to the response to Commenter #3.

Commentator #5 Katy Wolf – Consultant

Katy Wolf expressed support for South Coast AQMD position prohibiting DMC and VMS.

Staff Response to Commentator #5:

Staff appreciates the stakeholder’s comment and appreciates the input.

Commentator #6 Mary Sanger – Franklin International

Mary Sanger sought clarification on the definitions of distributor and retail outlet and asked whether 'distributor' refers to entities inside or outside the South Coast AQMD.

Staff Response to Commentator #6:

Staff has revised the definitions of distributor, manufacturer, and retail outlet in the draft rule language for clarification. In addition, several flowcharts has been included in Chapter 3 of the draft staff report to clearly outline the requirements for all stakeholders.

Commentator #7 David Waller – Adhesive and Sealant Council

David Waller sought clarification on the overall rulemaking process and public comment period and public hearing.

Staff Response to Commentator #7:

Staff clarified the rulemaking process and reviewed the associated dates with stakeholders.

COMMENT LETTERS

Comment Letter #1

South Coast AQMD Staff,

Thank you for the opportunity to provide comments on Proposed Amended Rule 1168.

We appreciate South Coast AQMD's efforts to reduce VOC emissions and address the use of compounds such as para-chlorobenzotrifluoride (pCBtF). However, we respectfully request that the newly proposed Battery Sealants category retain a VOC limit of 250 g/L, consistent with the previous "All Other Adhesives" category under which battery sealants were historically regulated, rather than the proposed 120 g/L limit.
Battery manufacturers are currently working to identify and qualify alternatives to pCBtF-containing adhesives and sealants in response to the Rule 1168 phaseout requirements. The process of identifying replacement products for battery manufacturing applications is especially challenging because battery sealants must meet stringent performance requirements related to chemical resistance, vibration resistance, structural integrity, electrical performance, durability, and long-term product reliability.

Manufacturers may ultimately identify alternative products that successfully eliminate pCBtF and comply with all other technical and regulatory requirements, but have VOC contents above 120 g/L while remaining below 250 g/L. **Establishing a 120 g/L limit for battery sealants could unnecessarily eliminate otherwise viable replacement technologies and significantly reduce the range of available alternatives.**
In addition, battery manufacturers that are already using battery sealants with VOC contents between 120 g/L and 250 g/L could face unintended compliance challenges under the proposed amendment. These companies may be required to reformulate products, requalify materials, or redesign manufacturing processes despite previously complying with Rule 1168 requirements. Such changes can be particularly burdensome in applications involving military, aerospace, telecommunications, industrial, and other critical-use batteries where extensive product qualification and customer approval processes are required before material substitutions can be implemented. 1-1

Retaining the historical VOC limit of 250 g/L for the Battery Sealants category would provide manufacturers with the flexibility needed to transition away from pCBtF while still maintaining proven product performance and regulatory compliance. This approach would support the rule's objectives without unnecessarily restricting available replacement technologies or disrupting existing compliant battery manufacturing operations within the South Coast Air Basin.

For these reasons, we respectfully request that South Coast AQMD maintain a VOC limit of 250 g/L for Battery Sealants in the final version of Proposed Amended Rule 1168.

Thank you for your consideration of these comments.

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Staff Response to Comment Letter #1

Response to Comment 1-1:

Staff disagrees with retaining a 250 grams per liter limit. The proposed 120 grams per liter limit is based on the pCBtF-containing product information the commenter provided to staff. That product contains such a low level of pCBtF that replacing it with a VOC would not increase the product's VOC content to a significant degree. Products currently used in battery manufacturing are already below 120 grams per liter, so the proposed limit is not expected to require reformulation beyond removing pCBtF and will not eliminate viable replacement technologies.

Staff created the separate Battery Adhesive category to give battery adhesive manufacturers additional time to transition away from pCBtF. Battery Adhesives may contain up to 1.0 percent pCBtF by weight until the January 1, 2029 final manufacture date, with sell-through until January 1, 2030 and use-through until January 1, 2031. Staff believes this timeline provides sufficient time to identify and qualify pCBtF-free alternatives, including for applications requiring extensive customer approval.

Comment Letter #2

From: Roshan Saxena <roshandsaxena@gmail.com>
Sent on: Wednesday, October 7, 2026 8:53:09 PM
To: Mojtaba Moghani <mmoghani@aqmd.gov>
Subject: [EXTERNAL] Public Comment on PAR 1168 — Reformulation Progress and Phase-Out Accountability

Follow up: Follow up
Start date: Wednesday, October 7, 2026 12:00:00 AM
Due date: Wednesday, October 7, 2026 12:00:00 AM

Dear Dr. Moghani and Rule 1168 Team,

Thank you for the technical work behind the proposed amendments to Rule 1168. I appreciate staff's continued engagement with manufacturers to understand product-performance constraints while pursuing lower emissions and the transition away from harmful solvents. Finding a workable path through those competing considerations requires careful assessment.

My name is Roshan Saxena. I'm a student in Santa Clara County, serve as a youth member of the Santa Clara County Sustainability Commission, and help lead the FUHSD Climate Collective. I'm commenting in my personal capacity.

Regarding the proposed extension of the para-chlorobenzotrifluoride, or pCBtF, prohibition for roof adhesive primers to January 2030, I recognize that a replacement must perform reliably in its intended application. If additional time is necessary, I would welcome an interim technology review before the new deadline, accompanied by a concise public account of the remaining barriers, testing progress, and availability of alternatives. This could build on the technology check-in process already used for the rule and help the public follow the transition. 2-1

A straightforward timeline distinguishing the manufacturing prohibition from the subsequent sell-through and use-through periods would also be valuable. It could help purchasers understand when compliant products should become available and clarify when the phase-out's benefits are expected to occur. 2-2

For the proposed alternative reactivity-based compliance pathways, an accessible explanation of how ozone-forming potential and solvent toxicity are evaluated separately would help prevent confusion. Meeting a reactivity limit should not be mistaken for a general finding that a product presents no toxic-exposure concern. 2-3

I offer these suggestions in support of a technically realistic transition that remains clear and accountable throughout implementation. Thank you for your continued work, and for taking the time to consider this perspective.

Best,
Roshan Saxena

Staff Response to Comment Letter #2

Response to Comment 2-1:

Staff appreciates the commenter's interest in a transparent transition away from pCBtF. During the rule development process, staff met with roofing product manufacturers to assess their progress in phasing out pCBtF. Manufacturers reported that most roofing adhesive and sealant products have successfully transitioned to pCBtF-free formulations. However, Roof Adhesive Primers used in EPDM/TPO roofing systems require additional time to identify and qualify alternatives that meet adhesion and performance requirements. The proposed extension is therefore limited to this specific product category. It is based on the remaining technical challenges manufacturers identified, which have already been assessed during this rule amendment. Because the extension

is narrowly targeted and establishes a firm final manufacture date, staff does not believe an additional interim technology review is necessary. Staff will continue to track the transition through QERs, which require manufacturers to report the pCBtF content and sales volumes of their products.

Response to Comment 2-2:
Staff appreciates the comment. The proposed amendments establish, for each product category, a final manufacture date followed by separate sell-through and use-through dates, which are presented together in a single table in the rule. This structure lets purchasers and users identify when non-compliant products may no longer be manufactured, sold, or used. It is consistent with the approach used in other South Coast AQMD rules.

Response to Comment 2-3:
Staff thanks the commenter for this suggestion. The PW-MIR limits are an alternative compliance option to the VOC content limits for Roof Adhesive Primers and Top and Trim Adhesives. They measure a product's potential to form ozone, not the toxicity of its ingredients. Products complying through the PW-MIR option remain subject to all the rule's prohibitions on toxic compounds, including pCBtF and t-BAc. Staff acknowledges that the PW-MIR limits does not indicate that a product is less toxic, they are meant to reduce the ozone forming potential of the materials. The intent of Rule 1168 is to limit the use of certain toxic compounds and to limit the ozone formation potential with the PW-MIR limits meant to limit the ozone forming potential.

The South Coast AQMD's VOC webpages[3] includes information on reactivity-based VOC limits and the exempt compounds that have been prohibited due to toxicity. Staff uses those pages to provide information to the public and the regulated industry and posts information in plain written language to help the public understand South Coast AQMD's VOC regulations.

[3] https://www.aqmd.gov/home/rules-compliance/compliance/vocs

Comment Letter #3



October 14, 2026

Heather Farr
Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Comments for Proposed Amended VOC Rule 1168-Preliminary Draft Rule Language

Dear Ms. Farr,

The Adhesive and Sealant Council, Inc. (ASC) appreciates the opportunity to provide comments to the South Coast Air Quality Management District on the Preliminary Draft Rule Language for Proposed Amended Rule 1168.

ASC is a trade association representing the North American adhesive and sealant value chain. The Council is comprised of 125 adhesive and sealant manufacturers, raw material and equipment suppliers, and distributors of all sizes, representing more than 75 percent of U.S.A. industry. Offering education, legislative advocacy, professional networking, and business growth solutions to its members, the ASC is the center of knowledge and a catalyst for industry growth on a global basis for manufacturers, suppliers, and end-users.

The Adhesive and Sealant Council supports South Coast AQMD's efforts to update Rule 1168 while encouraging the District to ensure that new compliance requirements are technically feasible, appropriately tailored, and supported by the available scientific and regulatory record. ASC offers the following preliminary comments and recommendations for the District's consideration.

1. **Comments on Definitions**

The definitions of "Distributor" and "Manufacturer" should be aligned with one another for clarity. "Manufacturer" specifies a Person, company, firm, or establishment while "Distributor" only specifies a Person. The lack of additional specified groups in "Distributor" could be interpreted as a misalignment, where only a single person can meet the definition of "Distributor". There are business cases where the Manufacturer is also the Distributor. It is not specified in the definitions that the Manufacturer's responsibility to comply with Rule 1168

3-1

1

overrides the Distributor classification. There are examples in other rules in which "Manufacturer" has been defined to include Person, company, firm, establishment, etc..., in addition to "Brand Owner" or "IP Owner". Adding clarification to the South Coast definition that the "Manufacturer" owns the brand or IP of the product may clarify the responsibility to comply with Rule 1168 in the case of multiple manufacturers, private labeling, and/or toll manufacturing.

The definition of Toll Manufacturer repeats the phrase "Regulated product". ASC recommends simplifying this definition to the following, "Toll manufacturer is a third-party manufacturer who produces regulated products for a private labeler."

In the definition of MIR, Title 17 CARB MIR Value code is referenced as the source for input into the PW-MIR calculation. There is no clarification in proposed amendments to Rule 1168 as to which version of MIR values are used. If MIR values are recalculated by CARB, updated MIR values may unintentionally push regulated products out of compliance for South Coast AQMD with no time allotted for reformulation or limit calculation. If CARB recalculates MIR values at a future date, MIR emission limits set by South Coast AQMD should be reevaluated for each product category, as well as amending Rule 1168 to maintain consistency between state and regional agencies. 3-1

ASC recommends adding the following language to the definition of MIR: "Title17, California Code of Regulations Sections 94700 and 94701, using MIR values as of October 2, 2010."

The definition of MIR uses g 03/ g VOC, referring to the units reported by CARB when defining each chemical or compounds' MIR value. The definition of PW-MIR includes a different unit (g 03/ g product). It is not explicitly stated that the MIR units (g 03/ g VOC) are converted into (g 03/ g product) by a calculation. Clarification should be made to eliminate opportunity for confusion by the public between the two units of measurement.

2. Comments on Proposed Restriction of VMS and DMC

ASC respectfully opposes the proposed restriction on cyclic, branched, or linear completely methylated siloxanes (VMS) and Dimethyl Carbonate (DMC). The proposed bans are without substantial scientific evidence or reasoning from other California chemical regulating agencies including OEHHA and the USEPA (e.g., Toxic Substances Control Act). This proposal deviates from standard South Coast AQMD processes and practices such as requesting technical assessments for all regulated products to obtain comprehensive understanding on the uses of such products within the District. A more targeted, risk-based approach would allow South Coast AQMD to address any air-quality or health concerns while avoiding restrictions that unnecessarily limit formulation options for manufacturers and products for consumers. ASC believes that any regulatory action should be based on assessment of the specific uses, concentrations, exposure pathways, and potential risks associated with their uses in adhesives and sealants. 3-2

3. Comments on applicability for Proposed Amended Rule 1168. Adhesive and Sealant Applications

(b) Applicability
"This rule applies to any person who uses or stores any adhesive, adhesive primers, sealants, or sealant primers in the South Coast AQMD……"

Storage is not use. If a product is only being stored in the district for reshipment elsewhere, it is not being applied or used, and therefore not contributing to any VOC emissions within the district. ASC recommends that the words "or stores" be deleted from this section. 3-2

3. Comments on Annual Reporting for US Distributors

ASC opposes the proposed modifications to recordkeeping that would require all Manufacturers and Private Labelers subject to this rule to provide a list of all their US distributors each calendar year. Manufacturers and Private Labelers should be required to provide information once, and update periodically, concerning Distributors that are located in, or sell or may sell regulated products into the South Coast AQMD. The QER structure does not require annual reporting, making this proposal inconsistent with South Coast AQMD reporting practices for QER. 3-3

4. Comments on Future Effective VOC Limits

ASC respectfully requests a modification to the proposed future VOC level (250 g/L) effective date of 01/01/2028 for the category of Clear, Paintable, and Immediately Water-Resistant (CPIWR) Sealants to the date of 01/01/2030. This would provide manufacturers and distributors with an appropriate business cycle timeline to reintroduce products to the marketplace, to educate and inform retail businesses and consumers about opportunities to utilize these products, and to avoid future marketplace disruptions. An alignment of future VOC levels for all three categories to the date of 01/01/2030 will provide consistency for South Coast AQMD with respect to continuing staff engagement with all adhesive and sealant categories, as opposed to the current piecemeal process. This recommended effective date of 01/01/2030 provides South Coast AQMD with the opportunity to conduct more comprehensive review of QER data to ensure greater accuracy for future regulatory modifications, to continue the Agency's commitment to engage with industry stakeholders to seek technical solutions that avoid elimination of adhesive and sealant categories, and to conduct a thorough technology assessment (market penetration, sales-weighted VOC information, manufacturer feedback, and product availability) for Clear, Paintable, and Immediately Water-Resistant Sealants that is consistent across all adhesive and sealant categories. 3-4

As South Coast AQMD is already aware, ASC remains in opposition to the VOC limit of 250 g/L for the Clear, Paintable, and Immediately Water-Resistant Sealants category. This level is unattainable for the unique performance in the specific applications for which they are intended despite thousands of research hours spent by industry attempting to successfully reach this compliance level.

In conclusion, the Adhesive and Sealant Council, Inc. appreciates South Coast AQMD consideration of the recommendations described above and looks forward to working constructively with the District as it continues its development of Proposed Amended Rule 1168.

Respectfully Submitted,



William E. Allmond
President

Staff Response to Comment Letter #3

Response to Comment 3-1:

Thank you for the comment. Staff agrees and has aligned the definition of Manufacturer and Distributor as recommended. Please see revised definitions.

Staff understands the concern regarding the potential for CARB to revise MIR values at a future date. MIR values are determined using a surrogate blend of chemicals intended to simulate current atmospheric conditions. As the air quality in the South Coast Air Basin changes over time, the MIR values could also change. CARB has updated the values once, they were initially published in 2001 and updated on October 2, 2010. Most of the MIR values did not change significantly when they were updated. Staff understand that industry wants certainly with VOC limits, but reactivity of different chemicals will change as our air quality changes. To provide time for manufacturers to adjust to potential MIR updates, staff included subparagraph (d)(2)(B) to allow up to three years from the date new MIR values are finalized Title 17, California Code of Regulations Sections 94700 and 94701 for the manufactures to continue to calculate the PW-MIR VOC content using the October 2, 2010, values. After three years, the updated MIR values will apply.

Staff clarified the distinction in the staff report regarding MIR values and PW-MIR as below:

> "Please note that MIR values are expressed in g O_3/g VOC for each ingredient, while PW-MIR is expressed in g O_3/g product because it reflects the sum of each ingredient's MIR multiplied by its weight fraction in the product. MIR is an ingredient-level value; PW-MIR is the product-level result of that calculation"

Response to Comment 3-2:

Thank you for your comment regarding VMS and DMC. Staff has evaluated many regulated products and has not identified widespread use of these two compounds. As stated earlier in chapter 2, when the U.S. EPA exempts compounds from the federal definition of a VOC, they only consider the photochemical reactivity, they do not consider other potential adverse factors such as toxicity. South Coast AQMD considers and evaluates considerations toxicity, potentially toxicity, or other environmental impacts prior to classifying a compound as exempt from the definition of

a VOC. The exempt compounds are then categorized in Rule 102 as either Group I compounds, which are not restricted from use, or Group II compounds, which are restricted or will be restricted in the future due to toxicity, potentially toxicity, or other environmental impacts.

Since the 1990s, Rule 1168 included prohibitions for the use of certain Group II exempt compounds, the compounds that have been prohibited have changed with different amendments.

Currently, the Group II prohibition excludes VMS, even though VMS was added to Rule 102 as Group II exempt compounds in the 1995 amendment. OEHHA has identified non-cancer chronic toxic endpoint for VMS, specifically impacting the liver and spleen, whereas the U.S. EPA preliminary evaluation on a type of VMS indicated unreasonable risk to workers in manufacturing and industrial use and to consumers through certain conditions of use. With that said, staff understands that the potential for small, but non-negligible, quantities of VMS can be found in certain types of silicone-based materials. VMS are not intentionally added but can be found as an impurity in certain materials used in regulated products. To address this, many recent VOC coatings rules have been amended to include a prohibition of VMS but at a higher prohibition level and is proposing at 1.0 percent by weight limit for PAR 1168, which will address potential impurity levels which may be found in certain adhesives and sealants. Staff discussed the health impacts and concerns regarding DMC in Chapter one of the staff report, please see page 1-7 for the discussion

Response to Comment 3-3:

Staff understands that storing of regulated product does not contribute to VOC emissions but disagrees with removing from the term "stores" from the applicability. Including "stores" enhances rule enforcement. When a South Coast AQMD inspector finds non-compliant products being stored in a work storage locker, a Notice of Violation can be issued. If the term "stores" is removed, the inspector would have to witness the "use" of the non-compliant product when it is more likely than not that products stored at a work site, in a work storage locker, or in a worker's vehicle are being used.

Response to Comment 3-4:

Staff appreciates the comment. However, staff does not agree that the proposed 250 g/L VOC limit should be withdrawn. This category was created in 2017 with the commitment from manufacturers to reformulate products to meet the 250 g/L limit. Manufacturers have had approximately eight years to reformulate, and staff extended the compliance date again during the 2022 amendment. In addition, staff notes that products in this category have been reported in QERs with VOC contents near 50 g/L, demonstrating that compliant formulations are technologically feasible.

Clear, Paintable, and Immediately Water-Resistant Sealants are used primarily in architectural applications where low-VOC products are already available and widely used. Roofing applications also have low-VOC options that meet the 300 g/L limit. The performance characteristics cited by stakeholders, particularly clarity and paintability, do not justify retaining a high-VOC carve-out in a basin with extreme ozone nonattainment.

Regarding the request to align all future-effective dates to 2030, staff does not recommend extending the VOC limit reduction timeline beyond the proposed date. Further delay would postpone emissions reductions from a category for which low-VOC alternatives are available, and for which manufacturers have already been provided with significant time to transition.

For these reasons, staff is maintaining the proposed 250 g/L limit, but the draft rule has been amended to allow the higher VOC limit to apply until January 1, 2029. Also please see comment letter #4, response 4-3.

Comment Letter #4

October 14, 2026

Heather Farr
Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
Submitted via electronic transmission

Subject: Proposed Amended Rule 1168 – Preliminary Draft Rule Language

Dear Ms. Farr,

The Adhesive and Sealant Council[1] (ASC), American Coatings Association[2] (ACA), Household & Commercial Products Association,[3] (HCPA) and National Aerosol Association[4] (NAA) (collectively referred to as "the Associations") appreciate the opportunity to provide comments to the South Coast Air Quality Management District (South Coast AQMD or District) on the Preliminary Draft Rule Language for Proposed Amended Rule (PAR) 1168.[5]

South Coast AQMD's Preliminary Draft Rule Language for PAR 1168 proposes the following: (1) additional time to phase out the use of parachlorobenzotrifluoride (pCBtF) from Roof Adhesive Primers; (2) additional time to reformulate products in order to meet future-effective lower VOC limits for Clear, Paintable, and Immediately Water-Resistant Sealant, Rubber Vulcanization

[1] Since 1958, the Adhesive and Sealant Council (ASC), a national nonprofit trade association, serves as the voice of the North American adhesive and sealant value chain. The Council is comprised of 125 adhesive and sealant manufacturers, raw material and equipment suppliers, distributors and industry consultants, representing more than 75% of the U.S. industry. We are the indispensable partner for the industry, widely recognized as the trusted, go-to source of information, the unifying voice for the industry, and the dynamic community of choice, driving the global advancement and sustainable future of member businesses.

[2] ACA is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory, and judicial issues, and provides forums for the advancement and promotion of the industry and coatings science.

[3] The Household & Commercial Products Association (HCPA) is the premier trade association representing companies that manufacture and sell $227 billion annually of trusted and familiar products used for cleaning, protecting, maintaining, and disinfecting homes and commercial environments. HCPA member companies employ over 300,000 people in the U.S. whose work helps consumers and workers to create cleaner, healthier and more productive lives.

[4] The National Aerosol Association (NAA) is an industry group devoted to serving the public's health, safety and hygiene needs through the aerosol product form. The NAA represents marketers, manufacturers, fillers and suppliers to the aerosol market.

[5] https://www.aqmd.gov/docs/default-source/rule-book/proposed-rules/1168/par-1168---pdrl.pdf

Adhesive, and Top and Trim Adhesive, as well as an alternative Maximum Incremental Reactivity (MIR) compliance option for Top and Trim Adhesive; (3) removal of the existing 55-gallon exemption; (4) updates to the rule's reporting and record keeping requirements; (5) additional prohibitions on certain toxic compounds, including dimethyl carbonate (DMC) and cyclic, branched, or linear completely methylated siloxanes (VMS); and (6) updates to the rule's exemptions section.

The Associations support South Coast AQMD's efforts to update Rule 1168 while encouraging the District to ensure that any new compliance requirements are technically feasible, appropriately tailored, and supported by the available scientific and regulatory record. Accordingly, the Associations offer the following preliminary comments and recommendations for the District's consideration.

I. Comments on Definitions

The Associations have the following comments regarding the proposed definitions in South Coast AQMD's Preliminary Draft Rule Language for PAR 1168:

a) Relationship Among Definitions and Applicable Obligations

An entity may fall within multiple definitions under Rule 1168. For example, an entity may qualify as both a manufacturer and a toll manufacturer, a manufacturer and a distributor, or a distributor and retail outlet. The Associations recommend that South Coast AQMD clarify the relationship among these definitions and specify how the applicable requirements and obligations apply when an entity falls within more than one category. This clarification would help ensure that regulated entities can readily determine their respective responsibilities and understand how to comply with Rule 1168.

b) Clarification of the Definition of "Manufacturer"

The Associations recommend clarifying the definition of "Manufacturer" to address circumstances in which the brand owner or intellectual property (IP) owner may differ from the entity that physically manufactures the product. Specifically, the District should consider clarifying whether, and under what circumstances, a brand owner or IP owner would be considered a manufacturer for purposes of Rule 1168. This clarification would help establish responsibility for compliance when manufacturing, branding, and intellectual property ownership involve different entities. 4-1

c) Clarification of the Definition of "Distributor"

The proposed definition of "Manufacturer" refers to a "person, company, firm, or establishment," whereas the definition of "Distributor" refers only to a "person." The Associations recommend revising the definition of "Distributor" to clarify that it may apply to a company, firm, establishment, or other applicable business entity, as appropriate. This revision would promote consistency between the definitions and help avoid ambiguity regarding which entities may be subject to the requirements applicable to distributors.

d) Definition of "Consumer"

The proposed definition of "Distributor" and "Retail Outlet" includes the term "consumer," which is not currently defined in Rule 1168. The Associations recommend that the District define "consumer" or otherwise clarify the intended meaning of the term in this context. Establishing a clear definition would help regulated entities consistently interpret the scope of the proposed definition of "Distributor" and "Retail Outlet" and determine which transactions and entities fall within its applicability.

e) Consistency in the Definition of Maximum Incremental Reactivity

The Associations note a difference between the definitions of MIR used by South Coast AQMD and the corresponding definition used by the California Air Resources Board (CARB). The Associations recommend that the District align its definition of MIR with CARB's definition to promote consistency between the two regulatory programs and minimize potential confusion for entities subject to both sets of requirements. 4-1

Additionally, the Associations recommend that the District specify October 2, 2010, as the reference date for the MIR values incorporated into Rule 1168. CARB may revise MIR values in the future through subsequent regulatory actions. Without a clearly specified reference date, future revisions to CARB's MIR values could create uncertainty regarding which values apply under Rule 1168 and whether the District's regulatory limits remain tied to the values originally used to establish them. Specifying October 2, 2010, as the reference date would provide greater certainty regarding the applicable MIR values and help ensure that any subsequent changes are addressed through an appropriate rulemaking process

II. PCBTF Phaseout

The Associations support South Coast AQMD's provision of additional time to phase out pCBtF from Roof Adhesive Primers. However, the Associations believe that additional time is warranted for distributors and end users to transition to reformulated products and exhaust existing inventories.

As currently drafted, the proposed sell-through and use-through prohibition timelines for Roof Adhesive Primers are the same. Meanwhile, the proposed sell-through and use-through prohibition timelines for Battery Adhesives and All Regulated Products containing DMC and VMS differ by one year. The Associations respectfully request that South Coast AQMD provide an additional year for end users of Roof Adhesive Primers to use existing inventories of these products by extending the use-through date to January 1, 2032. 4-2

Providing additional time for end users to use existing inventory would help avoid unnecessary product disposal and would provide manufacturers, distributors, and customers with sufficient time to transition to reformulated products in an orderly manner. This additional transition period is particularly important because products may remain in distributor or customer inventories for extended periods, and immediate implementation of a use-through prohibition could result in the disposal of otherwise usable products.

Accordingly, the Associations respectfully request that South Coast AQMD extend the use-through period by one year.

III. Future Effective VOC Limits

In general, the Associations recognize and support South Coast AQMD's responsibility to protect air quality and public health. However, we have significant concerns with the ability of manufacturers to meet a future VOC limit of 250 g/L for Clear, Paintable, and Immediately Water-Resistant Sealant in conjunction with restrictions on pCBtF and other VOC-exempt compounds. Many regulated entities have already invested a significant amount of time and resources in attempting to reformulate their products within this category to meet the District's proposed VOC limit. And yet, while proposing to extend the future effective date acknowledges the difficulty that manufacturers are experiencing in meeting the 250 g/L limit, these entities have ultimately found that compliance with the proposed limit of 250 g/L for Clear, Paintable, and Immediately Water-Resistant Sealants is technologically infeasible.

The Associations therefore respectfully recommend that South Coast AQMD withdraw the proposed future-effective 250 g/L VOC limit pending completion of a comprehensive technology assessment addressing the feasibility of achieving the proposed limit while maintaining the performance characteristics required for these products. 4-3

Additionally, different future-effective dates for the new proposed VOC limits can cause confusion for stakeholders. The Associations therefore recommend that the future-effective VOC limits proposed for the affected product categories be assigned a common future-effective date of January 1, 2030, with appropriate corresponding sell-through and use-through timeframes.

The Associations believe that aligning the future-effective dates would provide manufacturers and other affected stakeholders with a clearer and more consistent compliance framework and sufficient time to evaluate, develop, test, and commercialize reformulated products.

IV. Alternative MIR Compliance Option

The Associations appreciate South Coast AQMD's inclusion of an alternative MIR-based compliance option. We support the availability of this alternative pathway and encourage South Coast AQMD to consider incorporating additional MIR-based compliance options in future rulemakings where appropriate.

Alternative compliance pathways can provide manufacturers with additional flexibility in meeting air quality requirements while maintaining the District's environmental objectives and encouraging innovation in product formulation. The Associations therefore support including the proposed alternative MIR compliance option for Roof Adhesive Primer and Top and Trim Adhesive. We also encourage the development of additional alternative MIR compliance options for other regulated product categories. 4-4

V. Recordkeeping and Reporting

The Associations oppose the proposed modifications to Rule 1168's recordkeeping and reporting provisions that would require all Manufacturers and Private Labelers subject to this rule to provide South Coast AQMD's Executive Officer with a list of all their U.S. Distributors each calendar year.

The Associations believe that the proposed reporting requirement is broader than necessary to achieve South Coast AQMD's compliance and enforcement objectives. Moreover, the proposal unduly burdens regulated entities by mandating the disclosure of confidential and/or impractical to obtain information (e.g., an identifiable contact person for every Distributor that is listed, etc.). Accordingly, given the overly expansive nature of the proposed reporting requirement as well as the District's existing authority to request this information from regulated entities, the Associations recommend the removal of this proposed reporting requirement in its entirety. In the alternative, however, Manufacturers and Private Labelers should be required to either (1) provide information concerning Distributors that are located in, or sell regulated products into, the South Coast region, rather than a comprehensive list of all U.S. Distributors; or (2) certify that their regulated products are compliant with Rule 1168, therefore exempting them from providing South Coast AQMD's Executive Officer with a distributor list.

There is little apparent regulatory benefit to requiring a Manufacturer or Private Labeler to report distributors that have no connection to the South Coast region. For example, a Distributor located on the East Coast that does not sell and has no plans to sell regulated products into the South Coast region would not appear to provide useful information for purposes of South Coast AQMD's implementation or enforcement of Rule 1168. 4-5

Additionally, we do not believe this information needs to be reported on a yearly basis. ASC, ACA, HCPA, and NAA believe that the administrative burden of reporting this information on a yearly basis will not provide adequate benefit to South Coast AQMD.

Instead, the Associations recommend that Manufacturers and Private Labelers maintain sufficient information to identify Distributors located in or selling regulated products into the South Coast region and provide that information to South Coast AQMD upon request. An initial submission could be provided, with subsequent updates required only when there is a material change to the Distributor information previously provided.

This approach would provide South Coast AQMD with access to the information necessary to support compliance and enforcement while avoiding the unnecessary administrative burden associated with submitting a comprehensive list of all U.S. Distributors on an annual basis.

Accordingly, the Associations respectfully request that South Coast AQMD to remove the proposed reporting requirement or, in the alternative, revise the proposed reporting requirement to: (1) limit the required Distributor information to Distributors located in or selling regulated products into the South Coast region, requiring updates only when there is a

substantial change to the information previously submitted, with South Coast AQMD retaining the ability to request updated information as needed; or (2) have regulated entities certify that their products are compliant with Rule 1168, therefore exempting them from providing South Coast AQMD's Executive Officer with a distributor list.

VI. Proposed Restriction of VMS and DMC

ASC, ACA, HCPA, and NAA respectfully oppose South Coast AQMD's proposed restriction on VMS and DMC because the Associations do not believe that the current record provides a sufficient basis for a categorical prohibition of these substances in the products and uses regulated under Rule 1168.

A determination that a substance warrants regulatory attention in some context does not, by itself, establish that a categorical prohibition is warranted for every product, concentration, exposure scenario, or use within the scope of Rule 1168. A more targeted, risk-based approach would allow South Coast AQMD to address any air-quality or health concerns while avoiding restrictions that could unnecessarily limit formulation options for manufacturers and consumers.

The Associations believe that South Coast AQMD should exercise caution in relying on restrictions adopted in the European Union (EU) as justification for a categorical prohibition of VMS under Rule 1168. The regulatory framework in the EU differs from the South Coast AQMD regulatory framework, and EU restrictions should be considered in their specific regulatory context. The Associations do not suggest that regulatory actions taken by other jurisdictions are irrelevant to South Coast AQMD's consideration of these substances. However, such actions should be evaluated in light of the specific substance, product category, exposure pathway, and regulatory framework addressed by the underlying measure. The cited EU restrictions addressing D4, D5, and D6 apply to specified personal care products and other consumer/professional products and are not a blanket prohibition of all VMS across all product categories. Accordingly, the existence of these restrictions does not, by itself, establish that a categorical prohibition of VMS is warranted for adhesives and sealants regulated under Rule 1168.

4-6

Similarly, the Associations believe that the Environmental Protection Agency's (EPA) work under the Toxic Substances Control Act (TSCA) does not provide a sufficient basis for a categorical prohibition of VMS under PAR 1168. EPA's September 2025 Draft Risk Evaluation concerns octamethylcyclotetrasiloxane (D4) and does not constitute a risk evaluation of VMS as a broad chemical category. Further, the D4 evaluation remains subject to the scientific and regulatory process, and modifications can be made before EPA issues a final risk evaluation. EPA's preliminary conclusions vary among conditions of use (COUs), and the Agency expressly distinguishes conditions for which it identified unreasonable risks from conditions for which it did not. The Associations believe this distinction is important because the finding of unreasonable risk for a particular COU does not establish that every use of D4, much less every VMS, presents an unreasonable risk. Most of the preliminary conclusions identify unreasonable risk related to occupational COUs for which the use of personal protective equipment (PPE) was

not reflected in EPA's risk determinations, although EPA stated that the use of PPE would reduce the risk. Additionally, EPA's consumer COU identified as presenting unreasonable risk involves products not subject to Rule 1168. For these reasons, the Associations respectfully submit that it would be premature for South Coast AQMD to rely on a draft federal assessment concerning a specific substance and specific conditions of use as the basis for imposing a broader, categorical prohibition on VMS in adhesives and sealants.

ASC, ACA, HCPA, and NAA have similar concerns with DMC and believe that South Coast AQMD has not provided sufficient justification for restricting DMC in the products and uses regulated under Rule 1168. As with VMS, the Associations believe that any regulatory action concerning DMC should be based on an assessment of the specific uses, concentrations, exposure pathways, and potential risks associated with its use in adhesives and sealants. The record should demonstrate why a categorical prohibition is necessary rather than relying on concerns associated with other products, uses, or exposure scenarios. Without a use-specific analysis addressing DMC in adhesives and sealants, the Associations do not believe that South Coast AQMD should proceed with the proposed restriction. 4-6

The Associations therefore respectfully request that South Coast AQMD remove the proposed categorical restrictions on VMS and DMC from PAR 1168. At a minimum, the District should defer adoption of these restrictions until it has developed a sufficient substance- and use-specific record demonstrating that such restrictions are warranted.

VII. Proposed Revision to Exemptions

The Associations are concerned that South Coast AQMD's provision providing that Rule 1168's VOC limits shall not apply to Manufacturers or Private Labelers who supply regulated products to an independent Distributor who is informed, in writing, that the products are not to be used in the South Coast region could be misinterpreted. Compliance with this exemption could be interpreted differently by Manufacturers and Private Labelers alike. As such, the Associations recommend that South Coast AQMD provide additional clarification (e.g. examples of "[d]etails or copies of any written notification provided to an independent Distributor," explanatory guidance documents, etc.) to help reduce any ambiguity within Rule 1168 and ensure that regulated entities avoid any unintended compliance challenges. 4-7

Additionally, the Associations recommend that notification letters be maintained by Manufacturers and Private Labelers for a period of at least three years and provided to South Coast AQMD upon request, rather than submitted routinely. While the Associations support maintaining appropriate documentation to demonstrate compliance, the rational and regulatory benefit of requiring routine submission of these notification letters to South Coast AQMD are unclear. Revising the provision to require submission upon request would preserve the District's ability to review relevant records, while reducing unnecessary administrative burdens on both regulated entities and the District.

VIII. Conclusion

ASC, ACA, HCPA, and NAA appreciate the opportunity to provide these comments and look forward to continuing our engagement with South Coast AQMD as the rulemaking process moves forward.

The Associations respectfully request that South Coast AQMD consider the recommendations described above, including providing an additional year for end users to use existing pCBtF-containing inventories, appropriately tailoring the proposed Distributor reporting requirements, retaining the alternative MIR compliance option, and reconsidering the proposed categorical restrictions on VMS and DMC.

We appreciate South Coast AQMD's consideration of these comments and look forward to working constructively with the District as it continues its development of PAR 1168.

Respectfully Submitted,

David Wawer
ASC

Annebelle Klein
ACA

Nicholas B. Georges
HCPA

Doug Raymond
NAA

Staff Response to Comment Letter #4

Response to Comment 4-1:

Staff has revised the definitions of distributor, manufacturer, and retail outlet in the draft rule language for clarification. In addition, a flowchart has been included in Chapter 3 of the staff report to clearly outline the reporting requirements for all stakeholders. Please see response to Comment Letter #3, Response 3-1.

Response to Comment 4-1 a:

Staff revised the definitions to be clearer. The party whose name is on the product label has the ultimate responsibility to comply with the rule and submit required reports. A toll manufacture who makes products for a private labeler would not have the responsibility of submitting required reports unless there is an agreement with the private labeler to submit the reports. In the case of a manufacturer who distributes their products, they are still considered the manufacturer under the rule. The definition of a distributor clearly states that manufacturers are not distributors for the purposes of the rule; therefore, a manufacturer who also distributes their products defaults to a manufacturer and is responsible for submitting required reports. The definition of a retail outlet states that a distributor who sell regulated products directly to end-users in the South Coast AQMD is considered a retail outlet; therefore, a distributor/retailer selling to end-users' defaults to a

retailer for the purpose of the rule. Staff has worked to clarify the rule language regarding cases where an entity has a dual role. Please see response to Comment Letter #3, Response 3-1.

Response to Comment 4-1 b:
The rule addresses both manufacturers, toll manufacturers, and private labelers to make the requirements clear. The rule is not prescriptive to who must report but the entity whose name is on the label is ultimately responsible for submitting the required reports. Please see response to Comment Letter #3, Response 3-1.

Response to Comment 4-1 c:
Staff made the requested change.

Response to Comment 4-1 d:
Staff changed from the undefined term "consumer" to "end-user" which is plain language that is more easily understood.

Response to Comment 4-1 e:
Staff strives to be consistent with other regulations and other South Coast AQMD rules, but sometimes our definitions differ. For clarity, here are the two definitions:

> South Coast AQMD:
> MAXIMUM INCREMENTAL REACTIVITY (MIR) means the measure of the photochemical reactivity of a VOC, which estimates the weight of ozone produced from a weight of VOC expressed as gram of ozone per gram of VOC (g O_3 /g VOC). MIR values for individual VOCs are specified in Title 17, California Code of Regulations Sections 94700 and 94701
>
> CARB:
> Maximum Incremental Reactivity (MIR)" means the maximum change in weight of ozone formed by adding a compound to the Base ROG Mixture per weight of compound added, expressed to hundredths of a gram (g O_3/g ROC).

The South Coast AQMD is not technically incorrect and references the California Code of Regulations where the MIR values are located, which is helpful for the regulated industry. Further, the MIR definition is currently used in South Coast AQMD Rules 1124, 1136, 1143, 1151, 1168, and 1171; therefore, staff prefers to maintain the proposed definition.

Please also see response to Comment Letter #3, Response 3-1.

Response to Comment 4-2:
The proposed use through date for roof adhesive primers has been extended by one year in the draft rule.

Response to Comment 4-3:
Please see comment letter #3, response 3-4.

Response to Comment 4-4:
Staff appreciates the comment and stakeholder support for alternative PW-MIR limits.

Response to Comment 4-5:
Staff has revised the rule language to require the distributor list to be submitted once and only updated when there are changes, rather than on an annual basis.

Response to Comment 4-6:
Rule 1168 applies to products used by consumers, not products used in industrial settings where personal protective equipment may be utilized; therefore, staff recommends a precautionary approach. Several VMS compounds have been banned by the European Union in personal care products. The U.S. EPA has also conducted a draft risk evaluation under the Toxic Substances Control Act for a type of VMS product, with preliminary determinations indicating unreasonable risk to workers in manufacturing and industrial uses, as well as to consumers under certain conditions of use. Staff recognizes that a precautionary approach is more health protective, particularly for a rule that applies to consumer products, and that it is preferable to proactively prohibit a potentially toxic substance before manufacturers rely on it to comply with VOC limits. A strong example is t-BAc, where, due to suspected toxicity, staff allowed only limited exemptions. Manufacturers did not rely heavily on t-BAc, and its phase-out has been relatively straightforward compared to pCBtF, where a full exemption was granted and use became widespread. Given the potential concerns with VMS, staff recommends prohibiting their use in consumer products subject to this rule.

Manufacturers will seek alternative solvents to replace pCBtF due to the proposed PW-MIR VOC limits. If DMC and VMS are not prohibited, they may become potential substitutes during reformulation despite having toxic endpoints. This would result in replacing one potentially harmful solvent with another. As studies on these compounds are finalized, manufacturers could again face challenges in reformulating away from DMC and VMS in the future. The intent of the proposed prohibition is to prevent this scenario and avoid repeated reformulation cycles driven by emerging toxicity concerns

Response to Comment 4-7:
South Coast AQMD tries not to be prescriptive and create strict requirements for how manufacturers inform distributors that products are not compliant for sale within the South Coast AQMD. Providing letters on company letterhead, labels on shipping containers, labels on products are all reasonable methods to inform the supply chain about the compliance status. The notice should not be buried in the fine print or vague on the compliance status, e.g., stating the product is not compliant for sale in all parts of California is not specific enough to provide coverage to the manufacturer that they properly informed their supply chain that a material is not compliant for sale within the South Coast AQMD.

Regarding supplying those records annually, staff revised the requirement to only require the information to be submitted once and updated if there are changes in the future.

Comment Letter #5



October 14, 2026

Mr. Sarady Ka
Program Supervisor
South Coast Air Quality Management District
ska@aqmd.gov

Re: OPPOSE Proposed Rule 1168—Adhesives

RadTech International is the premier trade association in North America for Ultraviolet/Electron Beam/Light Emitting Diode (UV/EB/LED) technology. We speak on behalf of our over 800 members who are involved in a myriad of industry sectors including energy curable adhesives. UV/EB/LED processes are all electric, eliminating the need for add-on control devices thereby preventing emissions of criteria pollutants (Nitrogen Oxides) and Greenhouse Gases. The materials are not formulated with conventional solvents and therefore the emissions of Volatile Organic Contaminants (VOCs) are negligible. The very low VOC content of these materials has rendered the traditional VOC test method (EPA Method 24) unsuitable as the VOC content is within the error margin of the test (plus or minus 20 grams/liter). While RadTech appreciated the opportunity to participate in the public workshops for Proposed Amended Rule (PAR) 1168, we have serious concerns with the proposal and hereby reiterate the issues we raised.

Definition of Reactive Products—Section (c) 86

During the workshop, RadTech received confirmation from staff that the definition of "Reactive Products" would cover energy curable (UV/EB/LED) materials. We ask that the definition be clarify to read:

*Reactive Products include, but are not limited to, polyurethane, **energy curable**, and two-component Regulated Products.*

5-1

Burdensome and Unnecessary Reporting and Recordkeeping—Section (j)(8)

As mentioned during the workshop, we strongly oppose the extensive reporting and recordkeeping requirements in PAR 1168. While these requirements may make sense to monitor products that contain the toxic materials the district seeks to phase out, they are unnecessary for UV/EB/LED products that are not formulated with the materials in question and are cleaner that what the rule allows. The current exemption for materials with Volatile Organic Compound

5-2

(VOC) of less than 20 grams per liter should also apply to Quantity Emissions Reports. While we appreciate the district's efforts to seek out compliant technologies, we do not think that burdening our members and their customers to file additional reports, is a good approach. The district can simply conduct a technology assessment as it has done for various other rules. Compliance with Rule 109 (Recordkeeping) should be sufficient for materials that have VOC content of less than 20 grams per liter. 5-2

We echo the concerns raised by the American Coatings Association and other stakeholders regarding the requirement for businesses to disclose confidential business information and trade secrets. While PAR 1168 includes some language related to efforts to label information as "confidential", once it is in the district's possession, it will be up to the judicial system to determine whether or not it is disclosable to the public. Any benefit the district may gain from the extensive reporting requirements does not outweigh the negative impact the policy will have on the industry.

Test Method for UV/EB/LED Thin Films-- Section (f)

RadTech commends district staff for acknowledging (Page 4 of Rule 1168 Guidance Document) that for UV/EB/LED thin film products:

"…at this time, there is no method that can be used for enforcement purposes."

We also appreciate the inclusion of ASTM D7767-11 "as a tool for manufacturers to determine the VOC content of thin film energy curable products" (Page 4). The Guidance document (Page 5) states that ASTM D7767-11 is not appropriate for enforcement purposes. We disagree and believe that ASTM7767-11 can be appropriately used by the district for enforcement purposes. RadTech does not support the concept of creating two different mechanisms (one for "information-only" and one for enforcement) to test materials. ASTM D7767-11 is the best tool available today to measure VOC emissions from UV/EB/LED thin film materials. We reiterate our calls for the district to recognize ASTM D7767-11. 5-3

We remain hopeful that staff will incorporate our proposed changes into PAR 1168 so as to have a policy that works for the environment as well as the business community. I look forward to additional conversations on this matter.

Sincerely,

Rita Loof

Rita M. Loof
Director, Environmental Affairs

Staff Response to Comment Letter #5

Response to Comment 5-1:

Staff revised the definition of "Reactive Products" in the rule language to include energy-curable materials in the list of other reactive products.

Response to Comment 5-2:

Staff appreciates the comment but does not agree that UV/EB/LED products or other low-VOC materials should be excluded from QER reporting or recordkeeping requirements. QER data is necessary to develop an accurate emissions inventory, track the market share of various products and categories, and identify compliant products when assessing future VOC limits. Staff further notes that QERs are submitted once every three to five years, which provides representative data while minimizing the reporting burden on industry.

Regarding concerns about confidential business information, staff notes that information submitted to the South Coast AQMD may be designated as confidential, consistent with District procedures and applicable law. Staff has also revised the rule language to reduce burden where appropriate, including modifying the distributor-list requirement so that manufacturers and private labelers submit the list once and update it only when changes occur, rather than submitting it annually.

Response to Comment 5-3:

Staff acknowledges the comment regarding the mentioned test method. However, ASTM International D7767-11 "Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers and Blends and Thin Coatings Made from Them" is not a U.S. EPA approved test method and cannot be used to enforce a SIP approved rule and therefore will not be added to PAR 1168. To avoid confusion and provide clarification regarding the procedure for reporting VOC content for energy curable thin films, the following description is now included on the South Coast AQMD website to provide further clarification:

> Coatings products sold or used within South Coast AQMD's jurisdiction may be required to include VOC content on product labels pursuant to Rule 443.1 ─ Labeling of Materials Containing Organic Solvents. VOC content for labeling purposes may be determined by calculation from formulation data and/or by test results. The approved VOC test methods appropriate for determining product VOC content, whether for labeling or compliance purposes, vary by coating application. Please refer to the specific VOC rule applicable to the coating product to identify the required test methods and VOC calculation procedures. Further information on VOC test methods is available at: https://www.aqmd.gov/home/rules-compliance/compliance/vocs/calculations. For energy-curable coatings, VOC content may be determined using ASTM D5403 ─ Standard Test Methods for Volatile Content of Radiation Curable Materials, which is an approved method for establishing VOC content for both labeling and compliance purposes. However, thin-film energy-curable coatings (including UV/EB/LED-cured materials applied with very low film thickness) currently do not have an approved compliance test method for determining VOC content under South Coast AQMD rules. When VOC content must be included on product labels pursuant to Rule 443.1, manufacturers may use formulation data or estimate the VOC emissions of the reactive components of the thin film energy curable

coatings using ASTM D7767 ─ Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them. ASTM D7767 is not a U.S. EPA approved test method and as such is not an appropriate compliance test method that a third-party laboratory, or the South Coast AQMD Laboratory, could rely on to verify the VOC content of a thin-film energy curable coating. For determining compliance with VOC limits for thin-film energy curable coatings, manufacturers may rely on formulation data and ASTM D7767 to determine product VOC content for labeling purposes.

Comment Letter #6

Hello Mojtaba-

Thank you for the recent work on Rubber Vulcanization adhesives with us. A couple additional thoughts/requests based on the presentation:

- 55-gallon exemption - Since there are so many custom formulations and tail products, we could get some major volumes converted over to aqueous adhesives over the next couple years, but there will always be smaller volumes of specialty chemistries that linger. I would request that, once the lower VOC limit goes into effect, we re-implement the 55-gallon exemption for the smaller volumes (this exemption was removed for Rubber Vulcanization Adhesives around 2017).
- Template of customer notification for compliance - As part of our due diligence, we are improving our customer communications to include an annual notice about compliance with Rule 1168 and making sure our products are being used in a compliant manner. Can you recommend some language for us to refer them to report correctly? I have to be careful that I am not claiming to be their legal or compliance resource, but I do want to advise correctly as to what **their** responsibilities are in reporting.

Thanks again, and if it would help to have another Zoom call, just let me know.

EDDIE GONZALES | Executive Director of Marketing | **R.D. Abbott Co., Inc.**
D: 562.373.6985 | **C:** 562.335.8846 | **W:** RDAbbott.com
11958 Monarch St, Garden Grove, CA 92841, USA

Staff Response to Comment Letter #6

Response to Comment 6-1:

Staff appreciates the comment; however, staff does not recommend reinstating the 55-gallon exemption for the rubber vulcanization adhesive category once the lower VOC limit becomes effective. Rubber vulcanization category was afforded a higher VOC limit and additional time to address potential reformulation challenges in meeting the future-effective lower VOC limit. As a result, the 55-gallon exemption was updated in previous rule amendments to exclude the rubber vulcanization adhesive category. Sunsetting the 55-gallon exemption is to close a loophole that allows the sale of non-compliant high-VOC materials into the South Coast AQMD. In the past, many manufacturers claimed this exemption when reporting sales of high-VOC materials in their QERs. Facilities who use the exemption are supposed to report the use of the exemption to the South Coast AQMD and no reports have been received. Sunsetting the exemption will close this potential loophole.

Since there are a few low-volume products that are used as part of the rubber vulcanization system which may encounter potential challenges, staff is providing an alternative PW-MIR VOC limit and extends the 55-gallon exemption sunset from January 1, 2028 to January 1, 2029 to help address reformulation challenges for primers used with rubber vulcanization adhesives.

Staff recommends that the manufacturer remain in contact with staff and provide periodic updates on the reformulation progress, so any potential concerns can be addressed in a timely manner at a future date.

Response to Comment 6-2:

Staff appreciates the comment and your efforts to improve communication with your customers regarding Rule 1168. Staff understands that a manufacturer or private labeler may have varying processes and procedures in place to communicate with customers and tries not to be prescriptive as to how the communication should be structured. As a result, South Coast AQMD does not provide template language or prescribe how companies should convey regulatory requirements to their customers. Compliance obligations vary depending on each entity's role in the supply chain, the role for a manufacturer is different from that of a distributor. It is typically the responsibility of each business to determine the best pathway to communicate those obligations. For facilities using the 55-gallon exemption, a reminder from the manufacturer or distributor that the end user must report their usage to South Coast AQMD can help reinforce this requirement and also make clear that the exemption is being utilized. Such notification may also help ensure that the manufacturer or distributor is not implicated if a violation is issued. Note: PAR 1168 includes a sunset date of January 1, 2029 for the 55-gallon exemption with the last required reporting deadline of September 1, 2029.

Staff recommends directing customers to the applicable requirements in Rule 1168, so they can review and understand their responsibilities. Staff revised definitions and added a flowchart in chapter 3 to help delineate between reporting responsible parties. If additional information or clarification is needed, staff is always willing to meet or discuss.

ATTACHMENT I

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Subsequent Environmental Assessment for:

Proposed Amended Rule 1168 – Adhesive and Sealant Applications

November 2026

State Clearinghouse No. 2017081031
South Coast AQMD No. 20260918ST/ 20220902ST/ 08162017DT

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WAYNE NASTRI

PREFACE

This document constitutes the Final Subsequent Environmental Assessment (SEA) for Proposed Amended Rule (PAR) 1168 – Adhesive and Sealant Applications.

The Draft SEA was circulated for a 46-day public review and comment period from September 18, 2026 to November 3, 2026. No comment letters were received during the comment period.

Subsequent to the release of the Draft SEA for public review and comment, minor modifications were made to the proposed project. PAR 1168 was revised to delay the 250 g/L VOC limit effective date for Clear, Paintable, and Immediately Water-Resistant Sealants for one additional year (from January 1, 2028, to January 1, 2029); delay the use-through date for Roof Adhesive Primers containing pCBtF for one additional year (from January 1, 2031, to January 1, 2032); increase the maximum allowable VMS concentration in Regulated Products from 0.1 percent by weight to 1.0 percent by weight; add an equivalent alternative reactivity based VOC limit for All Other Adhesive Primers; extend the 55 gallon phase out exemption from January 1, 2028 to January 1, 2029; and update definitions and the reporting and recordkeeping requirements. Therefore, some modifications have been made to the Draft SEA to make it a Final SEA which include updates to reflect the changes made to PAR 1168 after the public notice of availability of the Draft SEA. The updates to the CEQA analysis include: 1) revising the period during which delayed VOC emission reductions are expected from Clear, Paintable, and Immediately Water-Resistant Sealants due to delaying the effective date of the VOC limit for this category of sealants by one additional year; and 2) revising the analysis of the total peak day of delayed VOC emission reductions from PAR 1168. In addition, minor updates were made to Chapter 3 – Existing Setting to include an additional discussion of MATES VI, make minor revisions to the health effects of criteria pollutants, and update the references to CARB's Draft 2022 Scoping Plan to reflect the Final 2022 Scoping Plan published in 2022. To facilitate identification of the changes between the Draft SEA and the Final SEA, modifications to the document are included as <u>underlined text</u> and text removed from the document is indicated by ~~strikethrough text~~. To avoid confusion, minor formatting changes are not shown in underline or strikethrough mode.

South Coast AQMD staff has evaluated the modifications made to PAR 1168 after the release of the Draft SEA for public review and comment and concluded that none of the revisions constitute significant new information, because: 1) no new significant environmental impacts would result from the proposed project; 2) there is no substantial increase in the severity of an environmental impact; 3) no other feasible project alternative or mitigation measure was identified that would clearly lessen the environmental impacts of the proposed project and was considerably different from others previously analyzed, and 4) the Draft SEA did not deprive the public from meaningful review and comment. In addition, revisions to PAR 1168 and the analysis in response to verbal or written comments during the rule development process would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the Draft SEA pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, the Draft SEA has been revised to include the aforementioned modifications such that it is now the Final SEA.

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CHAPTER 1

EXECUTIVE SUMMARY

Introduction

California Environmental Quality Act

Previous CEQA Documentation

Intended Uses of this Document

Areas of Controversy

Executive Summary

1.0 INTRODUCTION

The California Legislature created the South Coast Air Quality Management District (South Coast AQMD) in 1977[1] as the agency responsible for developing and enforcing air pollution control rules and regulations in the South Coast Air Basin and portions of the Salton Sea Air Basin and Mojave Desert Air Basin. In 1977, amendments to the federal Clean Air Act (CAA) included requirements for submitting State Implementation Plans (SIPs) for nonattainment areas that fail to meet all federal ambient air quality standards [CAA Section 172], and similar requirements exist in state law [Health and Safety Code Section 40462]. The federal CAA was amended in 1990 to specify attainment dates and SIP requirements for ozone, carbon monoxide (CO), nitrogen dioxide (NO2), and particulate matter with an aerodynamic diameter of less than 10 microns (PM10). In 1997, the United States Environmental Protection Agency (U.S. EPA) promulgated ambient air quality standards for particulate matter with an aerodynamic diameter less than 2.5 microns (PM2.5). The U.S. EPA is required to periodically update the national ambient air quality standards (NAAQS).

In addition, the California Clean Air Act (CCAA), adopted in 1988, requires the South Coast AQMD to achieve and maintain state ambient air quality standards for ozone, CO, sulfur dioxide, and NO2 by the earliest practicable date [Health and Safety Code Section 40910]. The CCAA also requires a three-year plan review, and, if necessary, an update to the SIP. The CCAA requires air districts to achieve and maintain state standards by the earliest practicable date and for extreme non-attainment areas, to include all feasible measures pursuant to Health and Safety Code Sections 40913, 40914, and 40920.5. The term "feasible" is defined in the California Environmental Quality Act (CEQA) Guidelines[2] Section 15364, as a measure "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors."

By statute, the South Coast AQMD is required to adopt an air quality management plan (AQMP) demonstrating compliance with all federal and state ambient air quality standards for the areas under the jurisdiction of the South Coast AQMD.[3] Furthermore, the South Coast AQMD must adopt rules and regulations that carry out the AQMP.[4] The AQMP is a regional blueprint for how the South Coast AQMD will achieve air quality standards and healthful air. Both the 2016 AQMP[5] and 2022 AQMP[6] contain multiple goals promoting reductions of criteria air pollutants, greenhouse gases (GHGs), and toxic air contaminants (TACs). Ozone is a criteria pollutant shown to adversely affect human health, and is formed when volatile organic compounds (VOCs) react with oxides of nitrogen (NOx) in the atmosphere. The 2016 AQMP states that both NOx and VOC emissions need to be addressed to reduce the formation of ozone and PM2.5, and VOC emission reductions are necessary to achieve the ozone standard attainment. Similarly, the 2022 AQMP states that both NOx and VOC emissions need to be addressed, while emphasizing that NOx emission reductions are more effective in reducing the formation of ozone and PM2.5. In particular, the 2016 AQMP includes Control Measure CTS-01 – Further Emission Reductions from Coatings, Solvents, Adhesives, and Sealants, which identifies Rule 1168 – Adhesive and

[1] The Lewis-Presley Air Quality Management Act, 1976 Cal. Stats., Ch. 324 (codified at Health and Safety Code Sections 40400-40540).
[2] The CEQA Guidelines are codified at Title 14 California Code of Regulations Section 15000 *et seq.*
[3] Health and Safety Code Section 40460(a).
[4] Health and Safety Code Section 40440(a).
[5] South Coast AQMD, Final 2016 Air Quality Management Plan, March 2017. https://www.aqmd.gov/home/air-quality/air-quality-management-plans/final-2016-aqmp
[6] South Coast AQMD, Final 2016 Air Quality Management Plan, December 2022. https://www.aqmd.gov/home/air-quality/air-quality-management-plans/air-quality-mgt-plan

Sealant Applications, a rule that regulates VOC emissions, as having the potential to achieve additional VOC emission reductions. The 2022 AQMP also includes Control Measure CTS-01 – Further Emission Reductions from Coatings, Solvents, Adhesives, and Lubricants, which similarly identifies Rule 1168 and seeks VOC emission reductions by focusing on select coating, adhesive, solvent, and sealant categories through further limiting the allowable VOC content in formulations or incentivizing the use of super-compliant technologies. In addition, the 2016 AQMP and 2022 AQMP include Control Measure MCS-01 – Application of All Feasible Measures, and Control Measure MCS-02 – Application of All Feasible Measures Assessment, respectively, both of which seek to achieve emission reductions from all pollutants, including VOCs.

Rule 1168 includes 69 categories of adhesives, adhesive primers, sealants, and sealant primers with VOC limits, and applies to products used during manufacturing at stationary sources as well as products used by consumers that are not regulated by the California Air Resources Board (CARB) in the Consumer Products Regulation (CPR).

Amendments to Rule 1168 were adopted on October 6, 2017 to partially implement CTS-01 and MCS-02 of the 2016 AQMP. The October 2017 amendments to Rule 1168 were designed to reduce emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. Some of the key amendments focused on lowering the VOC limits for certain categories and allowing a three-year sell-through and four-year use-through; adding new product categories with corresponding VOC content limits; requiring products marketed for use under varying categories to be subject to the lowest VOC limit; prohibiting the use of Rule 102 Group II exempt solvents, except volatile methyl siloxanes; and removing, modifying, or adding various exemptions.

The October 2017 amendments to Rule 1168 also included a commitment to conduct a technology assessment for top and trim adhesives, roofing products, plastic welding cements, and foam sealants to determine if products for nine adhesive and sealant categories were available that could achieve the VOC limits by January 1, 2023. Accordingly, the technology assessment was conducted in 2022 and concluded that some of these product categories either needed more time beyond January 1, 2023 to meet the VOC limits or that achieving the lower VOC limits would not be technically feasible.

In addition, due to potential toxicity concerns associated with tertiary-Butyl Acetate (t-BAc) and parachlorobenzotriflouride (pCBtF) and the uncertainty of on-site exposure modeling methodologies, the Stationary Source Committee of the South Coast AQMD Governing Board recommended a precautionary approach such that compounds with a known or suspected toxic endpoint will not be exempted from the definition of VOC in Rule 102 or other South Coast AQMD Rules. In 2017, t-BAc was identified as a carcinogen after it had been previously granted a partial exemption from the definition of a VOC in certain uses in several source specific rules, e.g., Rule 1113 – Architectural Coatings, and Rule 1151 – Automotive Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, but not Rule 1168. Further, in 2020, pCBtF was identified as a stronger carcinogen than t-BAc after it had been previously exempted from the definition of a VOC in Rule 102 for all uses within the South Coast AQMD, including adhesives and sealants that would otherwise be subject to Rule 1168 requirements.

Based on the results of the 2022 technology assessment and the recommendation of the Stationary Source Committee of the South Coast AQMD Governing Board, Rule 1168 was amended on November 4, 2022 to: 1) prohibit the use of pCBtF and t-BAc due to toxicity concerns; 2) delay

the effective dates of VOC emission limits or maintain the existing VOC emission limits for certain categories of adhesives and sealants; 3) create additional subcategories of Regulated Products to better characterize and refine VOC emission limits; 4) allow Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an evaluation by OEHHA; and 5) remove definitions and update, clarify, and streamline rule language. Implementation of the November 2022 version of Rule 1168 was expected to result in delayed and permanent foregone VOC emission reductions of 0.42 ton per day (tpd) and 0.28 tpd, respectively, due to extending the effective dates and maintaining the existing VOC limits for certain categories of Regulated Products, while lowering the potential for toxic chemicals to be used in adhesive and sealant products.

As part of adopting amendments to Rule 1168 on November 4, 2022, the South Coast AQMD Governing Board directed South Coast AQMD staff to report back to the Stationary Source Committee in January 2026 regarding the progress of phasing out pCBtF and t-BAc, including data reported in the Rule 1168 Quantity and Emission Reports and feedback from manufacturers of roofing adhesives and sealants. In response to this direction, South Coast AQMD staff conducted a technology assessment which concluded that manufacturers had already either phased out or are on track to phase-out pCBtF from all roofing categories except roofing adhesive primers. Thus, to allow more time for reformulations of roofing adhesive primers, staff developed Proposed Amended Rule 1168 (PAR 1168) to extend the pCBtF prohibition date.

PAR 1168 also seeks to: 1) delay future effective VOC limits for two adhesives categories and one sealant category to allow more time for reformulations; 2) include equivalent alternative reactivity-based limits for ~~two~~ three categories; 3) delete the exemption that allows facilities to use 55-gallons of non-compliant products per year; 4) require manufacturers to provide a list of their distributors annually; 5) transition reporting to recordkeeping requirement for distributors; 6) include a new category for battery adhesives with a longer phase out period for pCBtF; and 7) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

1.1 CALIFORNIA ENVIRONMENTAL QUALITY ACT

The California Environmental Quality Act (CEQA) requires that all potential adverse environmental impacts of proposed projects be evaluated and that methods to reduce or avoid identified significant adverse environmental impacts of these projects be implemented, if feasible. The purpose of the CEQA process is to inform the South Coast AQMD Governing Board, public agencies, and interested parties of potential adverse environmental impacts that could result from implementing the proposed project and to identify feasible mitigation measures or alternatives, when an impact is significant.

Public Resources Code Section 21080.5 allows public agencies with regulatory programs to prepare a plan or other written documents in lieu of a Negative Declaration or EIR once the Secretary of the Resources agency has certified the regulatory program. The South Coast AQMD's regulatory program was certified on March 1, 1989 [CEQA Guidelines Section 15251(l)]. In addition, the South Coast AQMD adopted Rule 110 – Rule Adoption Procedures to Assure Protection and Enhancement of the Environment, which implements the South Coast AQMD's certified regulatory program. Under the certified regulatory program, the South Coast AQMD

typically prepares an Environmental Assessment (EA) to evaluate the environmental impacts for rule projects proposed for adoption or amendment.

The October 2017 amendments to Rule 1168 sought to reduce emissions of VOCs by 1.38 tpd, as well as reduce toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. The Final Environmental Assessment (EA)[7] for the October 2017 amendments to Rule 1168, which was certified by the South Coast AQMD Governing Board on October 6, 2017 (referred to herein as the October 2017 Final EA for Rule 1168), analyzed the environmental impacts associated with the activities manufacturers were anticipated to undertake to reformulate products and concluded that these reformulation activities could create secondary adverse environmental impacts. None of the environmental topic areas previously analyzed in the October 2017 Final EA were concluded to have significant and unavoidable impacts, including the topic of air quality and GHGs.

Rule 1168 was amended again in November 2022 which: 1) prohibited the use of pCBtF and t-BAc due to toxicity concerns; 2) delayed the effective dates of VOC emission limits or maintain the existing VOC emission limits for certain categories of adhesives and sealants; 3) created additional subcategories of regulated products to better characterize and refine VOC emission limits; 4) allowed Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an evaluation by OEHHA; and 5) removed definitions and updated, clarified, and streamlined rule language. The Final Subsequent Environmental Assessment (SEA)[8] for the November 2022 amendments to Rule 1168, which was certified by the South Coast AQMD Governing Board on November 4, 2022 (referred to herein as the November 2022 Final SEA for Rule 1168), analyzed the environmental impacts associated with the November 2022 version of Rule 1168. The types of activities and associated environmental impacts with implementing the VOC limits and compliance dates subject to the October 2017 Rule 1168 amendments were compared to the November 2022 version of Rule 1168; the November 2022 Final SEA for Rule 1168 concluded that the type and extent of the anticipated physical changes would be similar and would cause similar secondary adverse environmental impacts for the same environmental topic areas that were identified and analyzed in the October 2017 Final EA for Rule 1168 except for the topic of air quality and GHG emissions. Specifically, the November 2022 Final SEA for Rule 1168 concluded that the November 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts due to delayed VOC emission reductions of 0.42 tpd over the short-term and permanent VOC emission reductions foregone of 0.28 tpd over the long-term. No feasible mitigation measures were identified that would avoid or lessen these significant air quality impacts.

PAR 1168 is considered a "project" as defined by CEQA. PAR 1168 proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 3) include equivalent alternative reactivity-based limits for Top and Trim Adhesives ~~and,~~ Roof Adhesive Primers, and All Other Adhesive Primers; 4) delete the

[7] South Coast AQMD, 2017. Final Environmental Assessment (EA) for Proposed Amended Rule (PAR) 1168 – Adhesive and Sealant Applications, SCH No. 2017081031. http://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2017/par1168FEA.pdf

[8] South Coast AQMD, 2022. Final Subsequent Environmental Assessment (SEA) for Proposed Amended Rule (PAR) 1168 – Adhesive and Sealant Applications, SCH No. 2017081031. https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/par-1168-final-sea.pdf

exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 5) require manufacturers to provide a list of their distributors annually; 6) transition reporting to a recordkeeping requirement for distributors; 7) include a new category for battery adhesives with an extended pCBtF prohibition date; and 8) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

When comparing the types of activities and associated environmental impacts with implementing the VOC limits and compliance dates subject to the November 2022 version of Rule 1168 as previously analyzed in the November 2022 Final SEA, to the currently proposed changes which comprise PAR 1168, the type and extent of the physical changes are expected to be similar and will cause similar secondary adverse environmental impacts for the same environmental topic areas that were identified and analyzed in the November 2022 Final SEA for Rule 1168. Thus, the proposed project is expected to have generally the same or similar effects that were previously examined in the November 2022 Final SEA for Rule 1168 but that the air quality impacts from PAR 1168 will result in additional delayed VOC emission reductions, which will be more severe than what was discussed in November 2022 Final SEA for Rule 1168. In addition, extending the pCBtF phase-out dates in PAR 1168 for roof adhesive primers and battery adhesives would delay the health protective benefits from reduced exposures to pCBtF for these adhesive categories when compared to the November 2022 amendments to Rule 1168.

Therefore, the proposed project contains new information of substantial importance which was not known and could not have been known at the time the November 2022 Final SEA for Rule 1168 was certified [CEQA Guidelines Section 15162(a)(3)]. Moreover, the analysis indicates that the type of CEQA document appropriate for the proposed project is a Subsequent Environmental Assessment (SEA), which contains the environmental analysis required by CEQA Guidelines Section 15187 and tiers off of the November 2022 Final SEA for Rule 1168, which itself tiered off of the October 2017 Final EA for Rule 1168. Thus, this SEA is a subsequent document to and tiers off of the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168.

Because this is a subsequent document, the baseline is the project analyzed in the October 2017 Final EA for Rule 1168. The SEA is a substitute CEQA document prepared in lieu of a Subsequent EIR with significant impacts [CEQA Guidelines Section 15162], pursuant to the South Coast AQMD's Certified Regulatory Program [CEQA Guidelines Section 15251(1)]; codified in South Coast AQMD Rule 110. The SEA is also a public disclosure document intended to: 1) provide the lead agency, responsible agencies, decision makers, and the general public with information on the environmental impacts of the proposed project; and 2) be used as a tool by decision makers to facilitate decision making on the proposed project.

Thus, the South Coast AQMD, as lead agency for the proposed project, has prepared this SEA with significant impacts. In addition, since significant adverse impacts have been identified, an alternatives analysis is required and has been included in this SEA.

The Draft SEA ~~is being~~has been released and circulated for a 46-day public review and comment period from September 18, 2026 to November 3, 2026. ~~Any comments on the analysis presented in this Draft SEA received during the public comment period will be responded to and included in an appendix of the Final SEA.~~ No comment letters were received during the comment period.

The October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 (both with State Clearinghouse No. 2017081031) upon which this SEA relies, are incorporated by

reference pursuant to CEQA Guidelines Section 15150 and are available from the South Coast AQMD's website at:

October 2017 Final EA for Rule 1168

October 2017 Final EA for Rule 1168
http://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2017/par1168FEA.pdf

Record of Approval/Approved Minutes for the October 6, 2017 South Coast AQMD Governing Board Meeting
https://www.aqmd.gov/docs/default-source/agendas/governing-board/2017/2017-nov3-001.pdf

Notice of Decision
https://www.aqmd.gov/docs/default-source/ceqa/notices/notices-of-decision-or-determination/2017/nodfor30dayea-1168-final.pdf

November 2022 Final SEA for Rule 1168

November 2022 Final SEA for Rule 1168
https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/par-1168-final-sea.pdf

Findings and Statement of Overriding Considerations
https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/par-1168-attachment1toresolution-rev1.pdf

Record of Approval/Approved Minutes for the November 4, 2022 South Coast AQMD Governing Board Meeting
https://www.aqmd.gov/docs/default-source/agendas/governing-board/2022/2022-dec2-002.pdf

Notice of Decision
https://www.aqmd.gov/docs/default-source/ceqa/notices/notices-of-decision-or-determination/2022/par-1168---adhesive-and-sealant-applications.pdf

The above documents may also be obtained from the South Coast AQMD's Public Information Center by calling (909) 396-2039 or by email PICrequests@aqmd.gov, or by contacting Lisa Tanaka - Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, PublicAdvisor@aqmd.gov.

South Coast AQMD staff has reviewed the modifications made to PAR 1168 after the release of the Draft SEA for public review and comment and concluded that none of the revisions constitute significant new information, because: 1) no new significant environmental impacts would result from the proposed project; 2) there is no substantial increase in the severity of an environmental impact; 3) no other feasible project alternative or mitigation measure was identified that would clearly lessen the environmental impacts of the proposed project and was considerably different from others previously analyzed, and 4) the Draft SEA did not deprive the public from meaningful

review and comment. In addition, revisions to the proposed project and analysis in response to verbal or written comments during the rule development process would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the Draft SEA pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, the Draft SEA has been revised to include the aforementioned modifications such that it is now the Final SEA.

Prior to making a decision on the adoption of the proposed project, the South Coast AQMD Governing Board must review and certify the Final SEA~~, including responses to comments,~~ as providing adequate information on the potential adverse environmental impacts that may occur as a result of adopting PAR 1168.

1.2 PREVIOUS CEQA DOCUMENTATION

South Coast AQMD rules, as ongoing regulatory programs, have the potential to be revised over time due to a variety of factors (e.g., regulatory decisions by other agencies, new data, lack of progress in advancing the effectiveness of control technologies to comply with requirements in technology forcing rules, new more stringent national ambient air quality standards, etc.).

Rule 1168 was adopted in April 1989 to reduce VOC emissions from adhesive applications. The rule has been amended 15 times with the last two amendments in October 2017 and November 2022. PAR 1168 has been developed to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 3) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; 4) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 5) require manufacturers to provide a list of their distributors annually; 6) transition reporting to a recordkeeping requirement for distributors; 7) include a new category for battery adhesives with an extended pCBtF prohibition date; and 8) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. As allowed by CEQA Guidelines Sections 15152, 15162, and 15385, this SEA tiers off of the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, which are summarized in the following paragraphs.

Final Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications; October 2017: Amendments to Rule 1168 were adopted in October 2017 to reduce emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. The amendments to Rule 1168 clarified the applicability; revised, deleted, and added various definitions; lowered the VOC limits for certain categories and allowed a three-year sell-through and use-through; added new product categories with corresponding VOC content limits; required products marketed for use under varying categories to be subject to the lowest VOC limit; prohibited the storage of non-compliant products, unless for shipment outside of the South Coast AQMD; added test methods for analyzing VOC content; added labeling requirements; included reporting requirements for manufacturers, private labelers, big box retailers, distribution centers, and facilities that use a 55 gallon per year exemption; prohibited the use of Rule 102 Group II exempt solvents, except volatile methyl siloxanes; included a technology assessment for certain product categories; and removed, modified, or added various exemptions. Approximately 1.38 tpd of VOC emission reductions were expected to be achieved as a result of implementing the October 2017 version of Rule 1168. While

the reduction of VOC emissions was expected to create an environmental benefit, the activities that manufacturers were expected to undertake to reformulate compliant products were anticipated to also create secondary adverse environmental impacts. The October 2017 Final EA for Rule 1168 analyzed the potential secondary adverse environmental impacts but none of the environmental topic areas analyzed were identified as having potentially significant adverse impacts. The South Coast AQMD Governing Board certified the Final EA and approved the amendments to Rule 1168 on October 6, 2017. The October 2017 Final EA for Rule 1168 can be obtained by visiting the South Coast AQMD website at: http://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2017/par1168FEA.pdf.

Final Subsequent Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications; November 2022: Amendments to Rule 1168 were adopted in 2022 to prohibit the use of pCBtF and t-BAc in adhesives and sealants due to toxicity concerns; delay the effective dates of VOC emission limits or maintain the existing VOC emission limits for certain categories of adhesives and sealants; create additional subcategories of regulated products to better characterize and refine VOC emission limits; allow Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2 butene/HFO-1336mzz-Z) as a VOC exempt compound for Two-Component Foam Sealants used in an industrial or professional setting contingent upon an OEHHA evaluation; remove definitions; and update, clarify, and streamline rule language. The November 2022 Final SEA for Rule 1168 analyzed adverse environmental impacts associated with the 2022 version of Rule 1168 and concluded that while the 2022 amendments to Rule 1168 were expected to reduce the potential for toxic chemicals to be used in Rule 1168 Regulated Products, it was also expected to result in delayed and permanent foregone VOC emission reductions of 0.42 tpd and 0.28 tpd, respectively, due to extending the effective dates and maintaining the existing VOC limits for certain categories of adhesives and sealants. Accordingly, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would result in significant and unavoidable adverse air quality impacts during operation because the delayed and permanent forgone VOC emission reductions would exceed the South Coast AQMD's daily VOC operational significance threshold of 55 pounds per day. The South Coast AQMD Governing Board certified the Final SEA and approved the amendments to Rule 1168 on November 4, 2022. The November 2022 Final SEA for Rule 1168 can be obtained by visiting the South Coast AQMD website at: https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/par-1168-final-sea.pdf.

1.3 INTENDED USES OF THIS DOCUMENT

In general, a CEQA document is an informational document that informs a public agency's decision-makers and the public generally of potentially significant adverse environmental effects of a project, identifies possible ways to avoid or minimize the significant effects, and describes reasonable alternatives to the project [CEQA Guidelines Section 15121]. A public agency's decision-makers must consider the information in a CEQA document prior to making a decision on the project. Accordingly, this SEA is intended to: a) provide the South Coast AQMD Governing Board and the public with information on the environmental effects of the proposed project; and b) be used as a tool by the South Coast AQMD Governing Board to facilitate decision-making on the proposed project.

Additionally, CEQA Guidelines Section 15124(d)(1) requires a public agency to identify the following specific types of intended uses of a CEQA document:

1. A list of the agencies that are expected to use the SEA in their decision-making;
2. A list of permits and other approvals required to implement the project; and
3. A list of related environmental review and consultation requirements required by federal, state, or local laws, regulations, or policies.

There are no permits or other approvals required to implement PAR 1168. Moreover, PAR 1168 is not subject to any other related environmental review or consultation requirements.

To the extent that local public agencies, such as cities, county planning commissions, etc., are responsible for making land use and planning decisions related to projects that must comply with the requirements in the proposed project, they could possibly rely on this SEA during their decision-making process. Similarly, other single purpose public agencies approving projects at facilities complying with the proposed project may rely on this SEA.

1.4 AREAS OF CONTROVERSY

CEQA Guidelines Section 15123(b)(2) requires a public agency to identify the areas of controversy in the CEQA document, including issues raised by agencies and the public. Over the course of developing PAR 1168, the predominant concerns expressed by representatives of industry and environmental groups, either in public meetings or in written comments, regarding the proposed project are highlighted in Table 1-1.

Table 1-1
Area of Controversy

	Area of Controversy	Topics Raised by the Public	South Coast AQMD Evaluation
1.	Clear, Paintable, and Immediately Water-Resistant Sealants: Concern about ability and timing to achieve VOC content limit without pCBtF	Some manufacturers of Clear, Paintable, and Immediately Water-Resistant Sealants ~~containing pCBtF~~ have a VOC content of 250 grams per liter (g/L) or less. However, these manufacturers claim compliant reformulations without pCBtF cannot be achieved.	1) Replacement formulations of some Clear Paintable, and Immediately Water-Resistant Sealants are currently commercially available on the market that meet the 250 g/L VOC limit without containing pCBtF and some have a VOC content less than 50 g/L. 2) To provide manufacturer(s) sufficient time to ~~phase out pCBtF~~reformulate, PAR 1168 includes a provision which delays ~~implementation of the pCBtF prohibition~~ the 250 g/L VOC limit effective date by ~~two~~ three additional years (e.g., from January 1, 2026 to January 1, ~~2028~~2029) for this product category. ~~PAR 1168 also includes a two-year sell-through and a two-year use-through provision to prevent stranded assets and the generation of waste.~~

Pursuant to CEQA Guidelines Section 15131(a), "[e]conomic or social effects of a project shall not be treated as significant effects on the environment." CEQA Guidelines Section 15131(b)

states further, "[e]conomic or social effects of a project may be used to determine the significance of physical changes caused by the project." Physical changes that may be caused by the proposed project have been evaluated in Chapter 4 of this ~~Draft~~ Final SEA. No direct or indirect physical changes resulting from economic or social effects have been identified as a result of implementing PAR 1168.

1.5 EXECUTIVE SUMMARY

CEQA Guidelines Section 15123 requires a CEQA document to include a brief summary of the proposed actions and their consequences. In addition, areas of controversy must also be included in the executive summary (see preceding discussion). This SEA consists of the following chapters: Chapter 1 – Executive Summary; Chapter 2 – Project Description; Chapter 3 – Existing Setting; Chapter 4 –Environmental Impacts; Chapter 5 –Alternatives; Chapter 6 – References; Chapter 7 – Acronyms; and various appendices. The following subsections briefly summarize the contents of Chapters 1 through 5.

Summary of Chapter 1 – Executive Summary

Chapter 1 includes an introduction of the proposed project and a discussion of the legislative authority that allows the South Coast AQMD to amend and adopt air pollution control rules, identifies general CEQA requirements and the intended uses of this CEQA document, and summarizes the remaining four chapters that comprise this SEA.

Summary of Chapter 2 – Project Description

PAR 1168 proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 3) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; 4) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 5) require manufacturers to provide a list of their distributors annually; 6) transition reporting to a recordkeeping requirement for distributors; 7) include a new category for battery adhesives with an extended pCBtF prohibition date; and 8) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. PAR 1168 is expected to result in delayed VOC emission reductions of 0.115 tpd from Top and Trim Adhesives until January 1, 2030; 0.020 tpd from Rubber Vulcanization Adhesives until January 1, 2029; and 0.011 tpd from Clear, Paintable, Immediately Water-Resistant Sealant until January 1, ~~2028~~2029. Extending the pCBtF prohibition date for Roof Adhesive Primers and Battery Adhesives would also delay the benefit of reducing the use of and exposure to pCBtF, a known carcinogen. Delaying the compliance dates in PAR 1168 for certain adhesives and sealants will benefit manufacturers by providing additional time to reformulate these products in response to the needs highlighted in the technology assessment while avoiding market disruptions and allowing temporary continued access to users of these commercially available products.

Summary of Chapter 3 – Existing Setting

Pursuant to CEQA Guidelines Section 15125, Chapter 3 – Existing Setting, includes a description of the existing environmental setting of the environmental topic area(s) that are expected to have potentially significant adverse impacts if the proposed project is implemented. As allowed by CEQA Guidelines Sections 15152, 15162, and 15385, this ~~Draft~~ Final SEA for PAR 1168 tiers off of the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168.

The existing environmental setting is the physical environmental conditions as they existed at the time the Notice of Preparation (NOP) and Initial Study (IS) was published, or if no NOP/IS is published, at the time the environmental analysis is commenced [CEQA Guidelines Section 15125]. For the October 2017 amendments to Rule 1168, no NOP/IS was prepared; however, the environmental analysis commenced on August 16, 2017 when the Notice of Completion (NOC) announced the availability of the Draft EA for public review and comment. The Draft EA for the October 2017 amendments to Rule 1168 contained an environmental checklist, the same customized environmental checklist that South Coast AQMD uses when preparing a NOP/IS. The Draft EA for the October 2017 amendments to Rule 1168 also contained a detailed analysis of the environmental setting and corresponding environmental effects that were anticipated to occur as a result implementing the original project. The types of activities and associated environmental impacts from implementing both the original project in the October 2017 version of Rule 1168 (as previously analyzed in the October 2017 Final EA for Rule 1168), and the revised project in the November 2022 version of Rule 1168 (as previously analyzed in the November 2022 Final SEA for Rule 1168), were compared to the current project which comprises PAR 1168. The outcome of this comparison determined that the nature, type and extent of the physical changes that would be associated with PAR 1168 will have similar secondary adverse environmental impacts for the same environmental topic areas that were identified and previously analyzed in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168.

Specifically, the analysis in this SEA indicates that the air quality impacts from PAR 1168 will result in additional delayed VOC emission reductions, which will be more severe than what was previously contemplated in the October 2017 EA for Rule 1168 and the November 2022 Final SEA for Rule 1168. In addition, extending the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives under PAR 1168 would delay the toxicity-related benefits associated with the requirement to phaseout pCBtF that was adopted in the November 2022 version of Rule 1168. Based on the preceding discussion, the baseline that was established for the original project at the time the NOC was published for the August 2017 Draft EA directly corresponds to the revised project analyzed in the November 2022 Final SEA for Rule 1168, and to the currently proposed project (PAR 1168) since the affected categories of coatings and adhesives, and the nature of the physical impacts that may occur as a result of implementing PAR 1168 are the same or similar to the original analysis in the October 2017 Final EA for Rule 1168 and the revised analysis in the November 2022 Final SEA for Rule 1168. Thus, the baseline for the analysis in this SEA is the project analyzed in the October 2017 Final EA for Rule 1168.

This SEA analyzes the incremental changes that may occur subsequent to the original project analyzed in the October 2017 Final EA and the revised project in the November 2022 Final SEA if PAR 1168 is implemented. In addition, the analysis in this SEA independently considered whether the proposed project would result in new significant impacts for any of the other environmental topic areas previously evaluated in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168. Only the environmental topic area of air quality was

identified in both documents as having potentially significant adverse impacts. A description and the basis for this conclusion is included in Chapter 4 of this SEA.

As such, Chapter 3 of this ~~Draft~~ Final SEA contains a subchapter devoted to describing the existing setting for specific to air quality as this is the only environmental topic area identified as having potentially significant adverse environmental impacts if PAR 1168 is implemented.

Summary of Chapter 4 – Environmental Impacts

CEQA Guidelines Section 15126(a) requires a CEQA document to identify and focus on the "significant environmental effects of the proposed project." Direct and indirect significant effects of the project on the environment shall be clearly identified and described, giving due consideration to both the short-term and long-term effects. In addition, CEQA Guidelines Section 15126(b) requires a CEQA document to identify the significant environmental effects that cannot be avoided if the proposed project is implemented. CEQA Guidelines Section 15126(c) also requires a CEQA document to consider and discuss the significant irreversible environmental changes that would be involved if the proposed project is implemented. Further, CEQA Guidelines Section 15126(e) requires a CEQA document to consider and discuss mitigation measures proposed to minimize the significant effects. Finally, CEQA Guidelines Section 15130 requires a CEQA document to discuss whether the proposed project has cumulative impacts. Chapter 4 considers and discusses each of these requirements.

PAR 1168 has been developed to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 3) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; 4) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 5) require manufacturers to provide a list of their distributors annually; 6) transition reporting to a recordkeeping requirement for distributors; 7) include a new category for battery adhesives with an extended pCBtF prohibition date; and 8) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. As allowed by CEQA Guidelines Sections 15152, 15162, and 15385, this SEA for PAR 1168 tiers off of the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168. As explained in the Summary of Chapter 3, the baseline for the analysis in this ~~draft~~ Final SEA is the project analyzed in the October 2017 Final EA for Rule 1168.

This SEA is a comprehensive environmental document that analyzes potential incremental environmental impacts from implementing the proposed project relative to the existing setting established in the October 2017 Final EA for Rule. The analysis examines the activities that manufacturers of adhesives and sealants would be expected to undertake to comply with PAR 1168.

Potential Environmental Impacts Found To Be Significant

This SEA tiers off of the October 2017 Final EA for Rule 1168 and November 2022 Final SEA for Rule 1168. The October 2017 Final EA for Rule 1168 concluded that none of the environmental topic areas, including the topic of air quality and GHGs, would be significantly adversely affected by the anticipated reformulations of adhesive and sealant products via substituting certain

chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds.

The November 2022 Final SEA for Rule 1168 concluded significant and unavoidable operational air quality impacts from delayed VOC emission reductions of 0.42 tpd over the short-term and permanent VOC emission reductions foregone of 0.28 tpd over the long-term which exceeded the South Coast AQMD air quality significance threshold for mass daily emissions of VOC. No feasible mitigation measures were identified that could lessen or avoid the potentially significant adverse air quality impacts.

The analysis in this SEA also independently considered whether PAR 1168 would result in new, significant impacts for any environmental topic areas previously evaluated in the October 2017 Final EA and November 2022 Final SEA for Rule 1168. Among the environmental topic areas examined for PAR 1168, only the topic of air quality was identified as having new significant impacts due to the potential for additional delayed VOC emission reductions, which will result in further delays in achieving the full amount of VOC emission reductions anticipated as part of the October 2017 version of PAR 1168 and that will be more severe than the delayed VOC emission reductions as a result of the November 2022 version of Rule 1168. A description and the basis for this conclusion is also included in this section of Chapter 4.

Under PAR 1168, the same VOC limits and pCBtF phaseout requirements presented in the November 2022 version of Rule 1168 would continue to apply, but the dates by which certain categories would be required to comply with those requirements would be extended. The November 2022 Final SEA for Rule 1168, using Quantity and Emission Report (QER) data from 2017 and 2018, originally estimated that the November 2022 version of Rule 1168 would result in delayed VOC emission reductions ranging from 0.42 tpd to 0.39 tpd from July 1, 2023 through January 1, 2028, depending on the product category. By extending the compliance deadlines for certain categories and using QER data from 2021 and 2022, PAR 1168 would result in delayed VOC emission reductions of: 1) 0.146 tpd through January 1, ~~2028~~ 2029 (a decrease compared to the 0.39 tpd previously expected up to January 1, 2028); ~~2) 0.135 tpd from January 1, 2028 through January 1, 2029;~~ and ~~3~~2) 0.115 tpd from January 1, 2029 through January 1, 2030 (See Table 4-2 for more detail). By coating category, PAR 1168 is expected to result in delayed VOC emission reductions of 0.115 tpd from Top and Trim Adhesives until January 1, 2030; 0.020 tpd from Rubber Vulcanization Adhesives until January 1, 2029; and 0.011 tpd from Clear, Paintable, Immediately Water-Resistant Sealant until January 1, ~~2028~~2029. Thus, compared to the November 2022 version of Rule 1168, PAR 1168 would extend the period during which VOC emission reductions are delayed by approximately two years. Therefore, the extended duration of delayed VOC emission reductions under PAR 1168 would result in a more severe operational air quality impact than what was analyzed in the November 2022 Final SEA for Rule 1168. Extending the pCBtF prohibition date for Roof Adhesive Primers and Battery Adhesives would also delay the benefit of reducing the use of and exposure to pCBtF, a known carcinogen.

As such, if PAR 1168 is implemented, significant and unavoidable adverse environmental impacts to the air quality during operation are expected to occur.

Potential Environmental Impacts Found Not To Be Significant

CEQA requires the SEA to identify the environmental topic areas that were analyzed and concluded to have no impacts or less than significant impacts if the proposed project is

implemented. For the environmental topic areas identified as having no impacts, CEQA Guidelines Section 15128 requires the analysis to contain a statement briefly indicating the reasons that various effects of a project were determined not to have significant impacts and were therefore not discussed in detail.

As explained earlier, the October 2017 Final EA for Rule 1168 concluded that all of the environmental topic areas, including the topic of air quality and GHGs, would have either less than significant impacts or no impacts. The November 2022 Final SEA for Rule 1168 independently considered the 2022 amendments to Rule 1168 and analyzed the incremental changes, if any, relative to the baseline, which was the project analyzed in the October 2017 Final EA for Rule 1168, to determine whether the previous conclusions of no impacts or less than significant impacts for all of the evaluated environmental topic areas in the October 2017 Final EA would change. The analysis in the November 2022 Final SEA for Rule 1168 concluded that the incremental changes associated with implementing the 2022 amendments to Rule 1168 were not expected to alter the previous conclusions of less than significant impacts or no impacts in the October 2017 Final EA for all environmental topic areas except the topic of air quality and GHGs. Unlike the October 2017 Final EA for Rule 1168, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts since the delayed and permanent VOC emission reductions foregone would exceed the South Coast AQMD air quality significance threshold for mass daily emissions of VOCs during operation. No feasible mitigation measures were identified that would reduce or avoid the significant air quality impacts to less than significant levels. It should be noted that two new environmental topic areas, tribal cultural resources and wildfires, were added to the CEQA Guidelines after the October 2017 Final EA for Rule 1168 was certified. However, the November 2022 Final SEA included analyses of these two additional environmental topic areas, and concluded that no impact would be expected to both tribal cultural resources and wildfires.

This subchapter of the SEA identifies and summarizes previously evaluated environmental topic areas in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, and assesses whether the conclusions for these environmental topic areas would need to be revised if PAR 1168 is implemented. The analysis of PAR 1168 in this SEA concluded either no impact or less than significant impact for each environmental topic area, except air quality during operation. Therefore, implementation of PAR 1168 will not change the previous conclusions reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 for these non-air quality environmental topic areas.

Other CEQA Topics

CEQA documents are also required to consider and discuss the potential for growth-inducing impacts [CEQA Guidelines Section 15126(d)] and to explain and make findings about the project's relationship between short-term and long-term environmental goals [CEQA Guidelines Section 15065(a)(2)]. Additional analysis in Chapter 4 confirms that PAR 1168 would not result in irreversible environmental changes or the irretrievable commitment of resources, foster economic or population growth, or the construction of additional housing. Further, implementation of PAR 1168 is not expected to achieve short-term goals to the disadvantage of long-term environmental goals.

Summary Chapter 5 - Alternatives

Since significant air quality impacts during operation are associated with PAR 1168, CEQA Guidelines Section 15126(e) requires the consideration and discussion of alternatives to the proposed project. The following alternatives to the proposed project were identified and summarized in Table 1-2: 1) Alternative A – No Project; 2) Alternative B – More Stringent Proposed Project; 3) and Alternative C – Less Stringent Proposed Project.

Pursuant to the requirements in CEQA Guidelines Section 15126.6(b) to mitigate or avoid the significant effects that a project may have on the environment, a comparison of the potentially significant adverse operational air quality impacts from each of the project alternatives for the individual rule components that comprise PAR 1168 is provided in Table 1-3. Aside from operational air quality impacts, no other potentially significant adverse impacts were identified for PAR 1168 or any of the project alternatives. The proposed project provides the best balance in achieving the project objectives while minimizing the significant adverse environmental impacts to operational air quality. Therefore, the proposed project is preferred over the project alternatives.

Table 1-2
Summary of the Proposed Project (PAR 1168) and Alternatives

Categories with Proposed Changes	Proposed Project (PAR 1168)	Alternative A: No Project*	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Top and Trim Adhesive	No change to existing 250 g/L VOC limit but extend effective date from 1/1/2028 to 1/1/2030 Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L	250 g/L VOC limit by 1/1/2028	250 g/L VOC limit by 1/1/2029 Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L	250 g/L VOC limit by 1/1/2031 Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L
Rubber Vulcanization Adhesive	No change to existing 250 g/L VOC limit but extend effective date from 1/1/2028 to 1/1/2029	250 g/L VOC limit by 1/1/2028	250 g/L VOC limit by 7/1/2028	250 g/L VOC limit by 7/1/2029
Clear, Paintable, Immediately Water-Resistant Sealant	No change to existing 250 g/L VOC limit but extend effective date from 1/1/2026 to 1/1/~~2028~~2029	250 g/L VOC limit by 1/1/2026	250 g/L VOC limit by 7/1/~~2027~~2028	250 g/L VOC limit by 7/1/~~2028~~2029
Roof Adhesive Primers	No change to existing 250 g/L VOC limit Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L Extend pCBtF prohibition effective date from 1/1/2027 to 1/1/2030 Extend pCBtF sell-through end date from 1/1/2028 to 1/1/2031 Extend pCBtF use-through end date from 1/1/2028 to 1/1/~~2031~~2032	No change to existing 250 g/L VOC limit pCBtF prohibition effective date would be 1/1/2027 pCBtF sell-through end date would be 1/1/2028 pCBtF use-through end date would be 1/1/2028	No change to existing 250 g/L VOC limit Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L pCBtF prohibition effective date would be 1/1/2029 pCBtF sell-through end date would be 1/1/2030 pCBtF use-through end date would be 1/1/~~2030~~2031	No change to existing 250 g/L VOC limit Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L pCBtF prohibition effective date would be 1/1/2031 pCBtF sell-through end date would be 1/1/2032 pCBtF use-through end date would be 1/1/~~2032~~2033

*The No Project alternative means retaining the VOC limits and effective dates as established in the November 2022 version of Rule 1168.

Table 1-2 (concluded)
Summary of the Proposed Project (PAR 1168) and Alternatives

Categories with Proposed Changes	Proposed Project (PAR 1168)	Alternative A: No Project*	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Battery Adhesives (a new category, currently included under All Other Adhesives)	120 g/L VOC limit upon rule adoption	No change to existing 250 g/L VOC limit	120 g/L VOC limit upon rule adoption	120 g/L VOC limit upon rule adoption
	Extend pCBtF prohibition effective date from 1/1/2024 to 1/1/2029	pCBtF prohibition effective date would be 1/1/2024	pCBtF prohibition effective date would be 1/1/2028	pCBtF prohibition effective date would be 1/1/2030
	Extend pCBtF sell-through end date from 1/1/2027 to 1/1/2030	pCBtF sell-through end date would be 1/1/2027	pCBtF sell-through end date would be 1/1/2029	pCBtF sell-through end date would be 1/1/2031
	Extend pCBtF use-through end date from 1/1/2028 to 1/1/2031	pCBtF use-through end date would be 1/1/2028	pCBtF use-through end date would be 1/1/2030	pCBtF use-through end date would be 1/1/2032

*The No Project alternative means retaining the VOC limits and effective dates as established in the November 2022 version of Rule 1168.

Table 1-3
Comparison of Adverse Environmental Impacts of the Proposed Project (PAR 1168) and Alternatives

Air Quality & GHGs Impact Areas	Proposed Project (PAR 1168)	Alternative A: No Project	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Construction	**No Impacts** because no physical modifications involving construction are expected	**No Impacts** Same as Proposed Project	**No Impacts** Same as Proposed Project	**No Impacts** Same as Proposed Project
GHGs	**Less than Significant Impacts** because the type of chemicals used for reformulating compliant products are not known to contain any GHG compounds and any future reformulation with GHG compounds would not be expected to occur	**Less than Significant Impacts** Same as Proposed Project	**Less than Significant Impacts** Same as Proposed Project	**Less than Significant Impacts** Same as Proposed Project
Operation – VOC Emissions	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.146 tpd through 1/1/~~2028~~2029; ~~0.135 tpd from 1/1/2028 through 1/1/2029~~ and 0.115 tpd from 1/1/2029 through 1/1/2030: a) Clear, Paintable, Immediately Water-Resistant Sealant - 0.011 tpd until 1/1/~~2028~~2029 b) Rubber Vulcanization Adhesive - 0.02 tpd until 1/1/2029 c) Top and Trim Adhesive - 0.115 tpd until 1/1/2030	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.39 tpd through 1/1/2028 from: a) Rubber Vulcanization Adhesive - 0.29 tpd until 1/1/2028 b) Top and Trim Adhesive - 0.1 tpd until 1/1/2028	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.146 tpd through 7/1/~~2027~~2028; ~~0.135 tpd from 7/1/2027 through 7/1/2028~~ and 0.115 tpd from 7/1/2028 through 1/1/2029: a) Clear, Paintable, Immediately Water-Resistant Sealant - 0.011 tpd until 7/1/~~2027~~ 2028 b) Rubber Vulcanization Adhesive - 0.0.02 tpd until 7/1/2028 c) Top and Trim Adhesive - 0.115 tpd until 1/1/2029	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.146 tpd through 7/1/~~2028~~2029; ~~0.135 tpd from 7/1/2028 through 7/1/2029~~ and 0.115 tpd from 7/1/2029 through 1/1/2031: a) Clear, Paintable, Immediately Water-Resistant Sealant - 0.011 tpd until 7/1/~~2028~~2029 b) Rubber Vulcanization Adhesive - 0.02 tpd until 7/1/2029 c) Top and Trim Adhesive - 0.115 tpd until 1/1/2031

Table 1-3 (concluded)
Comparison of Adverse Environmental Impacts of the Proposed Project (PAR 1168) and Alternatives

Air Quality & GHGs Impact Areas	Proposed Project (PAR 1168)	Alternative A: No Project	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Operation – Toxicity	**Less than Significant Toxicity Impacts** because although PAR 1168 would delay the air quality benefit associated with the pCBtF phaseout and the corresponding reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives, the t-BAc and pCBtF phaseout requirements established in the November 2022 version of Rule 1168 would remain in place and continue to apply under PAR 1168, with only the applicable phaseout dates for Roof Adhesive Primers and Battery Adhesives being extended. No other changes affecting toxic air contaminants are expected.	**Less than Significant Toxicity Impacts** because the t-BAc and pCBtF phaseout requirements, including the applicable prohibition effective dates, sell-through end dates, and use-through end dates established in the November 2022 version of Rule 1168, would remain unchanged.	**Less than Significant Toxicity Impacts** - Same as Proposed Project**.**	**Less than Significant Toxicity Impacts** - Same as Proposed Project**.**
Operation – Odor Nuisance	**Less than Significant Odor Nuisance Impacts** because PAR 1168 would not change the types of adhesives and sealants subject to Rule 1168 or the manufacturing processes and types of chemicals used and, therefore, would not result in new or different sources of odor.	**Less than Significant Odor Nuisance Impacts** - Same as Proposed Project**.**	**Less than Significant odor nuisance impacts** - Same as Proposed Project**.**	**Less than Significant odor nuisance impacts** - Same as Proposed Project**.**

Summary Chapter 6 - References

This chapter contains a list of the references, and the organizations and people consulted for the preparation of this SEA.

Summary Chapter 7 - Acronyms

This chapter contains a list of the acronyms that were used throughout the SEA and the corresponding definitions.

Appendix A

This appendix contains the latest version of PAR 1168.

CHAPTER 2

PROJECT DESCRIPTION

Project Location

Project Background

Project Objectives

Project Description

Summary of Affected Adhesive and Sealant Categories

Technology Overview

2.1 PROJECT LOCATION

The South Coast AQMD has jurisdiction over an area of approximately 10,743 square miles, consisting of the four-county South Coast Air Basin (Basin), the Riverside County portion of the Salton Sea Air Basin (SSAB) and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin (MDAB). The Basin, a subarea of South Coast AQMD's jurisdiction, is bounded by the Pacific Ocean to the west, the San Gabriel, San Bernardino, and San Jacinto mountains to the north and east and includes all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties. The Riverside County portion of the SSAB is bounded by the San Jacinto Mountains in the west and spans eastward up to the Palo Verde Valley. A federal non-attainment area (known as the Coachella Valley Planning Area) is a subregion of Riverside County and the SSAB that is bounded by the San Jacinto Mountains to the west and the eastern boundary of the Coachella Valley to the east (see Figure 2-1).

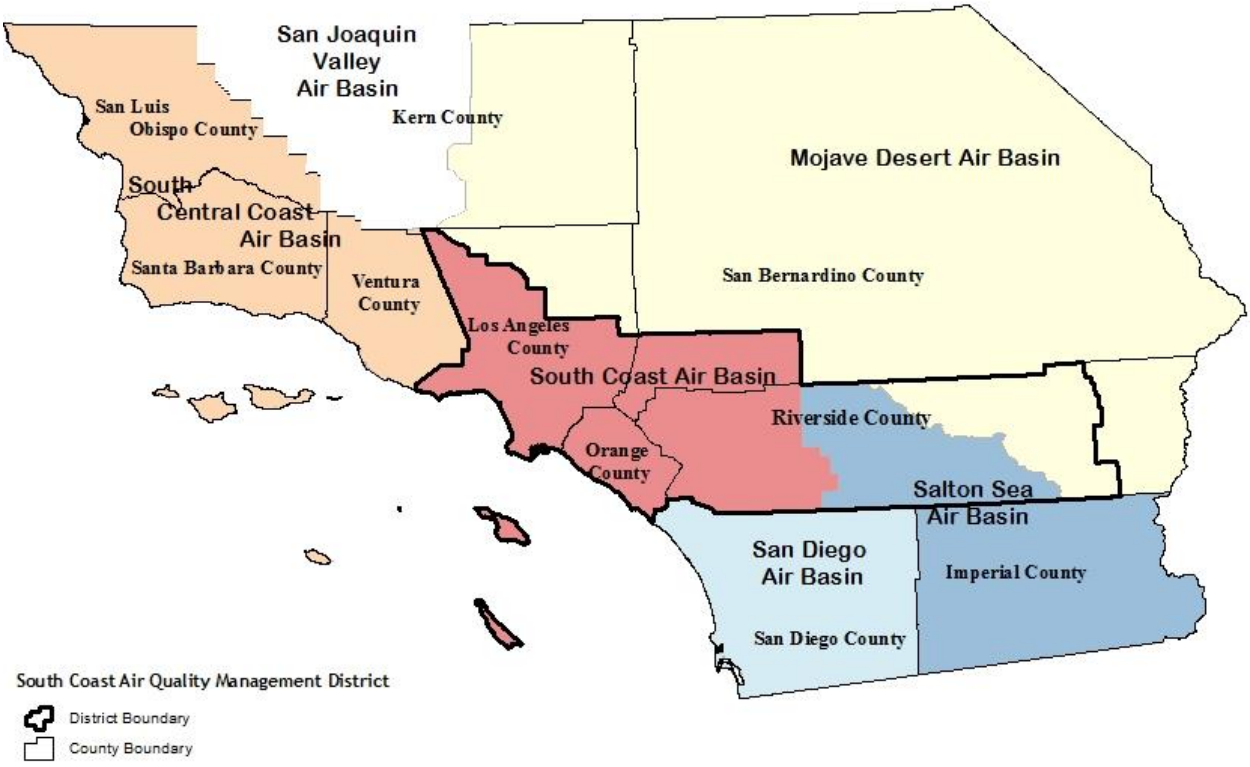

Figure 2-1
Southern California Air Basins and South Coast AQMD's Jurisdiction

2.2 PROJECT BACKGROUND

Rule 1168 was adopted in April 1989 to control VOC emissions from adhesive applications. The rule has been amended 15 times; the last amendment was in November 2022. The rule applies to products that were used during manufacturing at stationary sources and to products used by consumers that were not regulated by CARB's CPR. Currently, there are VOC limits established for 69 categories of adhesives, adhesive primers, sealants, and sealant primers.

The November 2022 amendment to Rule 1168 prohibited the use of pCBtF and t-BAc due to being identified as having toxic endpoints by the Office of Environmental Health Hazard Assessment (OEHHA). The November 2022 amendment also required a technical assessment to assess pCBtF and t-BAc reformulation progress. The technical assessment revealed that reformulation efforts were successful for all categories except roofing adhesive primers. Through extensive discussions with stakeholders, South Coast AQMD staff determined that certain roofing product categories would require additional time to transition to formulations that do not rely on either exempt compound, and that a rule amendment was necessary to address reformulation challenges for the pCBtF phase out from roof adhesive primers.

2.3 PROJECT OBJECTIVES

The main objectives of PAR 1168 are to: 1) reduce VOC emissions from adhesives and sealants by establishing technologically feasible effective dates for compliance with the VOC limits established in the November 2022 version of Rule 1168; and 2) reduce potential exposure to pCBtF and t-BAc by establishing technologically feasible prohibition, sell-through, and use-through dates for products subject to Rule 1168.

2.4 PROJECT DESCRIPTION

PAR 1168 seeks to extend the pCBtF prohibition date for roofing adhesive primers to allow additional time for reformulation; postpone upcoming VOC limits for two adhesive categories and one sealant category to provide more time for product reformulation; establish equivalent alternative reactivity-based limits for ~~two~~three categories; remove the exemption permitting facilities to use up to 55 gallons of non-compliant products per year; require manufacturers to annually submit a list of their distributors; shift distributor reporting requirements to recordkeeping; introduce a new category for battery adhesives with an extended pCBtF phase-out period; and incorporate clarifications and updates to definitions and cross-references to maintain consistency with other South Coast AQMD rules.

As such, the following is a summary of the amendments which comprise PAR 1168. Appendix A of this SEA contains a copy of PAR 1168.

Definitions [Subdivision (c)]
PAR 1168 contains the following key new and modified definitions.[9]

The definition for battery adhesive was added to provide clarification for the newly added category to address the pCBtF prohibition and phase-out challenges.

> "BATTERY ADHESIVE means an adhesive used to bond or seal components within a battery assembly, engineered to maintain integrity when exposed to battery operating conditions, including chemical, thermal, and mechanical stress."

The definition of Big Box Retailer was updated to correct a reference to the Office of Management and Budget.

> "BIG BOX RETAILER means a physically large-chain Retail Outlet that is classified by the Office of Management and Budget under North American Industry Classification System code 444110: Home Centers or identified in a list maintained by the Executive Officer.

The definition for chemical abstracts service registration number or CAS RN is added to provide clarification.

> "CHEMICAL ABSTRACTS SERVICE REGISTRATION NUMBER or CAS RN means a unique numerical identifier assigned by the Chemical Abstracts Service to a single chemical substance to ensure unambiguous identification."

The definition of Distribution Center has been revised to Distributors for consistency with other South Coast AQMD rules.

> "DISTRIBUTOR means any Person, company, firm, or establishment to whom Regulated Products are sold or supplied for the purposes of resale or distribution ~~in commerce~~ into or within the South Coast AQMD, except that Manufacturers~~, Retail Outlets, and consumers~~ are not Distributors."

The definition of Exempt Compounds was revised to include applicability to Group I and Group II Exempt Compounds to reference the revised prohibition of sale or use provisions in subdivision (h)

> "EXEMPT COMPOUNDS are as defined in Rule 102, including Group I and Group II Exempt Compounds. For the purpose of this rule, Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) shall only be considered exempt as a VOC for High-Pressure Two-Component Foam Sealants and Low-Pressure Two-Component Foam Sealants when used in an industrial or professional setting by workers trained with procedures and guidelines to reduce potential risk of exposure, if the Office of Environmental Health Hazard Assessment has sufficient information to conduct a toxicity assessment and, upon completion of its assessment."

[9] For all definitions referred to in the Draft SEA, please see the preliminary draft of PAR 1168 released with the Preliminary Draft Staff Report on September 18, 2026 which are available from the South Coast AQMD webpage for the development of PAR 1168 at: https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1168

The definition for Manufacturer is added to provide clarification of reporting and recordkeeping requirements.

> "MANUFACTURER means any Person, company, firm, or establishment who imports, manufactures, blends, assembles, produces, packages, repackages, or re-labels any Regulated Product. The Manufacturer listed on the product's label shall be primarily responsible for compliance with applicable provisions of this rule. For the purpose of this rule, Private Labeler is considered and Manufacturer. ~~If the label lists two or more Manufacturers, they may mutually designate in writing a Manufacturer responsible for compliance with this rule. That writing shall be filed with the Executive Officer.~~"

The definitions for maximum incremental reactivity (MIR) and product-weighted MIR (PW-MIR) are added to support the introduction of reactivity-based compliance options.

> "MAXIMUM INCREMENTAL REACTIVITY (MIR) means the measure of the photochemical reactivity of a VOC, which estimates the weight of ozone produced from a weight of VOC expressed as gram of ozone per gram of VOC (g O_3 /g VOC). MIR values for individual VOCs are specified in Title 17, California Code of Regulations Sections 94700 and 94701."
>
> "PRODUCT-WEIGHTED MIR (PW-MIR) means the sum of all weighted MIR for all ingredients in a product. The PW-MIR is the total product reactivity expressed to hundredths of a gram of ozone formed per gram of product (excluding container and packaging) and calculated according to the following equations:
>
> Weighted MIR (Wtd-MIR) ingredient = MIR × Weight Fraction ingredient and
>
> $PW\text{-}MIR = (Wtd\text{-}MIR)_1 + (Wtd\text{-}MIR)_2 + \ldots + (Wtd\text{-}MIR)_n$
>
> Where:
> MIR = ingredient MIR; and
> 1, 2, 3…n = each ingredient in the product up to the total n ingredients in the product."

Please note that MIR values are expressed in g O_3/g VOC for each ingredient, while PW-MIR is expressed in g O_3/g product because it reflects the sum of each ingredient's MIR multiplied by its weight fraction in the product. MIR is an ingredient-level value; PW-MIR is the product-level result of that calculation.

The definition of Reactive Products was revised to include monomers used in energy curable products. The existing definition included other examples of materials that contain reactive products; it is being expanded to include the reactive monomers in energy curable coatings. This is not a change, just a clarification.

> "REACTIVE PRODUCTS means a regulated products composed, in part, of monomers that become integral parts of the cured product through chemical reaction. Reactive Products include, but are not limited to, monomers used in: polyurethanes, two-component Regulated Products, and energy curable Regulated Products, which are cured upon exposure to visible-light, ultra-violet light or to an electron beam."

The definition for Retail Outlet is added to provide clarification.

> "RETAIL OUTLET means any establishment at which a Regulated Product ~~are~~is sold, supplied, or offered for sale directly to ~~consumers~~end users. For the purposes of this rule, a Distributor who sells Regulated Products directly to end-users within the South Coast AQMD is considered a Retail Outlet."

The following definitions are added to provide clarification.

> "EXECUTIVE OFFICER is as defined in Rule 102 – Definition of Terms."

> "SOUTH COAST AQMD TEST METHOD means a test method included in the manual of "Laboratory Methods of Analysis for Enforcement Samples," which can be found on the South Coast AQMD website and are referenced in subdivision (f)."

The following list of definitions are revised for clarification without changing the original intent.

- Big-box retailer
- Cove base adhesive
- Edge glue adhesive
- High-pressure two component foam sealant
- Private labeler
- Potable water sealant
- Rubber floor adhesive
- Special purpose contact adhesive

The Regulatory and Material (Actual) VOC definitions have been revised for consistency with other South Coast AQMD rules.

Requirements [Subdivision (d)]
This subdivision contains the provisions for any person that uses or stores any adhesives, adhesive primers, sealants, or sealant primers conducting operations in the South Coast AQMD and applies to any person who sells, offers for sale, markets, blends, distributes, packages, repackages, or supplies marine or pleasure craft and marine structure coatings.

This provision sets the requirements for VOC limits and effective dates for adhesives and sealants by categories and subcategories, as summarized in Rule 1168 Table 1 – Regulated Product Categories and VOC Limits. Staff is proposing a revision to Rule 1168 Table 1 to reflect the VOC limits that became effective on January 1, 2023 for 11 subcategories. Staff is also proposing to provide additional time and extend the lower VOC limit effective dates for the following three categories:

- Top and Trim Adhesive
- Clear, Paintable, and Immediately Water-Resistant
- Rubber Vulcanization Adhesive

A new product category for battery adhesive was added to Table 1 of the rule to address reformulation, testing, and recertification concerns related to aerospace battery manufacturing. Battery adhesives are currently subject to the "all other adhesive" category and have a VOC content limit 250 g/L. The newly added battery adhesives category will have a more stringent VOC content limit of 120 g/L and will not result in any potential VOC emissions increase. Annual volume for this category is low at approximately 1,800 gallons per year. The concern related to this battery adhesive category is related to pCBtF reformulation and not VOC limit related. The future effective prohibition date was added to Table 3 – pCBtF and t-BAc Prohibition timeline of the rule in subdivision (h).

Table 2-1 provides a summary of the proposed changes and updates to Table 1 in Rule 1168. Additionally, staff is proposing an alternative PW-MIR limit to paragraph (d)(2) for ~~two~~ three ~~adhesive~~ categories, roof adhesive primers ~~and~~, top and trim adhesives, and all other adhesive primers to address potential reformulation challenges for the ~~two~~ three categories. The alternative PW-MIR limits are equivalent to the current mass-based limits for the respective category. Please see Table 2-2 below for a summary of the proposed PW-MIR limits.

Table 2-1
Summary of Proposed Changes and Updates to Table 1 in Rule 1168

Category	Current Limit	Limit at Future Effective Date	Effective Date
Adhesives			
Top and Trim Adhesive	540 g/L	250 g/L	1/1/2030
Rubber Vulcanization Adhesive	850 g/L	250 g/L	1/1/2029
Battery Adhesive	120 g/L		
Wood Flooring Adhesive	20 g/L		1/1/2023
Roofing Adhesive			
Hot Applied Modified Bitumen/Built Up Roof Adhesive	30 g/L		1/1/2023
Shingle Laminating Adhesive	30 g/L		1/1/2023
Plastic Welding Cement			
CPVC Welding Cement	400 g/L		1/1/2023
CPVC Welding Cement for Life-Safety Systems	400 g/L		1/1/2023
ABS to PVC Transition Cement	425 g/L		1/1/2023
PVC Welding Cement	425 g/L		1/1/2023
Sealants			
Foam Insulations	5%		1/1/2023
One-Component Foam Sealant	18%		1/1/2023
High-Pressure Two-Component Foam Sealant	5%		1/1/2023
Low-Pressure Two-Component Foam Sealant	5%		1/1/2023
Non-Staining Plumbing Putty	50 g/L		1/1/2023
Clear, Paintable, and Immediately Water Resistant Sealant	380 g/L	250 g/L	1/1/~~2028~~2029
All Other Sealants	250 g/L		1/1/2023
Roofing Sealants			
Single Ply Roof Membrane Sealant (Except Cut Edge)	250 g/L		1/1/2023
Cut Edge Single Ply Roof Membrane Sealant	250 g/L		1/1/2023

Table 2-2
Summary of Alternative PW-MIR limits

Category	PW-MIR Limit (g O3/g Product)
Roof Adhesive Primer	0.65
Top and Trim Adhesive	0.60
All Other Adhesive Primer	0.65

Reporting and Recordkeeping Requirements [Subdivision (e)]

Rule 1168 includes two specific recordkeeping provisions. Manufacturers, big box retailers, and distributors must retain records to support the data reported in the QERs; owners or operators of stationary sources that use adhesives or sealants to manufacture products must maintain records pursuant to Rule 109 – Recordkeeping for Volatile Organic Compound Emissions. The current rule specifies reporting and recordkeeping under separate subdivisions (f) and (d) and it is not specific that the Rule 109 only applies to stationary sources.

Staff proposes to clarify and update recordkeeping and reporting requirements for manufacturers, private labelers, big box retailers, retail outlets, and distributors. The key change is that distributors are now only required to maintain records and make them available to the South Coast AQMD upon request. Big ~~b~~Box retailers are ~~now~~still required to report volume sold to the manufacturers and to South Coast AQMD~~;~~. To avoid further confusion of reporting requirements between responsible parties, staff clarified and added ~~the~~ several definitions ~~of distributor~~ in subdivision (c) - definitions section of the rule.

The 55-gallon exemption in paragraph (e)(6) will be phased out beginning January 1, ~~2028~~2029. ~~to align with the next upcoming reporting cycle in 2028.~~ Paragraph (e)(6) now establishes that the 55-gallon exemption is now valid through calendar year ~~2027~~2028. Beginning January 1, ~~2028~~2029, the 55-gallon exemption is no longer available to facilities. Historically, no facility has reported to South Coast AQMD that they are using the exemption, so the exemption is no longer necessary and will be phased out. For any facility electing to use the 55-gallon exemption until the phase out effective date of January 1, ~~2028~~2029, the reporting date of September 1 of the following calendar has not changed. The provision also establishes a requirement that the final report must be submitted no later than September 1, ~~2028~~2029.

Subparagraph (e)(1)(G) was revised to clarify that manufacturers and private labelers must now report the total annual quantity of each product sold and "distributed" within the South Coast AQMD not just products sold by the man. The provision also clarifies that the annual quantity of each product sold must include those products that are sold to retail outlets, distributors, through big box retailers with distributors.

Paragraph (e)(4) has been updated and now only requires big box retailers to submit QERs. Distributors are only required to maintain records and be made available upon request pursuant to paragraph (e)(10).

Paragraph (e)(7) is a new provision which establishes a requirement for manufacturers and private labelers to provide to the Executive Officer a list of their U.S. distributors in which they supply their product to. The provision also specifies the type of information that must be submitted which includes name, address, contact person, phone number, and copies of any written notifications provided to an independent distributor such as notices stating that any product not complying with the rule limits cannot be sold within South Coast AQMD. These new requirements are necessary to prevent potential rule circumvention of non-compliant products. The manufacturer or private labeler does not need to submit a list annually, however if there are any changes to the distributor list, a new distributor list must be submitted to the Executive Officer by September 1st of the calendar year.

Paragraph (e)(8) is a new provision requiring all manufacturers and private labelers to submit to the Executive Officer any copies of written notification provided to a distributor pursuant to paragraph (j)(10). Any manufacturer or private labeler that informs a distributor in writing or electronic format regarding a product that should not be sold in South Coast AQMD must also provide a copy to the Executive Officer by September 1, 2027. Copies of any new notifications or updates to the notification must be provided to the Executive Officer by September 1st each calendar year.

Paragraph (e)(~~9~~)(10) establishes a new requirement for distributors that sell products within the South Coast AQMD. Distributors are now required to maintain records of all annual sales for three years and must be made available to the executive officer upon request. Distributors or distribution centers along with big box retailers were previously required to directly report QERs to the manufacturers and private labelers pursuant to paragraph (e)(4). Distributors are now only required to maintain records and must be made available upon request.

Paragraph (e)(11) is a new provision for a regulated product with two or more manufacturers. Any regulated product with two or more manufacturers may designate in writing the manufacturer responsible for complying with the reporting requirements in the rule. The written agreement must be submitted to the executive officer by September 1, 2027 and if there are any changes or updates to the mutual agreement.

Paragraph (e)(~~4~~)(5) has been updated and now only requires only big box retailers to submit QERs. Distributors are only required to maintain records and be made available upon request. However, the QERs must now be submitted to the manufacturer or private labeler and South Coast AQMD and not just the manufacturer or private labeler.

Table 2-3 shows the QER reporting schedule adopted during the 2017 amendment. “Big Box Retailers and Distribution Centers” in the heading has been changed to “Big Box Retailers: to provide clarity who must report. There is no change to the actual reporting date or timelines.

Table 2-3
QER Reporting Schedule

Reporting Deadlines		Reported Years
Manufacturers & Private Labelers	**Big Box Retailers**	
September 1, 2019	May 1, 2019	2017, 2018
September 1, 2022	May 1, 2022	2020, 2021
September 1, 2025	May 1, 2025	2023, 2024
September 1, 2030	May 1, 2030	2028, 2029
September 1, 2035	May 1, 2035	2033, 2034
September 1, 2040	May 1, 2040	2038, 2039

Test Methods [Subdivision (f)]
No major changes are proposed to this provision. The changes are merely to correct test method names and description.

Administrative Requirements [Subdivision (g)]
Paragraph (g)(10) establishes labeling requirements for manufacturers or private labelers that elect to comply with the alternative PW-MIR limits in Table 2 – Alternative PW-MIR VOC Limit in paragraph (d)(2) of the rule.

Prohibition of Sale and Use [Subdivision (h)]
Currently the rule prohibits the sale and use of regulated products that contain chloroform, ethylene dichloride, methylene chloride, perchloroethylene, and trichloroethylene and all Group II exempt solvents except volatile methyl siloxanes (VMS). Small, but non-negligible, quantities of VMS are widely used in silicone-based sealants. The Group II exempt solvent prohibition was included during the 2017 amendments, and it included an effective date of January 1, 2019. PAR 1168 prohibit the use of t-BAc and pCBtF under subdivision (h). This proposal is based on staff's assessment of t-BAc and pCBtF health risk and the Stationary Source Committee's direction to take a precautionary approach when considering expanding or including an exemption for any compound with a toxic endpoint. The proposal also includes a sell-through and use-through provision for products manufactured prior to the effective date of the t-BAc and pCBtF prohibition. Sell-through and use-through provision are already included in Rule 1168 when there is a VOC limit change for a Regulated Product. Based on stakeholder feedback and evaluation during the technology check-in conducted, staff proposes to delay the pCBtF prohibition for roof adhesive primers from January 1, 2027 to January 1 2030, and delay the sell-through date ~~and use-through dates~~ from January 1, 2028 to January 1, 2031, and use-through date from January 1, 2028 to January 1, 2032. Additionally, staff also added a new category to Table 4 of the rule for battery adhesives with a prohibition effective date of January 1, 2029, a sell-through date of January 1,

2030 and use-through date of January 1, 2031. The prohibition delay for the two categories and future-effective probation for battery adhesive is to provide additional reformulation time for the category. PAR 1168 would prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products for use within the South Coast AQMD that contain dimethyl carbonate (DMC) in concentrations greater than 0.01 percent by weight or VMS in concentrations greater than ~~0.1~~1.0 percent by weight.

The prohibition effective dates based on the product categories are presented in Table 2-4.

Table 2-4
Prohibition Effective Dates

Category	Prohibition Effective Date	Sell-through End Date	Use-through End date
	pCBtF Prohibition Effective Dates		
Roof Adhesive Primer	January 1, 2030	January 1, 2031	January 1, ~~2031~~2032
Battery Adhesive	January 1, 2029	January 1, 2030	January 1, 2031
Cut Edge Single Ply Roof Membrane Sealant	January 1, 2027	January 1, 2028	January 1, 2028
EPDM/TPO Single Ply Roof Membrane Adhesive			
Roof Adhesive Primer			
Single Ply Roof Membrane Adhesive (Except EPDM/TPO)	January 1, 2025	January 1, 2028	January 1, 2028
Single Ply Roof membrane Sealants (Except Cut Edge)			
All Other Roof Sealants			
Roof Sealant Primer			
Clear, Paintable, and Immediately Water-Resistant Sealant	January 1, 2026	January 1, 2028	January 1, 2028
All Regulated Products not listed above	January 1, 2024	January 1, 2027	January 1, 2028
	t-BAc Prohibition Effective Dates		
All Regulated Products	January 1, 2024	January 1, 2027	January 1, 2028
	DMC and VMS Prohibition Effective Dates		
All Regulated Products	January 1, 2028	January 1, 2029	January 1, 2030

Exemptions [Subdivision (j)]
Facilities no longer use the exemption in subparagraph (j)(5)(c) and no annual reports have been received from facilities utilizing this exemption. The amendment, paragraph (j)(11) clarifies that the small-usage exemption applies only until January 1, 2028 and requires facilities using less than 55 gallons of noncompliant product per year to comply with paragraph (e)(6) reporting and

recordkeeping requirements. The update also maintains the prohibition on using this exemption for specified high-VOC adhesive categories, ensuring consistency with paragraph (d)(1). Paragraph (j)(10) requires any manufacturer or private labeler utilizing this exemption to comply with the new reporting requirements specified in subparagraph (e)(7)(B).

2.5 Summary of Affected Adhesive and Sealant Categories

The following categories will be impacted in this rule amendment: 1) Roof Adhesive Primer; 2) Top and Trim Adhesive; 3) Rubber Vulcanization Adhesive; 4) Clear, Paintable, and Immediately Water-Resistant Sealant. Table 2-5 provides a summary of the affected categories and the proposed timelines.

Table 2-5
Adhesive and Sealant Categories Affected by PAR 1168 and Summary of Timelines

Category	Proposed Effective Date
Clear, Paintable, and Immediately Water-Resistant Sealant	January 1, ~~2028~~2029
Rubber Vulcanization Adhesives	January 1, 2029
Top and Trim Adhesives	January 1, 2030
Roof Adhesive Primers	January 1, 2030

2.6 TECHNOLOGY OVERVIEW

Compliance with PAR 1168 is expected to be achieved by manufacturers reformulating Regulated Products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The manufacturers will have flexibility to use any compliant alternative reformulation in order for their product to meet the VOC limits in PAR 1168. Physical modifications to or new installations of manufacturing equipment, including the installation of control equipment, would not be expected to be needed in order to reformulate products. For certain categories, there are existing products that meet the proposed lower VOC content limits, so reformulation is practicable. Finally, end-users can comply with the rule using alternative options such as control devices, emission collection systems; or an Alternative Emission Control Plan.

CHAPTER 3

EXISTING SETTING

Introduction

Existing Setting

Air Quality and Greenhouse Gas Emissions

- **Criteria Air Pollutants**
- **Greenhouse Gas Emissions**

3.0 INTRODUCTION

To determine the significance of the impacts associated with a proposed project, it is necessary to evaluate the proposed project's impacts against the backdrop of the environment as it exists at the time the environmental analysis is commenced. CEQA Guidelines Section 15360 defines environment as "the physical conditions that exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance." [*See also* Public Resources Code Section 21060.5]. Furthermore, a CEQA document must include a description of the physical environment in the vicinity of the proposed project, as it exists at the time the environmental analysis is commenced, from both a local and regional perspective. [CEQA Guidelines Section 15125]. This environmental setting will normally constitute the baseline physical conditions by which a lead agency determines whether an impact is significant. The description of the environmental setting shall be no longer than is necessary to provide an understanding of the significant effects of the proposed project and its alternatives.

The existing setting is the physical environmental conditions as they existed at the time the NOP was published, or if no NOP is published, at the time the environmental analysis is commenced. [CEQA Guidelines Section 15125].

3.1 EXISTING SETTING

The proposed project is comprised of PAR 1168, which has been developed to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

As allowed by CEQA Guidelines Sections 15152, 15162, and 15385, the proposed project is designed to amend and tier off of the previous CEQA assessments conducted in the October 2017 Final EA for Rule 1168 and November 2022 Final SEA for Rule 1168, which were certified by the South Coast AQMD Governing Board on October 6, 2017, and November 4, 2022, respectively.

The October 2017 amendments to Rule 1168 were adopted with the goal of reducing emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. The October 2017 version of Rule 1168 clarified the applicability; revised, deleted, and added various definitions; lowered the VOC limits for certain categories and allowed a three-year sell-through and use-through; added new product categories with corresponding VOC content limits; required products marketed for use under varying categories to be subject to the lowest VOC limit; prohibited the storage of non-compliant products, unless for shipment outside of the South Coast AQMD; added test methods for analyzing VOC content; added labeling requirements; included reporting requirements for manufacturers, private labelers, big box retailers, distribution centers, and facilities that use a 55-gallon-per-year

exemption; prohibited the use of Rule 102 Group II exempt solvents, except VMS; included a technology assessment for certain product categories; and removed, modified, or added various exemptions. The October 2017 version of Rule 1168 estimated VOC emission reductions of approximately 1.38 tpd.

While the estimated reduction of VOC emissions from the October 2017 amendments to Rule 1168 were expected to create an environmental benefit, the October 2017 Final EA for Rule 1168, which is the certified regulatory program equivalent to a Negative Declaration under CEQA, analyzed the environmental impacts associated with the activities manufacturers were anticipated to undertake to reformulate products and that these reformulation activities could create secondary adverse environmental impacts. However, none of the environmental topic areas previously analyzed in the October 2017 Final EA for Rule 1168 were concluded to have significant and unavoidable impacts, including the topic of air quality and GHGs.

The 2022 amendments to Rule 1168: 1) prohibited the use of pCBtF and t-BAc due to toxicity concerns; 2) delayed the effective dates of VOC emission limits or maintain the existing VOC emission limits for certain categories of adhesives and sealants; 3) created additional subcategories of Regulated Products to better characterize and refine VOC emission limits; 4) allowed Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an evaluation by OEHHA; and 5) removed definitions and updated, clarified, and streamlined the rule language.

Environmental impacts associated with the 2022 version of Rule 1168 were analyzed in the November 2022 Final SEA for Rule 1168. The types of activities and associated environmental impacts with implementing the VOC limits and compliance dates subject to the October 2017 Rule 1168 amendments were compared to the November 2022 version of Rule 1168; the November 2022 Final SEA for Rule 1168 concluded that the type and extent of the anticipated physical changes would be similar and would cause similar secondary adverse environmental impacts for the same environmental topic areas that were identified and analyzed in the October 2017 Final EA for Rule 1168 except for the topic of air quality and GHG emissions. Specifically, the November 2022 Final SEA for Rule 1168 concluded that the November 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts due to delayed VOC emission reductions of 0.42 tpd over the short-term and permanent VOC emission reductions foregone of 0.28 tpd over the long-term. No feasible mitigation measures were identified that would avoid or lessen these significant air quality impacts.

CEQA Guidelines Section 15125 defines the existing setting as the physical environmental conditions as they existed at the time the NOP was published, or if no NOP is published, at the time the environmental analysis is commenced. For the October 2017 amendments to Rule 1168, no NOP/IS was prepared; however, the environmental analysis commenced on August 16, 2017 when the Notice of Completion (NOC) announced the availability of the Draft EA for public review and comment. The Draft EA for the October 2017 amendments to Rule 1168 contained an environmental checklist, the same customized environmental checklist that South Coast AQMD uses when preparing a NOP/IS. The Draft EA for the October 2017 amendments to Rule 1168 also contained a detailed analysis of the environmental setting and corresponding environmental effects that were anticipated to occur as a result implementing the original project.

The types of activities and associated environmental impacts from implementing both the original project in the October 2017 version of Rule 1168 (as previously analyzed in the October 2017 Final EA for Rule 1168), and the revised project in the November 2022 version of Rule 1168 (as previously analyzed in the November 2022 Final SEA for Rule 1168), were compared to the current project which comprises PAR 1168. The outcome of this comparison determined that the nature, type, and extent of the physical changes that would be associated with PAR 1168 will have similar secondary adverse environmental impacts for the same environmental topic areas that were identified and previously analyzed in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168.

Specifically, the analysis in this SEA indicates that the air quality impacts from PAR 1168 will result in additional delayed VOC emission reductions, which will be more severe than what was previously contemplated in the October 2017 EA for Rule 1168 and the November 2022 Final SEA for Rule 1168. In addition, extending the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives under PAR 1168 would delay the toxicity-related benefits associated with the requirement to phaseout pCBtF that was adopted in the November 2022 version of Rule 1168. Based on the preceding discussion, the baseline that was established for the original project at the time the NOC was published for the August 2017 Draft EA directly corresponds to the revised project analyzed in the November 2022 Final SEA for Rule 1168, and to the currently proposed project (PAR 1168) since the affected categories of coatings and adhesives, and the nature of the physical impacts that may occur as a result of implementing PAR 1168 are the same or similar to the original analysis in the October 2017 Final EA for Rule 1168 and the revised analysis in the November 2022 Final SEA for Rule 1168. Thus, the baseline for the analysis in this SEA is the project analyzed in the October 2017 Final EA for Rule 1168.

This SEA analyzes the incremental changes that may occur subsequent to the original project analyzed in the October 2017 Final EA and the revised project in the November 2022 Final SEA if PAR 1168 is implemented. In addition, the analysis in this SEA independently considered whether the proposed project would result in new significant impacts for any of the other environmental topic areas previously evaluated in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168. Only the environmental topic area of air quality was identified in both documents as having potentially significant adverse impacts. A description and the basis for this conclusion is included in Chapter 4 of this SEA. As such, the following subchapter is devoted to describing the regional existing setting for the air quality which was the only environmental topic area identified as having potentially significant adverse environmental impacts if PAR 1168 is implemented.

3.2 AIR QUALITY AND GREENHOUSE GAS EMISSIONS

Ambient air quality standards have been adopted at the state and federal levels for criteria air pollutants. In addition, both the state and federal government regulate the release of toxic air contaminants and GHG emissions. Projects within South Coast AQMD's jurisdiction are subject to the rules and regulations imposed by the South Coast AQMD as well as regulations adopted by CARB and U.S. EPA. Federal, state, regional, and local laws, regulations, plans, or guidelines that are potentially applicable to the proposed project are summarized in this section.

3.2.1 CRITERIA AIR POLLUTANTS

South Coast AQMD has the responsibility to ensure that state and federal ambient air quality standards (AAQS or standards) are achieved and maintained in its geographical jurisdiction. Health-based air quality standards have been established by California and the federal government for the following criteria air pollutants: ozone (O3), carbon monoxide (CO), nitrogen dioxide (NO2), particulate matter (PM, which includes PM10 and PM2.5), sulfur dioxide (SO2), and lead (Pb). These standards were established to protect sensitive receptors with a margin of safety from adverse health impacts due to exposure to air pollution. The California standards are sometimes more stringent than the federal standards, and in the case of PM10 and SO2, far more stringent. However, for ozone, the current 8-hour California Ambient Air Quality Standard (CAAQS) and the 2015 8-hour National Ambient Air Quality Standard (NAAQS) are at an equivalent level and for PM2.5, the current annual CAAQS ~~and the 2012~~is at a higher level than the 2024 annual NAAQS~~ are also at an equivalent level~~. As a result, the South Coast AQMD relies on the same measures to meet both federal and state ozone and PM2.5 standards. California has also established standards for sulfates, visibility reducing particles, hydrogen sulfide, and vinyl chloride. The state and federal standards for each of these pollutants and their effects on health are summarized in Table 3-1.

South Coast AQMD monitors levels of various criteria pollutants at ~~38 ~~monitoring stations throughout the jurisdiction. The 2025 air quality data (the latest data available) from South Coast AQMDs monitoring stations are presented in Tables 3-2 through 3-8 for the individual criteria air pollutants monitored by South Coast AQMD.

Table 3-1
State and Federal Ambient Air Quality Standards

Pollutant	Averaging Time	State Standard[a]	Federal Primary Standard	Most Relevant Effects
Ozone (O_3)	1-hour	0.09 ppm (180 µg/m^3)	0.12 ppm	(a) Short-term exposures: 1) Pulmonary function decrements and localized lung edema in humans and animals; and 2) Risk to public health implied by alterations in pulmonary morphology and host defense in animals; (b) Long-term exposures: Risk to public health implied by altered connective tissue metabolism and altered pulmonary morphology in animals after long-term exposures and pulmonary function decrements in chronically exposed humans; (c) Vegetation damage; and (d) Property damage.
	8-hour	0.070 ppm (137 µg/m^3)	0.070 ppm (137 µg/m^3)	
Suspended Particulate Matter (PM10)	24-hour	50 µg/m^3	150 µg/m^3	(a) Excess deaths from short-term exposures and exacerbation of symptoms in sensitive patients with respiratory disease; and (b) Excess seasonal declines in pulmonary function, especially in children.
	Annual Arithmetic Mean	20 µg/m^3	No Federal Standard	
Suspended Particulate Matter (PM2.5)	24-hour	No State Standard	35 µg/m^3	(a) Increased hospital admissions and emergency room visits for heart and lung disease; (b) Increased respiratory symptoms and disease; and (c) Decreased lung functions and premature death.
	Annual Arithmetic Mean	12 µg/m^3	~~12~~ 9 µg/m^3	
Carbon Monoxide (CO)	1-Hour	20 ppm (23 mg/m^3)	35 ppm (40 mg/m^3)	(a) Aggravation of angina pectoris and other aspects of coronary heart disease; (b) Decreased exercise tolerance in persons with peripheral vascular disease and lung disease; (c) Impairment of central nervous system functions; and (d) Possible increased risk to fetuses.
	8-Hour	9 ppm (10 mg/m^3)	9 ppm (10 mg/m^3)	

Table 3-1 (concluded)
State and Federal Ambient Air Quality Standards

Pollutant	Averaging Time	State Standard[a]	Federal Primary Standard	Most Relevant Effects
Nitrogen Dioxide (NO_2)	1-Hour	0.18 ppm (339 µg/m^3)	0.100 ppm (188 µg/m^3)	(a) Potential to aggravate chronic respiratory disease and respiratory symptoms in sensitive groups; (b) Risk to public health implied by pulmonary and extra-pulmonary biochemical and cellular changes and pulmonary structural changes; and (c) Contribution to atmospheric discoloration.
	Annual Arithmetic Mean	0.030 ppm (57 µg/m^3)	0.053 ppm (100 µg/m^3)	
Sulfur Dioxide (SO_2)	1-Hour	0.25 ppm (655 µg/m^3)	75 ppb (196 µg/m^3)	Broncho-constriction accompanied by symptoms which may include wheezing, shortness of breath and chest tightness, during exercise or physical activity in persons with asthma.
	24-Hour	0.04 ppm (105 µg/m^3)	No Federal Standard	
Sulfates	24-Hour	25 µg/m^3	No Federal Standard	(a) Decrease in ventilatory function; (b) Aggravation of asthmatic symptoms; (c) Aggravation of cardio-pulmonary disease; (d) Vegetation damage; (e) Degradation of visibility; and (f) Property damage.
Hydrogen Sulfide (H_2S)	1-Hour	0.03 ppm (42 µg/m^3)	No Federal Standard	Odor annoyance.
Lead (Pb)	30-Day Average	1.5 µg/m^3	No Federal Standard	(a) Increased body burden; and (b) Impairment of blood formation and nerve conduction.
	Calendar Quarter	No State Standard	1.5 µg/m^3	
	Rolling 3-Month Average	No State Standard	0.15 µg/m^3	
Visibility Reducing Particles	8-Hour	Extinction coefficient of 0.23 per kilometer - visibility of ten miles or more due to particles when relative humidity is less than 70 percent.	No Federal Standard	The statewide standard is intended to limit the frequency and severity of visibility impairment due to regional haze. This is a visibility-based standard not a health-based standard. Nephelometry and AISI Tape Sampler; instrumental measurement on days when relative humidity is less than 70 percent.
Vinyl Chloride	24-Hour	0.01 ppm (26 µg/m^3)	No Federal Standard	Highly toxic and a known carcinogen that causes a rare cancer of the liver.

ppb = Parts Per Billion parts of air, by volume
ppm = Parts Per Million parts of air, by volume
µg/m3 = micrograms per cubic meter
mg/m3 = milligrams per cubic meter

[a] The California ambient air quality standards for O_3, CO, SO_2 (1-hour and 24-hour), NO_2, PM10, and PM2.5 are values not to be exceeded. All other California standards shown are values not to be equaled or exceeded.

Carbon Monoxide

CO is a primary pollutant, meaning that it is directly emitted into the air, not formed in the atmosphere by chemical reaction of precursors, as is the case with ozone and other secondary pollutants. Ambient concentrations of CO in the Basin exhibit large spatial and temporal variations due to variations in the rate at which CO is emitted and in the meteorological conditions that govern its transport and dilution. Unlike ozone, CO tends to reach high concentrations in the fall and winter months. Higher concentrations frequently occur on weekdays at times consistent with rush hour traffic and late night during the coolest, most stable portion of the day.

Individuals with a deficient blood supply to the heart are the most susceptible to the adverse effects of CO exposure. The effects observed include earlier onset of chest pain with exercise and electrocardiograph changes indicative of worsening oxygen supply to the heart. Inhaled CO has no direct toxic effect on the lungs but exerts its effect on tissues by interfering with oxygen transport, combining with hemoglobin present in the blood to form carboxyhemoglobin (COHb). Hence, conditions with an increased demand for oxygen supply can be adversely affected by exposure to CO. Individuals most at risk include patients with diseases involving heart and blood vessels, fetuses, and patients with chronic hypoxemia (oxygen deficiency) as seen at high altitudes. Reductions in birth weight and impaired neurobehavioral development have been observed in animals chronically exposed to CO resulting in COHb levels similar to those observed in smokers. Recent studies have found increased risks for adverse birth outcomes with exposure to elevated CO levels. These include preterm births and heart abnormalities.[10,11,12]

On August 12, 2011, U.S. EPA issued a decision to retain the existing NAAQS for CO, determining that those standards provided the required level of public health protection. However, U.S. EPA added a requirement for near-road CO monitoring in urban areas with population of one million or more, using stations established to meet the 2010 near-road NO_2 monitoring requirements. The two ~~new~~ CO monitors are at the I-5 near-road site, located in Orange County near Anaheim, and the I-10 near-road site, located near Etiwanda Avenue in San Bernardino County near Ontario, Rancho Cucamonga, and Fontana.

As summarized in Table 3-2, CO concentrations were measured at 18 locations in the South Coast Air Basin and neighboring Salton Sea Air Basin in 2025 but did not exceed the state or federal standards in 2025. The highest 1-hour average CO concentration recorded was 10.1 parts per million (ppm) at the West San Gabriel Valley station, less than the federal and state 1-hour CO standards of 35 ppm and 20 ppm, respectively. The highest 8-hour average CO concentration recorded was 5.6 ppm at the West San Gabriel Valley station, less than the federal and state 8-hour CO standards of 9.0 ppm. All areas within the South Coast AQMD's jurisdiction are in attainment for both the federal and state 1-hour and 8-hour CO standards.

[10] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants. https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.

[11] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.

[12] South Coast AQMD. 2005, May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.

Table 3-2
South Coast AQMD – 2025 Air Quality Data – CO[13]

CARBON MONOXIDE (CO)[a]				
Source Receptor Area No.	**Location of Air Monitoring Station**	**No. Days of Data**	**Max. Conc. 1-Hour in ppm**	**Max. Conc. 8-hour in ppm**
LOS ANGELES COUNTY				
1	Central Los Angeles	348	2.5	2.0
6	West San Fernando Valley	354	2.3	1.9
8	West San Gabriel Valley	361	10.1	5.6
9	East San Gabriel Valley 2	361	1.1	1.0
10	Pomona/Walnut Valley	363	1.6	1.2
11	South San Gabriel Valley	359	2.3	1.8
12	South Central Los Angeles County	358	5.3	3.2
13	Santa Clarita Valley	358	1.1	0.8
ORANGE COUNTY				
16	North Orange County	357	2.0	1.2
17	Central Orange County	361	1.8	1.6
17	I-5 Near Road##	348	2.1	1.7
RIVERSIDE COUNTY				
23	Metropolitan Riverside County 1	364	2.1	1.4
23	Metropolitan Riverside County 3	358	2.3	2.2
25	Lake Elsinore Area	356	1.0	0.7
30	Coachella Valley 1**	360	1.4	0.5
SAN BERNARDINO COUNTY				
33	I-10 Near Road##	358	1.4	1.3
34	Central San Bernardino Valley 1	358	1.6	1.2
34	Central San Bernardino Valley 2	346	2.1	1.7
DISTRICT MAXIMUM[(b)]			**10.1**	**5.6**
SOUTH COAST AIR BASIN[(c)]			**10.1**	**5.6**

ppm = Parts Per Million in air, by volume

**Salton Sea Air Basin , Coachella Valley 2 is closed and operations have moved to Coachella Valley 4

Four near-road sites measuring one or more of the pollutants $PM_{2.5}$, CO, and/or NO_2 are operating near the following freeways: I-5, I-10, CA-60, and I-710.

a The federal and state 8-hour CO standards (9 ppm and 9.0 ppm, respectively) along with the federal and state 1-hour CO standards (35 ppm and 20 ppm, respectively) were not exceeded.

b District Maximum is the maximum value calculated at any one station in the South Coast AQMD jurisdiction.

c Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin

[13] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.

Ozone

Ozone (O_3), a colorless gas with a sharp odor, is a highly reactive form of oxygen. High ozone concentrations exist naturally in the stratosphere. Stratospheric ozone partially mixes downward through the troposphere to the earth's surface; however, the extent of ozone transport in the South Coast AQMD jurisdiction is limited. On the earth's surface, ozone concentrations are normally ~~measured~~ very low at the sites remote from urban areas (e.g., from 0.03 ppm to 0.05 ppm).

Ozone is highly reactive with organic materials, causing damage to living cells. Ambient ozone concentrations in the Basin are frequently sufficient to cause health effects. Ozone enters the human body primarily through the respiratory tract and causes respiratory irritation and discomfort, makes breathing more difficult during exercise, and reduces the respiratory system's ability to remove inhaled particles and fight infection. Individuals exercising outdoors, children, and people with preexisting lung disease such as asthma and chronic pulmonary lung disease, are considered to be the most susceptible subgroups to ozone harmful exposure impacts. Short-term exposures (lasting for a few hours) to ozone at levels typically observed in Southern California can result in changes to breathing pattern, reduction of breathing capacity, increased susceptibility to infections, inflammation of the lung tissue, and some immunological changes. In recent years, a correlation between elevated ambient ozone levels and increases in daily hospital admission rates, as well as mortality, has also been reported. Studies show an increased risk for asthma in children who live in high ozone communities and participate in multiple outdoor sports. Elevated ozone levels are also correlated with increased school absences. Ozone exposure under exercising conditions is correlated with increase in the severity of the previously mentioned observed conditions. Animal studies suggest that exposures to a combination of pollutants which include ozone may be more toxic than exposure to ozone alone. Although lung volume and resistance changes observed after a single exposure diminish with repeated exposures to ozone, biochemical and cellular changes appear to persist, which can lead to subsequent lung structural changes.[14,15,16]

As summarized in Table 3-3, O_3 concentrations were measured at 24 locations in the South Coast Air Basin and the Coachella Valley portion of the Salton Sea Air Basin in 2025. Maximum ozone concentrations for all areas monitored were below the stage 1 episode level (0.20 ppm) and below the health advisory level (0.15 ppm). All counties in the Basin, as well as the Coachella Valley, exceeded the level of the 2015 federal 8-hour O_3 standard (0.070 ppm), the state 1-hour O_3 standard (0.09 ppm), and the state 8-hour O_3 standard (0.070 ppm) in 2025. All but four monitoring stations (i.e., Northwest Coastal Los Angeles County station, South Coastal Los Angeles County station, Central Orange County station, and Temecula Valley station) exceeded the former 2008 federal 8-hour O_3 standard (0.075 ppm).

Maximum 1-hour average and 4th highest 8-hour average ozone concentrations were 0.130 ppm and 0.103 ppm, respectively (at the Central San Bernardino Valley 2 station and Central San Bernardino Mountains station, respectively), which are greater than the federal 1-hour and 8-hour ozone NAAQS of 0.12 ppm and 0.070 ppm, respectively. The federal 8-hour standard is met at an air quality monitor when the 3-year average of the annual fourth-highest daily maximum 8-hour average is less than 0.070 ppm. The maximum 1-hour concentration also exceeded the state 1-hour ozone standard of 0.09 ppm. All areas within South Coast AQMD's jurisdiction are in

[14] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.

[15] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.

[16] South Coast AQMD. 2005, May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.

nonattainment for both the federal and state 1-hour and 8-hour ozone standards with the exception of Coachella Valley being in attainment for the 1979 1-hour ozone standard.

Table 3-3
South Coast AQMD – 2025 Air Quality Data – O_3[17]

OZONE (O_3)[(a)]										
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. 1-hr Conc. in ppm	Max. 8-hr Conc. in ppm	4th High 8-hr Conc. ppm	No. Days Standard Exceeded				
						Federal (ppm)			State (ppm)	
						Old 1-hr > 0.12 ppm	Current 8-hr > 0.070 ppm	2008 8-hr > 0.075 ppm	Current 1-hr > 0.09 ppm	Current 8-hr > 0.070 ppm
LOS ANGELES COUNTY										
1	Central Los Angeles	340	0.116	0.084	0.072	0	6	2	2	6
2	Northwest Coastal LA County	359	0.086	0.070	0.059	0	0	0	0	0
4	South Coastal LA County 4	344	0.092	0.069	0.062	0	0	0	0	0
6	West San Fernando Valley	347	0.115	0.086	0.080	0	19	7	6	22
7	East San Fernando Valley	352	0.103	0.081	0.077	0	17	6	5	19
8	West San Gabriel Valley	341	0.108	0.084	0.083	0	20	9	11	20
9	East San Gabriel Valley 2	355	0.129	0.099	0.094	2	64	42	38	67
10	Pomona/Walnut Valley	353	0.126	0.099	0.092	1	44	25	22	48
11	South San Gabriel Valley	344	0.120	0.089	0.076	0	12	4	6	12
12	South Central Los Angeles County	345	0.093	0.076	0.065	0	1	1	0	1
13	Santa Clarita Valley	353	0.126	0.106	0.094	1	66	49	27	68
ORANGE COUNTY										
16	North Orange County	351	0.112	0.089	0.074	0	7	2	3	7
17	Central Orange County	347	0.093	0.069	0.059	0	0	0	0	0
RIVERSIDE COUNTY										
23	Metropolitan Riverside County 1	355	0.115	0.097	0.088	0	60	38	21	64
23	Metropolitan Riverside County 3	352	0.113	0.093	0.087	0	38	26	13	40
25	Lake Elsinore Area	348	0.108	0.089	0.078	0	17	11	4	19
26	Temecula Valley	350	0.078	0.065	0.064	0	0	0	0	0
29	Banning/San Gorgonio Pass	359	0.129	0.103	0.090	1	53	40	25	54
30	Coachella Valley 1**	356	0.105	0.092	0.085	0	43	22	5	46
30	Coachella Valley 4**	357	0.089	0.081	0.077	0	24	9	0	29
SAN BERNARDINO COUNTY										
34	Central San Bernardino Valley 1	349	0.123	0.106	0.095	0	70	48	29	72
34	Central San Bernardino Valley 2	338	0.130	0.107	0.102	2	82	68	45	84
35	East San Bernardino Valley	358	0.126	0.105	0.102	1	85	66	41	85
37	Central San Bernardino Mountains	357	0.127	0.112	0.103	1	90	73	41	91
DISTRICT MAXIMUM[(b)]			**0.130**	**0.112**	**0.103**	**2**	**90**	**73**	**45**	**91**
SOUTH COAST AIR BASIN[(c)]			**0.130**	**0.112**	**0.103**	**4**	**108**	**87**	**73**	**111**

ppm = Parts Per Million in air, by volume
**Salton Sea Air Basin, Coachella Valley 2 is closed and operations have moved to Coachella Valley 4

a The current (2015) O3 federal standard became effective December 28, 2015.
b District Maximum is the maximum value calculated at any one station in the South Coast AQMD jurisdiction.
c Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin.

[17] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.

Nitrogen Dioxide

NO_2 is a reddish-brown gas with a bleach-like odor. Nitric oxide (NO) is a colorless gas, formed from the nitrogen (N_2) and oxygen (O_2) in air under conditions of high temperature and high pressure which are generally present during combustion of fuels; NO reacts rapidly with the oxygen in air to form NO_2. NO_2 is responsible for the brownish tinge of polluted air. The two gases, NO and NO_2, are referred to collectively as NOx. In the presence of sunlight, NO_2 reacts to form nitric oxide and an atom of oxygen. The oxygen atom can react further to form O_3, via a complex series of chemical reactions involving hydrocarbons. Nitrogen dioxide may also react to form nitric acid (HNO_3) which reacts further to form nitrates, which are components of PM2.5 and PM10.

Population-based studies suggest that an increase in acute respiratory illness, including infections and respiratory symptoms in children (not infants), is ~~correlated~~ associated with long-term exposures to NO_2 at levels found in homes equipped with gas stoves, which are higher than ambient levels found in Southern California. Increase in resistance to air flow and airway contraction is observed after short-term exposure to NO_2 in healthy subjects. ~~Increase~~ Larger decreases in ~~the~~ lung function~~s failure is~~are observed in individuals with asthma and/or chronic obstructive pulmonary disease (e.g., chronic bronchitis, emphysema) than in healthy individuals, indicating a greater susceptibility of such subgroups. More recent studies have found associations~~correlations~~ between NO_2 exposures and cardiopulmonary mortality, decreased lung function, respiratory symptoms, and emergency room asthma visits. In animals, exposure to levels of NO_2 considerably higher than ambient concentrations resulted in increased susceptibility to infections, possibly due to the impact on the cells involved in maintaining immune functions. The severity of lung tissue damage associated with high levels of ozone exposure increases when animals are exposed to a combination of ozone and NO_2.[18,19,20]

With the revised NO_2 federal standard in 2010, near-road NO_2 measurements were required to be phased in for larger cities. The four near-road monitoring stations are: 1) I-5 near-road, located in Orange County near Anaheim; 2) I-710 near-road, located at Long Beach Blvd. in Los Angeles County near Compton and Long Beach; 3) State Route 60 (SR-60 or CA-60) near-road, located west of Vineyard Avenue near the San Bernardino/Riverside County border near Ontario, Mira Loma, and Upland; and 4) I-10 near-road, located near Etiwanda Avenue in San Bernardino County near Ontario, Rancho Cucamonga, and Fontana.

As summarized in Table 3-4, NO_2 concentrations were measured at 24 locations in the South Coast Air Basin and neighboring Salton Sea Air Basin in 2025 with no station exceeding the federal 1-hour standard (i.e., 100 ppb) in 2025. The highest annual average NO_2 concentration recorded was 24.7 ppb (at the I-10 Near Road station), which is less than the federal and state annual NO_2 standards of 53 ppb and 30 ppb, respectively. All areas within South Coast AQMD's jurisdiction are in attainment for both the federal and state 1-hour as well as the annual NO_2 standard.

[18] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants, https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.

[19] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.

[20] South Coast AQMD. 2005, May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.

Table 3-4
South Coast AQMD – 2025 Air Quality Data – NO_2[21]

NITROGEN DIOXIDE (NO_2)[a]					
Source Receptor Area No.	**Location of Air Monitoring Station**	**No. Days of Data**	**Max. 1-Hour Conc. in ppb**	**98th Percentile 1-Hour Conc. in ppb**	**Annual Average (AAM) Conc. ppb**
LOS ANGELES COUNTY					
1	Central Los Angeles	331	63.4	51.0	15.2
2	Northwest Coastal Los Angeles County	362	51.2	39.1	9.2
4	South Coastal Los Angeles County 4	360	52.3	45.1	9.8
4	I-710 Near Road##	365	71.3	63.8	19.2
6	West San Fernando Valley	356	58.3	42.9	10.1
7	East San Fernando Valley	364	55.7	46.2	12.1
8	West San Gabriel Valley	361	60.3	48.5	11.7
9	East San Gabriel Valley 2	363	52.1	43.5	8.0
10	Pomona/Walnut Valley	363	63.1	56.5	16.2
11	South San Gabriel Valley	346	61.8	50.1	13.9
12	South Central Los Angeles County	363	60.6	50.0	12.0
13	Santa Clarita Valley	360	49.5	29.0	8.2
ORANGE COUNTY					
16	North Orange County	348	53.5	43.5	10.4
17	Central Orange County	358	55.4	47.2	9.8
17	I-5 Near Road##	360	56.5	51.9	18.6
RIVERSIDE COUNTY					
23	Metropolitan Riverside County 1	358	55.6	47.4	12.3
23	Metropolitan Riverside County 3	350	52.8	45.1	11.0
25	Lake Elsinore Area	357	44.2	33.5	6.6
29	Banning/San Gorgonio Pass	359	49.6	44.1	8.0
30	Coachella Valley 1**	360	41.9	30.6	5.7
SAN BERNARDINO COUNTY					
33	CA-60 Near Road##	361	65.5	58.7	23.7
33	I-10 Near Road##	360	70.0	62.7	24.7
34	Central San Bernardino Valley 1	358	64.6	57.2	17.4
34	Central San Bernardino Valley 2	347	57.7	49.9	14.3
DISTRICT MAXIMUM(b)			**71.3**	**63.8**	**24.7**
SOUTH COAST AIR BASIN(c)			**71.3**	**63.8**	**24.7**

ppb = Parts Per Billion in air, by volume

**Salton Sea Air Basin, Coachella Valley 2 is closed and operations have moved to Coachella Valley 4

Four near-road sites measuring one or more of the pollutants $PM_{2.5}$, CO, and/or NO_2 are operating near the following freeways: I-5, I-10, CA-60, and I-710.

a The NO_2 federal 1-hour standard is 100 ppb and the annual standard is 0.0534 ppm (53.4 ppb). The state 1-hour and annual standards are 0.18 ppm and 0.030 ppm, respectively.

b District Maximum is the maximum value calculated at any one station in the South Coast AQMD jurisdiction.

c Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin.

[21] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.

Sulfur Dioxide

SO_2 is a colorless gas with a sharp odor. It reacts in the air to form sulfuric acid (H_2SO_4), which contributes to acid precipitation, and sulfates, which are components of PM10 and PM2.5. Most of the SO_2 emitted into the atmosphere is produced by burning sulfur-containing fuels.

A few minutes of exposure to low levels of SO_2 can result in airway constriction in some asthmatics. All asthmatics are sensitive to the effects of SO_2. In asthmatics, increase in resistance to air flow, as well as reduction in breathing capacity leading to severe breathing difficulties, is observed after acute higher exposure to SO_2. In contrast, healthy individuals do not exhibit similar acute responses even after exposure to higher concentrations of SO_2. Animal studies suggest that despite SO_2 being a respiratory irritant, it does not cause substantial lung injury at ambient concentrations. However, very high levels of exposure can cause lung edema (fluid accumulation), lung tissue damage, and sloughing off of cells lining the respiratory tract. Some population-based studies indicate that the mortality and morbidity effects ~~correlated~~ associated with exposure to fine particles show a similar ~~correlation~~ association with ambient SO_2 levels. In these studies, efforts to separate the effects of exposure to SO_2 from those of fine particles have not been successful. It is not clear whether the two pollutants act synergistically or one pollutant alone is the predominant factor.[22,23,24]

As summarized in Table 3-5, SO_2 concentrations were measured at four locations in 2025. No exceedances of 1-hour federal or state standards for SO_2 (75 ppb and 250 ppb, respectively) occurred in 2025 at any of the four locations monitored the Basin. The maximum 1-hour SO_2 concentration was 30.8 ppb (recorded at the Central Los Angeles station). The 99th percentile of 1-hour SO_2 concentration was 5.8 ppb (recorded at the South Coastal Los Angeles County 4 station). Though SO_2 concentrations remain well below the standards, SO_2 is a precursor to sulfate, which is a component of particulate matter (PM10 and PM2.5). Historical measurements showed concentrations to be well below standards and monitoring has been discontinued at other stations. All areas within South Coast AQMD's jurisdiction are in attainment for both the federal and state 1-hour SO_2 standards.

[22] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants, https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.

[23] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.

[24] South Coast AQMD. 2005. May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.

Table 3-5
South Coast AQMD – 2025 Air Quality Data – SO_2[25]

SULFUR DIOXIDE (SO_2)[a]				
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Maximum 1-Hour Conc. ppb	99th Percentile 1-Hour Conc. ppb
LOS ANGELES COUNTY				
1	Central Los Angeles	345	30.8	2.6
4	South Coastal Los Angeles County 4	355	8.1	5.8
RIVERSIDE COUNTY				
23	Metropolitan Riverside County 1	360	5.0	1.9
SAN BERNARDINO COUNTY				
34	Central San Bernardino Valley 1	341	4.4	2.6
DISTRICT MAXIMUM[(b)]			**30.8**	**5.8**
SOUTH COAST AIR BASIN[(c)]			**30.8**	**5.8**

ppb = Parts Per Billion in air, by volume

a The federal SO2 1-hour standard is 75 ppb (0.075 ppm). The state standards are 1-hour average SO2 > 0.25 ppm (250 ppb) and 24-hour average SO2 > 0.04 ppm (40 ppb).
b District Maximum is the maximum value calculated at any station in the South Coast AQMD jurisdiction.
c Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin. Statistics in concentration units are simply the maximum value at any station in the South Coast Air Basin.

Particulate Matter (PM10 and PM2.5)

Particles small enough to be inhaled into the deepest parts of the lung are of great concern to public health. Respirable particles (particulate matter less than 10 micrometers in diameter, known as PM10) can accumulate in the respiratory system and aggravate health problems such as asthma, bronchitis, and other lung diseases. Children, the elderly, exercising adults, and those suffering from asthma are especially vulnerable to adverse health effects of particulate matter.

A consistent correlation between elevated ambient fine particulate matter (PM2.5) levels and an increase in mortality rates, respiratory infections, number and severity of asthma attacks, and the number of hospital admissions has been observed in different parts of the United States and various areas around the world. Studies have reported an association between long-term exposure to air pollution dominated by PM2.5 and increased mortality, reduction in lifespan, and an increased mortality from lung cancer. Daily fluctuations in PM2.5 concentrations have also been ~~correlated~~ related ~~with~~ to hospital admissions for acute respiratory conditions, to school and kindergarten absences, to a decrease in respiratory function in normal children, and to increased medication use in children and adults with asthma. Studies have also shown that lung function growth in children is reduced with long-term exposure to particulate matter. In addition to children, the elderly and people with preexisting respiratory and/or cardiovascular disease appear to be more susceptible to the effects of exposure to PM10 and PM2.5.[26,27,28]

[25] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.
[26] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants, https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.
[27] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.
[28] South Coast AQMD. 2005, May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.

As summarized in Table 3-6, PM10 concentrations were measured at 17 locations in 2025. While the Coachella Valley Portion of the Salton Sea Air Basin is in nonattainment, the South Coast Air Basin has remained in attainment for the federal 24-hour PM10 standard (i.e., 150 µg/m^3) since 2006, and it was neither exceeded in 2025. The maximum 24-hour PM10 concentration of 154 µg/m^3 was recorded at the Coachella Valley 3 station~~, but this high reading was attributed to high winds and is excluded in accordance with the U.S. EPA Exceptional Event Rule~~. Some measurements were greater than this level but the data is excluded from statistics because they are likely caused by high wind fugitive dust from natural lands and likely meet exclusion criteria specified in the U.S. EPA Exceptional Event Rule. Also, due to rounding considerations, the federal standard is technically 155 µg/m^3. The state 24-hour PM10 standard (i.e., 50 µg/m^3) was exceeded at several of the monitoring stations. All areas within South Coast AQMD's jurisdiction are in nonattainment for the state 24-hour PM10 standard, which was exceeded at 14 of the monitoring stations in 2025.

The maximum annual average PM10 concentration of 39 µg/m^3 was recorded at the Metropolitan Riverside County 3 station. The federal annual PM10 standard has been revoked. The state annual PM10 standard (i.e., 20 µg/m^3) was exceeded in most stations in each county in the Basin and in the Coachella Valley. All areas within South Coast AQMD's jurisdiction are in nonattainment for the state annual PM10 standard, which was exceeded at most stations in each county in the South Coast Air Basin and in the Coachella Valley in 2025.

On December 14, 2012, U.S. EPA strengthened the annual NAAQS for PM2.5 to 12 µg/m^3 and, as part of the revisions, a requirement was established to monitor PM2.5 near the most heavily trafficked roadways in large urban areas. Particle pollution is expected to be higher along these roadways because of direct emissions from cars and heavy-duty diesel trucks and buses. South Coast AQMD installed the two required PM2.5 monitors at locations selected based upon the heavy-duty diesel traffic, which are: 1) I-710, located at Long Beach Blvd. in Los Angeles County near Compton and Long Beach; and 2) SR-60 near-road, located west of Vineyard Avenue near the San Bernardino/Riverside County border near Ontario, Mira Loma, and Upland. On February 7, 2024, U.S. EPA strengthened the annual NAAQS for PM2.5 to 9 µg/m^3.

As summarized in Table 3-7, PM2.5 concentrations were measured at 16 locations in 2025. While the Coachella Valley Portion of the Salton Sea Air Basin is in attainment, the South Coast Air Basin is in nonattainment for federal and state PM2.5 standards. The maximum 98th percentile 24-hour PM2.5 concentration of 38.8 µg/m^3 was recorded at the Metropolitan Riverside County 3 station, greater than the federal 24-hour PM2.5 standard of 35 µg/m^3. There is no state 24-hour standard for PM2.5. The maximum annual average PM2.5 concentration of 12.99 µg/m^3 was recorded at the CA-60 Near Road station, greater than the federal and state annual PM2.5 standard of 12 µg/m^3.

Table 3-6
South Coast AQMD – 2025 Air Quality Data – PM10[29]

SUSPENDED PARTICULATE MATTER PM10 [a]						
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. 24-hour Conc. µg/m³	No. (%) Samples Exceeding		Annual Average Conc.[b] (AAM), µg/m³
				Federal 24-hour > 150 µg/m³	State 24-hour > 50 µg/m³	
LOS ANGELES COUNTY						
1	Central Los Angeles	360	128	0 (0%)	9 (3%)	25.7
4	South Coastal Los Angeles County 3	355	123	0 (0%)	34 (10%)	33.3
4	South Coastal Los Angeles County 4	352	119	0 (0%)	10 (3%)	23.7
9	East San Gabriel Valley 2	355	136	0 (0%)	3 (1%)	25.3
13	Santa Clarita Valley	61	81	0 (0%)	1 (2%)	20.7
ORANGE COUNTY						
17	Central Orange County	361	108	0 (0%)	9 (2%)	22.6
RIVERSIDE COUNTY						
23	Metropolitan Riverside County 1	360	84	0 (0%)	30 (8%)	32.5
23	Metropolitan Riverside County 3	355	108	0 (0%)	91 (26%)	39.0
25	Lake Elsinore Area	350	94	0 (0%)	6 (2%)	22.9
29	Banning/San Gorgonio Pass	56	40	0 (0%)	0 (0%)	18.8
30	Coachella Valley 1**	365	128	0 (0%)	7 (2%)	20.0
30	Coachella Valley 3**	350	154	0 (0%)	74 (21%)	38.9
30	Coachella Valley 4**	345	133	0 (0%)	50 (15%)	35.9
SAN BERNARDINO COUNTY						
34	Central San Bernardino Valley 1	360	112	0 (0%)	65 (18%)	35.5
34	Central San Bernardino Valley 2	346	112	0 (0%)	34 (10%)	33.5
35	East San Bernardino Valley	59	44	0 (0%)	0 (0%)	21.7
37	Central San Bernardino Mountains	55	38	0 (0%)	0 (0%)	14.9
DISTRICT MAXIMUM[(c)]			**154**	**0**	**91**	**39.0**
SOUTH COAST AIR BASIN[(d)]			**136**	**0**	**126**	**39.0**

µg/m^3 = micrograms per cubic meter of air
AAM = Annual Arithmetic Mean
**Salton Sea Air Basin, Coachella Valley 2 is closed and operations have moved to Coachella Valley 4

a PM10 statistics listed above are based on combined Federal Reference Method (FRM) and Federal Equivalent Method (FEM) data. High PM10 (≥ 155 µg/m3) data recorded in the Coachella Valley and the Basin (due to high winds) are excluded because they likely meet the exclusion criteria specified in the U.S. EPA Exceptional Event Rule. Exceptional event demonstrations will be submitted to U.S. EPA for events that have regulatory significance.
b State annual average (AAM) PM10 standard is > 20 µg/m3. Federal annual PM10 standard (AAM > 50 µg/m3) was revoked in 2006.
c District Maximum is the maximum value calculated at any station in the South Coast AQMD jurisdiction.
d Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin. Statistics in concentration units are simply the maximum value at any station in the South Coast Air Basin.

[29] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.

Table 3-7
South Coast AQMD – 2025 Air Quality Data – PM2.5[30]

SUSPENDED PARTICULATE MATTER PM2.5 [a]						
Source Receptor Area No.	**Location of Air Monitoring Station**	**No. Days of Data**	**Max. 24-hour Conc. µg/m³**	**98th Percentile 24-hr Conc. in µg/m³**	**No. (%) Samples Exceeding Federal 24-hour Standard > 35 µg/m³**	**Annual Average Conc.[b] (AAM) (µg/m³)**
LOS ANGELES COUNTY						
1	Central Los Angeles	330	54.6	35.4	5 (2%)	11.88
4	South Coastal Los Angeles County 4	352	43.9	23.4	3 (1%)	10.10
4	I-710 Near Road##	331	57.4	32.1	4 (1%)	11.86
6	West San Fernando Valley	110	45.1	22.3	1 (1%)	9.45
8	West San Gabriel Valley	113	37.6	29.5	1 (1%)	10.65
11	South San Gabriel Valley	118	43.5	32.7	2 (2%)	12.28
12	South Central Los Angeles County	294	56.0	37	6 (2%)	12.38
ORANGE COUNTY						
17	Central Orange County	362	55.6	33.2	5 (1%)	10.48
RIVERSIDE COUNTY						
23	Metropolitan Riverside County 1	362	59.7	34.3	7 (2%)	11.36
23	Metropolitan Riverside County 3	359	76.7	38.8	11 (3%)	12.65
30	Coachella Valley 1**	120	16.2	11.7	0 (0%)	5.57
30	Coachella Valley 4**	358	25.0	16	0 (0%)	6.80
SAN BERNARDINO COUNTY						
33	CA-60 Near Road##	358	71.3	36	8 (2%)	12.99
34	Central San Bernardino Valley 1	119	43.2	33.1	1 (1%)	12.15
34	Central San Bernardino Valley 2	120	49.6	35.2	2 (2%)	11.72
38	East San Bernardino Mountains	348	24.1	16.4	0 (0%)	5.50
DISTRICT MAXIMUM[(c)]			**76.7**	**38.8**	**11**	**12.99**
SOUTH COAST AIR BASIN[(d)]			**76.7**	**38.8**	**17**	**12.99**

µg/m^3 = micrograms per cubic meter of air
AAM = Annual Arithmetic Mean
**Salton Sea Air Basin, Coachella Valley 2 is closed and operations have moved to Coachella Valley 4
Four near-road sites measuring one or more of the pollutants $PM_{2.5}$, CO, and/or NO_2 are operating near the following freeways: I-5, I-10, CA-60, and I-710.

a The PM2.5 statistics presented above represent FRM data, supplemented with FEM or special purpose monitor PM2.5 measurements to fill in for missing FRM values — except in West San Fernando Valley, South San Gabriel Valley, West San Gabriel Valley, Coachella Valley 1, and Central San Bernardino Valley, where only FRM data are used. FEM PM2.5 data that are not eligible for comparisons to the National Ambient Air Quality Standards are excluded, including Central LA, I-710 Near Road and South Central LA County. PM2.5 measurements above the annual average attributed to fireworks and wildfires are excluded because they likely meet the exclusion criteria specified in the U.S. EPA Exceptional Event Rule. Exceptional event demonstrations will be submitted to U.S. EPA for events that have regulatory significance.

b Federal standards are annual average (AAM) >9.0 µg/m³ and state standards are annual average (AAM) > 12.0 µg/m³.

c District Maximum is the maximum value calculated at any station in the South Coast AQMD jurisdiction.

d Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin. Statistics in concentration units are simply the maximum value at any station in the South Coast Air Basin.

[30] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.

Lead

Under the federal Clean Air Act, lead is classified as a "criteria pollutant". Exposure to lead causes observed adverse health effects at ambient concentrations. Lead is also deemed a carcinogenic toxic air contaminant (TAC) by OEHHA. Lead in the atmosphere is a mixture of several lead compounds. Leaded gasoline and lead smelters have been the main sources of lead emitted into the air. Due to the phasing out of leaded gasoline, there was a substantial reduction in atmospheric lead concentrations in the Basin over the past three decades. In fact, there were no violations of the lead standards at South Coast AQMD's regular air monitoring stations from 1982 to 2025, primarily due to the removal of lead from gasoline.

Fetuses, infants, and children are more sensitive than others to the adverse effects of lead exposure. Exposure to low levels of lead can adversely affect the development and function of the central nervous system, leading to learning disorders, distractibility, inability to follow simple commands, and lower intelligence quotient. In adults, increased lead levels are ~~correlated~~ associated with increased blood pressure. Lead poisoning can cause anemia, lethargy, seizures, and death. However, no direct effects on the respiratory system have been identified from exposure to lead. Lead can be stored in the bone from early-age environmental exposure, and elevated levels of lead in blood can occur due to breakdown of bone tissue during pregnancy, hyperthyroidism (increased secretion of hormones from the thyroid gland), and osteoporosis (breakdown of bone tissue). Fetuses and breast-fed babies can be exposed to higher levels of lead because of previous environmental lead exposure of their mothers.[31, 32 33]

As summarized in Table 3-8, South Coast AQMD monitored lead concentrations at five monitoring stations in 2025. The South Coast Air Basin (Los Angeles County area) is currently in nonattainment for lead. This nonattainment designation was due to the operations of specific stationary sources of lead emissions. The Mojave Desert Air Basin, the South Coast Air Basin outside of Los Angeles County, and Salton Sea Air Basin are ~~both~~all in attainment for lead. Stringent South Coast AQMD rules governing lead-producing sources will help to ensure that there are no future violations of the federal standard. The current lead concentrations in Los Angeles County are below the federal 3-month rolling average standard of 0.15 $\mu g/m^3$. Further, the state 30-day standard of 1.5 $\mu g/m^3$ was not exceeded in any areas under the jurisdiction of the South Coast AQMD in 2025.

Sulfates

Sulfates are chemical compounds which contain the sulfate ion and are part of the mixture of solid materials which make up PM10. Most of the sulfates in the atmosphere are produced by oxidation of sulfur dioxide (SO_2). Oxidation of sulfur dioxide yields sulfur trioxide (SO_3), which reacts with water to form sulfuric acid, which then contributes to acid deposition. The reaction of sulfuric acid with basic substances such as ammonia yields sulfates, a component of PM10 and PM2.5.

Most of the health effects associated with exposure to fine particles and SO_2 at ambient levels are also correlated with sulfates. Both mortality and morbidity effects have been observed with an

[31] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants, https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.

[32] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.

[33] South Coast AQMD. 2005, May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.

increase in ambient sulfate concentrations. However, efforts to separate the effects of sulfates from the effects of other pollutants have generally not been successful.[34,35,36]

As summarized in Table 3-8, South Coast AQMD monitored sulfate at four monitoring stations in 2025. The state 24-hour sulfate standard of 25 µg/m^3 was not exceeded in the South Coast Air Basin, which is in attainment for sulfate. The Mojave Desert Air Basin and Salton Sea Air Basin are also in attainment for sulfate. There are no federal sulfate standards.

Table 3-8
South Coast AQMD – 2025 Air Quality Data – Lead and Sulfates[37]

		LEAD[a]		SULFATES[b]	
Source Receptor Area No.	**Location of Air Monitoring Station**	**Max. Monthly Average Conc. µg/m^3**	**Max. 3-Month Rolling Average µg/m^3**	**No. Days of Data**	**Max. Conc. µg/m^3, 24-hour**
LOS ANGELES COUNTY					
1	Central Los Angeles	0.014	0.010	31	5.6
11	South San Gabriel Valley	0.011	0.011	--	--
12	South Central Los Angeles County	0.012	0.010	--	--
ORANGE COUNTY					
17	Central Orange County	--	--	31	3.5
RIVERSIDE COUNTY					
23	Metropolitan Riverside County 1	0.008	0.008	31	2.8
SAN BERNARDINO COUNTY					
34	Central San Bernardino Valley 1	--	--	31	3.0
34	Central San Bernardino Valley 2	0.011	0.01	--	--
DISTRICT MAXIMUM[(c)]		**0.014**	**0.011**		**5.6**
SOUTH COAST AIR BASIN[(d)]		**0.014**	**0.011**		**5.6**

µg/m^3 = micrograms per cubic meter of air
-- Pollutant not monitored

a Lead is measured in Total Suspended Particulate (TSP) samples. Federal lead standard is 3-months rolling average > 0.15 µg/m3; state standard is monthly average > 1.5 µg/m^3. Note 3-month averages include data from November and December 2024. Higher lead concentrations were recorded at near-source monitoring sites immediately downwind of stationary lead sources. Maximum monthly and 3-month rolling averages recorded at near-source sites were 0.023 µg/m3 and 0.019 µg/m3, respectively. Lead standards were not exceeded at any site.
b State 24-hour sulfate standard is ≥ 25 µg/m^3. There is no federal standard for sulfate.
c District Maximum is the maximum value calculated at any station in the South Coast AQMD jurisdiction.
d Statistics are calculated with a dataset that aggregates the highest concentration at any station in the South Coast Air Basin for each day and pollutant. Therefore, concentrations are the maximum value observed at any station in the South Coast Air Basin. Number of daily exceedances are the total number of days that the indicated concentration is exceeded at any station in the South Coast Air Basin. Statistics in concentration units are simply the maximum value at any station in the South Coast Air Basin.

[34] U.S. Environmental Protection Agency. 2020. Criteria Air Pollutants. https://www.epa.gov/criteria-air-pollutants, accessed on August 21, 2026.
[35] South Coast AQMD. 2015. Health Effects of Air Pollution. http://www.aqmd.gov/docs/default-source/publications/brochures/the-health-effects-of-air-pollution-brochure.pdf, accessed on August 21, 2026.
[36] South Coast AQMD. 2005, May. Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. https://www.aqmd.gov/home/research/guidelines/planning-guidance/guidance-document, accessed on August 21, 2026.
[37] South Coast AQMD, 2026. 2025 Air Quality, South Coast Air Quality Management District, Historical Air Quality Data for Year 2025; accessed on September 16, 2026 at: https://www.aqmd.gov/docs/default-source/air-quality/2025-air-quality-data-tables.pdf.

Vinyl Chloride

Vinyl chloride is a colorless, flammable gas at ambient temperature and pressure. It is also highly toxic and is classified by the American Conference of Governmental Industrial Hygienists (ACGIH) as A1 (confirmed carcinogen in humans) and by the International Agency for Research on Cancer (IARC) as 1 (known to be a human carcinogen).[38] At room temperature, vinyl chloride is a gas with a sickly-sweet odor that is easily condensed. However, it is stored as a liquid. Due to the hazardous nature of vinyl chloride to human health there are no end products that use vinyl chloride in its monomer form. Vinyl chloride is a chemical intermediate, not a final product. It is an important industrial chemical chiefly used to produce polymer polyvinyl chloride (PVC). The process involves vinyl chloride liquid fed to polymerization reactors where it is converted from a monomer to a polymer PVC. The final product of the polymerization process is PVC in either a flake or pellet form. Billions of pounds of PVC are sold on the global market each year. From its flake or pellet form, PVC is sold to companies that heat and mold the PVC into end products such as PVC pipe and bottles.

In the past, vinyl chloride emissions have been associated primarily with sources such as landfills. Risks from exposure to vinyl chloride are considered to be localized impacts rather than regional impacts. Because landfills in the South Coast AQMD are subject to Rule 1150.1 – Control of Gaseous Emissions from Municipal Solid Waste Landfills, which contain stringent requirements for landfill gas collection and control, potential vinyl chloride emissions are expected to be below the level of detection. Therefore, South Coast AQMD does not monitor for vinyl chloride at its monitoring stations.

Volatile Organic Compounds

There are no state or NAAQS for VOCs because they are not classified as criteria pollutants. VOCs are regulated, however, because VOCs are a precursor to the formation of ozone in the atmosphere. VOCs are also transformed into organic aerosols in the atmosphere, contributing to higher PM10 and lower visibility levels.

Although health-based standards have not been established for VOCs, health effects can occur from exposures to high concentrations of VOCs because of interference with oxygen uptake. In general, ambient VOC concentrations in the atmosphere are suspected to cause coughing, sneezing, headaches, weakness, laryngitis, and bronchitis, even at low concentrations. Some hydrocarbon components classified as VOC emissions are thought or known to be hazardous. Benzene, for example, one hydrocarbon component of VOC emissions, is known to be a human carcinogen.

Non-Criteria Pollutants

Although South Coast AQMD's primary mandate is attaining the state and NAAQS for criteria pollutants within the Basin, South Coast AQMD also has a general responsibility pursuant to Health and Safety Code Section 41700 to control emissions of air contaminants and prevent endangerment to public health. Additionally, state law requires South Coast AQMD to implement ATCMs adopted by CARB and to implement the Air Toxics "Hot Spots" Act. As a result, South Coast AQMD has regulated pollutants other than criteria pollutants such as TACs, GHGs, and stratospheric ozone depleting compounds. South Coast AQMD has developed several rules which are designed to control non-criteria pollutants from both new and existing sources. These rules

[38] International Agency for Research on Cancer. Vinyl Chloride Exposure Data, https://monographs.iarc.who.int/wp-content/uploads/2018/06/mono100F-31.pdf, accessed on June 10, 2022.

originated through state directives, CAA requirements, or the South Coast AQMD rulemaking process.

In addition to promulgating non-criteria pollutant rules, South Coast AQMD has been evaluating control measures in the ~~2016~~ 2022 AQMP as well as existing rules to determine whether they would affect, either positively or negatively, emissions of non-criteria pollutants. For example, rules which target the VOC components of coating materials and that allow for the replacement of the VOC components with a non-photochemically reactive chlorinated substance would reduce the impacts resulting from ozone formation but could increase emissions of toxic compounds or other substances that may have adverse impacts on human health.

Carcinogenic Health Risks from TACs: One of the primary health risks of concern due to exposure to TACs is the risk of contracting cancer. The carcinogenic potential of TACs is a public health concern because it is currently believed by many scientists that there is no 'safe' level of exposure to carcinogens. Any exposure to a carcinogen poses some risk of causing cancer. It is currently estimated that about one in four deaths in the United States is attributable to cancer. The proportion of cancer deaths attributable to air pollution has not been estimated using epidemiological methods.

Non-cancer Health Risks from TACs: Unlike carcinogens, for most non-carcinogens it is believed that there is a threshold level of exposure to the compound below which it will not pose a health risk. CalEPA's OEHHA develops Reference Exposure Levels (RELs) for TACs are health-conservative estimates of the levels of exposure at or below which health effects are not expected. The non-cancer health risk due to exposure to a TAC is assessed by comparing the estimated level of exposure to the REL. The comparison is expressed as the ratio of the estimated exposure level to the REL, called the hazard index (HI).

Multiple Air Toxics Exposure Study (MATES): In 1986, South Coast AQMD conducted the first MATES report to determine the risks associated with major airborne carcinogens in the South Coast Air Basin. Four MATES studies have -been published since then, with MATES V[39] the most recently completed and ~~T~~the sixth study, ~~most current version (~~MATES VI[40]~~)~~, currently being conducted to update data for the 2025 to 2026 study period. MATES VI consists of a monitoring program, an updated emissions inventory of TACs, and a modeling effort to characterize risk across the South Coast Air Basin. The study focuses on the carcinogenic risk and chronic non-cancer health risk from exposure to air toxics but does not estimate mortality or other health effects from criteria pollutant exposures which are conducted as part of the ~~2016~~ AQMP. ~~Two~~ Several key updates ~~were~~ are being implemented in MATES VI. ~~First,~~Monitoring at two near-road sites, at Ontario near State Route 60 and Long Beach near State Route 710, and at a site in the Coachella Valley is being conducted for the first time in a MATES campaign. ~~cancer risk estimations now account for multiple exposure pathways~~South Coast AQMD is studying Ethylene Oxide (EtO) risks through a comprehensive measurement study including one in six-day, 24-hour integrated sampling at all stations and continuous monitoring using Tunable Infrared Laser Direct Absorption Spectrometer (TILDAS) instruments at one site in the South Coast Air Basin and two background sites in order to determine how much EtO originates from sources in the South Coast Air Basin.

[39] South Coast AQMD, MATES V, Multiple Air Toxics Exposure Study in the South Coast AQMD, Final Report, August 2021. http://www.aqmd.gov/docs/default-source/planning/mates-v/mates-v-final-report.pdf, accessed on August 21, 2026.

[40] MATES VI Multiple Air Toxics Exposure Study, https://www.aqmd.gov/home/air-quality/air-quality-studies/health-studies/mates-vi Accessed on October 13, 2026

~~Previous MATES studies quantified the cancer risks based on the inhalation pathway only; a cumulative cancer risk accounting for inhalation and non-inhalation pathways is approximately eight percent higher than the inhalation-only calculation for the MATES V data. Second, along with cancer risk estimates, MATES V includes information on the chronic non-cancer health impacts from inhalation and non-inhalation pathways for the first time. The cumulative chronic hazard index accounting for the inhalation and non-inhalation pathways is approximately twice the inhalation-only calculation for the MATES V data.~~ South Coast AQMD is also conducting an initial evaluation of brake and tire wear particle contribution to particulate matter. As vehicle exhaust emissions have decreased due to emission controls, non-exhaust emissions make up a larger fraction of emissions and thus it is important to evaluate their impacts on particulate matter and air toxics.

3.2.2 GREENHOUSE GAS EMISSIONS

Greenhouse gases trap heat in the atmosphere, which in turn heats the surface of the Earth. Some GHGs occur naturally and are emitted to the atmosphere through natural processes, while others are created and emitted solely through human activities. The latter, anthropogenic sources of GHGs, is the focus of impacts under CEQA. Traditionally, GHGs and other global warming pollutants are perceived as solely global in their impacts, and that increasing emissions anywhere in the world contributes to climate change anywhere in the world. A study conducted on the health impacts of CO_2 'domes' that form over urban areas showed that they cause increases in local temperatures and local criteria pollutants, which have adverse health effects.[42]

3.2.2.1 Climate Change

Global climate change is a change in the average weather of the Earth, which can be measured by wind patterns, storms, precipitation, and temperature. Historical records have shown that temperature changes have occurred in the past, such as during previous ice ages. Data indicates that the current temperature record differs from previous climate changes in rate and magnitude.

Gases that trap heat in the atmosphere are often called greenhouse gases, comparable to a greenhouse, which captures and traps radiant energy. GHGs are emitted by natural processes and human activities. The accumulation of greenhouse gases in the atmosphere regulates the earth's temperature. Global warming is the observed increase in average temperature of the earth's surface and atmosphere. The primary cause of global warming is an increase of GHGs in the atmosphere. The six major GHGs are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs), and perfluorocarbon (PFCs). The GHGs absorb longwave radiant energy emitted by the Earth, which warms the atmosphere. The GHGs also emit longwave radiation both upward to space and back down toward the surface of the Earth. The downward part of this longwave radiation emitted by the atmosphere is known as the "greenhouse effect." Emissions from human activities such as fossil fuel combustion for electricity production and vehicles have elevated the concentration of these gases in the atmosphere.

- **Carbon dioxide (CO_2)** is an odorless, colorless greenhouse gas. Natural sources include the following: decomposition of dead organic matter; respiration of bacteria, plants,

[42] Jacobsen, Mark Z. "Enhancement of Local Air Pollution by Urban CO_2 Domes," Environmental Science and Technology, as described in Stanford University press release on March 16, 2010 available at: https://web.stanford.edu/group/efmh/jacobson/Articles/V/CO2SOM0310.pdf, accessed on August 21, 2026.

animals, and fungus; evaporation from oceans; and volcanic outgassing. Anthropogenic (human caused) sources of CO_2 include burning coal, oil, gasoline, natural gas, and wood.

- **Methane (CH_4)** is a flammable gas and is the main component of natural gas.
- **Nitrous Oxide (N_2O)**, also known as laughing gas, is a colorless greenhouse gas. Some industrial processes such as fossil fuel-fired power plants, nylon production, nitric acid production, and vehicle emissions also contribute to the atmospheric load of N_2O.
- **Sulfur hexafluoride (SF_6)** is an inorganic, odorless, colorless, nontoxic, nonflammable gas. SF_6 is used for insulation in electric power transmission and distribution equipment, in the magnesium industry, in semiconductor manufacturing, and as a tracer gas for leak detection.
- **Hydrofluorocarbons (HFCs)** are synthetic man-made chemicals composed of hydrogen, fluorine, and carbon that are used as a substitute for chlorofluorocarbons (whose production was stopped as required by the Montreal Protocol) for use in automobile air conditioners and refrigerants.
- **Perfluorocarbons (PFCs)** are synthetic man-made chemicals composed of fluorine and carbon that are used as a substitute for chlorofluorocarbons in producing aluminum and manufacturing semiconductors

Scientific consensus, as reflected in recent reports issued by the United Nations Intergovernmental Panel on Climate Change, is that the majority of the observed warming over the last 50 years can be attributable to increased concentration of GHGs in the atmosphere due to human activities. Human activities are directly altering the chemical composition of the atmosphere through the buildup of climate change pollutants. In the past, gradual changes in temperature changed the distribution of species, availability of water, etc. However, human activities are accelerating this process so that environmental impacts associated with climate change no longer occur in a geologic time frame but in a human's lifetime. Industrial activities, particularly increased consumption of fossil fuels (gasoline, diesel, coal, etc.), have heavily contributed to the increase in atmospheric levels of GHGs. The United Nations Intergovernmental Panel on Climate Change constructed several emission trajectories of greenhouse gases needed to stabilize global temperatures and climate change impacts. It concluded that a stabilization of greenhouse gases at 400 to 450 ppm carbon dioxide-equivalent (CO_2eq) concentration is required to keep global mean warming below two degrees Celsius, which has been identified as necessary to avoid dangerous impacts from climate change.[43]

The potential health effects from global climate change may arise from temperature increases, climate-sensitive diseases, extreme events, air quality impacts, and sea level rise. There may be direct temperature effects through increases in average temperature leading to more extreme heat waves and less extreme cold spells. Those living in warmer climates are likely to experience more stress and heat-related problems (e.g., heat rash and heat stroke). In addition, climate sensitive diseases may increase, such as those spread by mosquitoes and other insects. Those diseases include malaria, dengue fever, yellow fever, and encephalitis. Extreme events such as flooding, hurricanes, and wildfires can displace people and agriculture, which would have negative consequences. Drought in some areas may increase, which would decrease water and food

[43] Intergovernmental Panel on Climate Change (IPCC). 2014. *Fifth Assessment Report: Climate Change 2014*. New York: Cambridge University Press, https://www.ipcc.ch/report/ar5/syr/, accessed on August 21, 2026.

availability. Global warming may also contribute to air quality problems from increased frequency of smog and particulate air pollution.44

The impacts of climate change will also affect projects in various ways. Effects of climate change are rising sea levels and changes in snowpack.[45] The extent of climate change impacts at specific locations remain unclear.

Federal, state, and local agencies are working towards more precisely quantifying impacts in various regions. As an example, the California Department of Water Resources is expected to formalize a list of foreseeable water quality issues associated with various degrees of climate change. Once state government agencies make these lists available, they could be used to more precisely determine to what extent a project creates global climate change impacts.

Statewide Inventory

GHG emissions in the state have been inventoried by CARB. As shown in Figure 3-1, CO_2 accounts for 80 percent of the total 404 million metric tons (MT) of CO_2eq emissions in the state in 2019. Figure 3-2 illustrates that transportation (primarily on-road travel) is the single largest source of CO_2 emissions in the state. Upstream transportation emissions from the refinery and oil and gas sectors are categorized as CO_2 emissions from industrial sources and constitute about 50 percent of the industrial source emissions. When these emissions sources are attributed to the transportation sector, the emissions from the transportation sector amount to approximately half of statewide GHG emissions. In addition to transportation, electricity production, industrial, and residential sources also are important contributors to CO_2 emissions. Figures 3-1 and 3-2 show state GHG emission contributions by GHG and sector based on the 2019 Greenhouse Gas Emission Inventory. The emissions presented in Figure 3-2 are depicted by Scoping Plan sector, which includes separate categories for high-global warming potential (GWP) and recycling/waste emissions that are otherwise typically included within other economic sectors.

[44] Center for Disease Control. 2016. Climate Change Decreases the Quality of the Air We Breathe. https://www.cdc.gov/climate-health/media/pdfs/AIR-QUALITY-Final_508_1.pdf, accessed on August 21, 2026.

[45] Office of Environmental Health Hazards Assessment, 2018. Indicators of Climate Change in California. https://oehha.ca.gov/media/downloads/climate-change/report/2018caindicatorsreportmay2018.pdf, accessed on August 21, 2026.

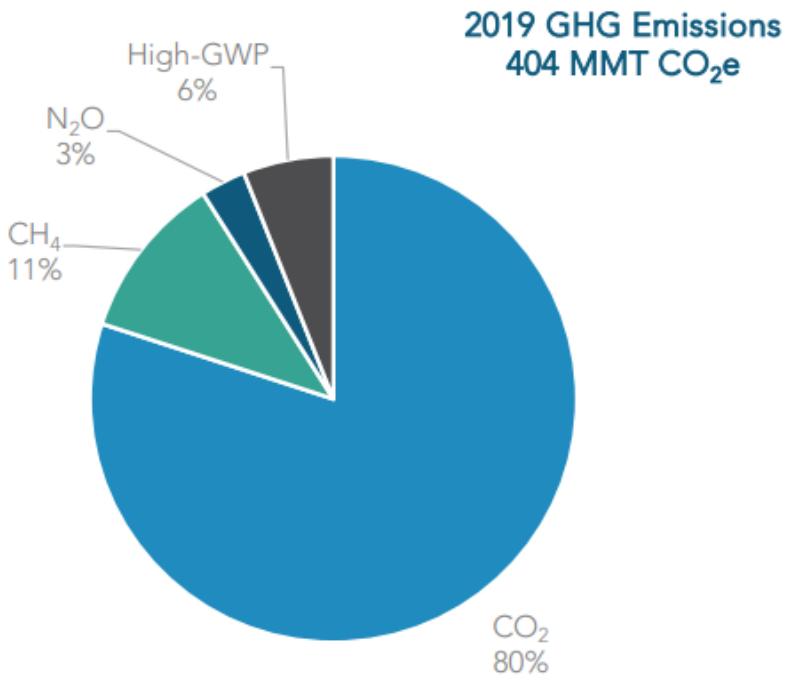

Figure 3-1
2019 Statewide GHG Emission Contributions by GHG[46]

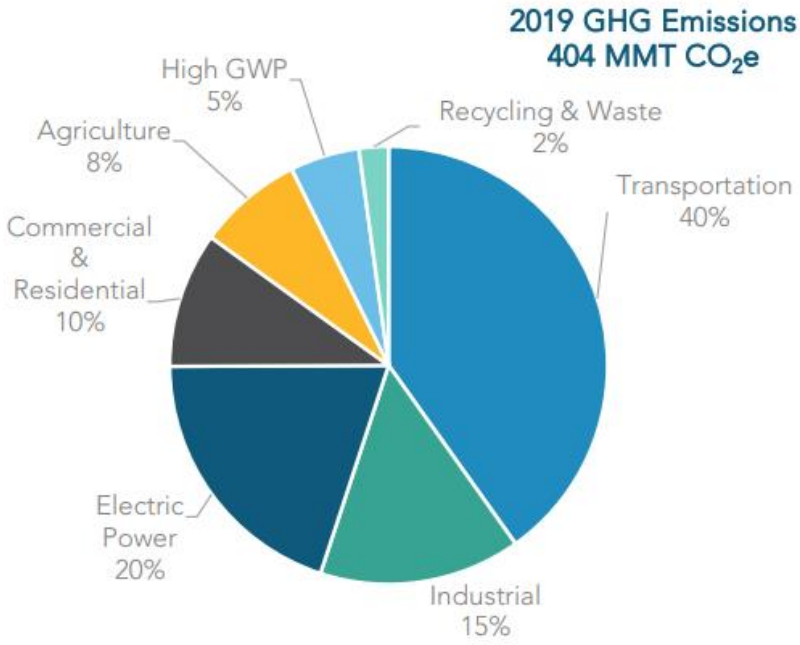

Figure 3-2
2019 Statewide GHG Emission Contributions by Scoping Plan Sector[47]

The GHG emission inventory encompasses emission sources within the state's border, as well as imported electricity consumed in the state. Statewide GHG emissions calculations use many data

[46] CARB, 2022. Final 2022 Scoping Plan for Achieving Carbon Neutrality, Figure 1-7, p. 55, https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf, accessed on September 16, 2026.
[47] CARB, 2022. Final 2022 Scoping Plan for Achieving Carbon Neutrality, Figure 1-8, p. 56, https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf, accessed on September 16, 2026.

sources, including data from other state and federal agencies. However, the primary source of data comes from reports submitted to CARB through the CARB Regulation for the Mandatory Reporting of GHG Emissions, which requires facilities and entities with more than 10,000 metric tons of CO_2eq to report emissions directly to CARB. Reported emissions greater than 25,000 metric tons are required to be verified by a CARB-accredited third-part verification body.

3.2.2.2 Regulatory Setting

3.2.2.2.1 Federal

Greenhouse Gas Endangerment Findings: On December 7, 2009, the U.S. EPA Administrator signed two distinct findings regarding greenhouse gases pursuant to the federal Clean Air Act (CAA) Section 202(a). The Endangerment Finding stated that CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6 taken in combination endanger both the public health and the public welfare of current and future generations. The *Cause or Contribute Finding* stated that the combined emissions from motor vehicles and motor vehicle engines contribute to the greenhouse gas air pollution that endangers public health and welfare. These findings were a prerequisite for implementing GHG standards for vehicles. The U.S. EPA and the National Highway Traffic Safety Administration (NHTSA) finalized emission standards for light-duty vehicles in May 2010 and for heavy-duty vehicles in August of 2011. Subsequently, the U.S. EPA rolled back the light duty GHG standards, a decision which is currently under litigation. In August 2021, the U.S. EPA proposed replacement GHG standards for light-duty vehicles and announced plans to reduce GHG emissions from heavy-duty trucks through a series of major rulemakings over the next three years with the first to be finalized in 2022.[48] On March 7, 2022, the U.S. EPA proposed the first step in the U.S. EPA's "Clean Trucks Plan" that would revise existing GHG standards for model year 2027 and beyond trucks in subsectors where electrification is advancing at a more rapid pace. The sectors include school buses, transit buses, commercial delivery trucks, and short-haul tractors.

Renewable Fuel Standard: The Renewable Fuel Standard (RFS) program was established under the Energy Policy Act (EPAct) of 2005 and required 7.5 billion gallons of renewable fuel to be blended into gasoline by 2012. Under the Energy Independence and Security Act (EISA) of 2007, the RFS program was expanded to include diesel, required that the volume of renewable fuel blended into transportation fuel be increased from nine billion gallons in 2008 to 36 billion gallons by 2022, established new categories of renewable fuel, and required U.S. EPA to apply lifecycle GHG performance threshold standards so that each category of renewable fuel emits fewer greenhouse gases than the petroleum fuel it replaces. In a separate measure, the U.S. EPA will be setting new GHG emission standards for heavy-duty vehicles as soon as model year 2030, which will more comprehensively address the long-term trend towards zero emission vehicles across the heavy-duty sector.[49]

GHG Tailoring Rule: On May 13, 2010, U.S. EPA finalized the GHG Tailoring Rule to phase in the applicability of the Prevention of Significant Deterioration (PSD) and Title V operating permit programs for GHGs. The GHG Tailoring Rule was tailored to include the largest GHG emitters, while excluding smaller sources (restaurants, commercial facilities and small farms). The first

[48] U.S. EPA, 2021. EPA to Overhaul Pollution Standards for Passenger Vehicles and Heavy-Duty Trucks, Paving Way for Zero-Emission Future, News Release, August 5, 2021. https://www.epa.gov/newsreleases/epa-overhaul-pollution-standards-passenger-vehicles-and-heavy-duty-trucks-paving-way, accessed on August 21, 2026.

[49] U.S. EPA, 2022. EPA Proposes Stronger Standards for Heavy-Duty Vehicles to Promote Clean Air, Protect Communities, and Support Transition to Zero-Emissions Future, News Release, March 7, 2022. https://www.epa.gov/newsreleases/epa-proposes-stronger-standards-heavy-duty-vehicles-promote-clean-air-protect, accessed on August 21, 2026.

phase (from January 2, 2011 to June 30, 2011) addressed the largest sources that contributed 65 percent of the stationary GHG sources. Title V GHG requirements were triggered only when affected facility owners/operators were applying, renewing or revising their permits for non-GHG pollutants. PSD GHG requirements were applicable only if sources were undergoing permitting actions for other non-GHG pollutants and the permitted action would increase GHG emission by 75,000 metric tons of CO_2 equivalent emissions (CO_2eq) per year or more. The Tailoring Rule originally included a second phase for sources that were not otherwise major sources but had the potential to emit 100,000 metric tons of CO_2eq per year. In 2014, the U.S. Supreme Court held that U.S. EPA was limited to phase 1.

GHG Reporting Program: U.S. EPA issued the Mandatory Reporting of Greenhouse Gases Rule (40 CFR Part 98) under the 2008 Consolidated Appropriations Act. The Mandatory Reporting of Greenhouse Gases Rule requires reporting of GHG data from large sources and suppliers under the Greenhouse Gas Reporting Program. Suppliers of certain products that would result in GHG emissions if released, combusted or oxidized; direct emitting source categories; and facilities that inject CO_2 underground for geologic sequestration or any purpose other than geologic sequestration are included. Facilities that emit 25,000 metric tons or more per year of GHGs as CO_2eq are required to submit annual reports to U.S. EPA.

Ozone-Depleting Substances: Under the CAA Title VI, the U.S. EPA is assigned responsibility for implementing programs that protect the stratospheric ozone layer. 40 CFR Part 82 contains U.S. EPA's regulations specific to protecting the ozone layer. These U.S. EPA regulations phase out the production and import of ozone-depleting substances (ODSs) consistent with the Montreal Protocol.[50] ODSs are typically used as refrigerants or as foam-blowing agents. ODS are regulated as Class I or Class II controlled substances. Class I substances have a higher ozone-depleting potential and have been completely phased out in the United States, except for exemptions allowed under the Montreal Protocol. Class II substances are HCFCs, which are transitional substitutes for many Class I substances and are being phased out.

3.2.2.2.2 State

Statewide GHG Reduction Targets

Executive Order S-3-05: In June 2005, Governor Schwarzenegger signed Executive Order S-3-05, which established emission reduction targets. The goals would reduce GHG emissions to 2000 levels by 2010, then to 1990 levels by 2020, and to 80 percent below 1990 levels by 2050.

Assembly Bill (AB) 32 – Global Warming Solutions Act: On September 27, 2006, AB 32, the California Global Warming Solutions Act of 2006, was signed by Governor Schwarzenegger. AB 32 expanded on Executive Order S-3-05. The California legislature stated that "global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California." AB 32 represented the first enforceable statewide program in the U.S. to cap all GHG emissions from major industries that includes penalties for non-compliance. While acknowledging that national and international actions will be necessary to fully address the issue of global warming, AB 32 laid out a program to inventory and reduce GHG emissions in California

[50] The Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol) is an international treaty designed to phase out halogenated hydrocarbons such as chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs), which are considered ODSs. The Montreal Protocol was first signed on September 16, 1987 and has been revised seven times. The U.S. ratified the original Montreal Protocol and each of its revisions.

and from power generation facilities located outside the state that serve California residents and businesses.

Consistent with the requirement to develop an emission reduction plan, CARB prepared a Scoping Plan indicating how GHG emission reductions will be achieved through regulations, market mechanisms, and other actions. The 2008 Scoping Plan called for reducing GHG emissions to 1990 levels by 2020. This means cutting approximately 30 percent from business-as-usual (BAU) emission levels projected for 2020, or about 15 percent from 2005 to 2008 levels.[51] However, as of January 1, 2020, SB 32 became the guiding GHG regulation.

Senate Bill (SB) 32 and AB 197: In September 2016, Governor Brown signed Senate Bill 32 and Assembly Bill 197, making the Executive Order goal of reducing GHG emissions to 40 percent below 1990 levels by 2030 into a statewide, mandated legislative target. AB 197 established a joint legislative committee on climate change policies and requires the CARB to prioritize direct emissions reductions rather than the market-based cap-and-trade program for large stationary, mobile, and other sources. CARB prepared a 2017 Climate Change Scoping Plan Update, which outlines potential regulations and programs, including strategies consistent with AB 197 requirements, to achieve the 2030 target. The 2017 Scoping Plan establishes a new emissions limit of 260 million $MTCO_2eq$ for the year 2030, which corresponds to a 40 percent decrease in 1990 levels by 2030.[52] On ~~May 10~~December 15, 2022, CARB adopted ~~released~~ the ~~Draft~~ Final 2022 Scoping Plan for Achieving Carbon Neutrality (Final 2022 Scoping Plan), ~~Update for public review and~~ which assessed progress toward the statutory 2030 target, while laying out a path to achieving carbon neutrality no later than 2045.

The major elements of the ~~Draft~~ Final 2022 Scoping Plan ~~Update~~ include: 1) "the aggressive reduction of fossil fuels wherever they are currently used in California, building on and accelerating carbon reduction programs that have been in place here for a decade and a half; and 2) re-envisioning of our forests, shrublands/chaparral, croplands, wetlands, and other lands (referred to as Natural and Working Lands) to ensure that they play as robust a role as possible in incorporating and storing more carbon in the trees, plants, soil, and wetlands that cover 90 percent of the state's 105 million acres. Specifically, the ~~Draft~~ Final 2022 Scoping Plan:

- Identifies a path to keep California on track to meet its SB 32 GHG reduction target of at least 40 percent below 1990 emissions by 2030.
- Identifies a technologically feasible, cost-effective path to achieve carbon neutrality by 2045 ~~or earlier~~ and a reduction in anthropogenic emissions by 85 percent below 1990 levels.
- Focuses on strategies for reducing California's dependency on petroleum to provide consumers with clean energy options that address climate change, improve air quality, and support economic growth and clean sector jobs.
- Integrates equity and protecting California's most impacted communities as a driving principle throughout the document.
- Incorporates the contribution of natural and working lands to the state's GHG emissions, as well as its role in achieving carbon neutrality.

[51] California Air Resources Board. 2008, December. Climate Change Scoping Plan, A Framework for Change.
[52] CARB, 2017, California's 2017 Climate Change Scoping Plan: The Strategy for Achieving California's 2030 Greenhouse Gas Target, https://www.arb.ca.gov/cc/scopingplan/2030sp_pp_final.pdf, accessed on August 21, 2026.

- Relies on the most up to date science, including the need to deploy all viable tools to address the existential threat that climate change presents, including carbon capture and sequestration as well a direct air capture.
- Evaluates the substantial health and economic benefits of taking actions.
- Identifies key implementation actions to ensure success~~multiple options for achieving our GHG and carbon neutrality targets, as well as the public health benefits and economic impacts associated with each~~.[53]

California's climate strategy will require contributions from all sectors of the economy, including enhanced focus on zero emission and near-zero emission (ZE/NZE) vehicle technologies; continued investment in renewables such as solar roofs, wind, and other types of distributed generation; greater use of low carbon fuels; integrated land conservation and development strategies; coordinated efforts to reduce emissions of short-lived climate pollutants (methane, black carbon, and fluorinated gases); and an increased focus on integrated land use planning to support livable, transit-connected communities and conserve agricultural and other lands. Requirements for GHG reductions at stationary sources complement local air pollution control efforts by the local air districts to tighten criteria air pollutants and TACs emissions limits on a broad spectrum of industrial sources. Major elements of the 2017 Scoping Plan framework include:

- Implementing and/or increasing the stringency of the standards for the various strategies covered under the Mobile Source Strategy, which include increasing ZE buses and trucks.
- Low Carbon Fuel Standard (LCFS), with an increased stringency (18 percent by 2030).
- Implementation of SB 350, which expands the Renewables Portfolio Standard (RPS) to 50 percent RPS and doubles energy efficiency savings by 2030.
- California Sustainable Freight Action Plan, which improves freight system efficiency and utilizes near-zero emission technology and deployment of ZE trucks.
- Implementing the proposed Short-Lived Climate Pollutant Strategy, which focuses on reducing methane and hydrofluorocarbon emissions by 40 percent and anthropogenic black carbon emissions by 50 percent by year 2030.
- Post-2020 Cap-and-Trade Program that includes declining caps.
- Continued implementation of SB 375.
- Development of a Natural and Working Lands Action Plan to secure California's land base as a net carbon sink.[54]

In addition to the statewide strategies listed above, the 2017 Climate Change Scoping Plan also identified local governments as essential partners in achieving the state's long-term GHG reduction goals and recommended local actions to reduce GHG emissions—for example, statewide targets of no more than six $MTCO_2eq$ or less per capita by 2030 and two $MTCO_2eq$ or less per capita by 2050. CARB recommends that local governments evaluate and adopt robust and quantitative locally appropriate goals that align with the statewide per capita targets and sustainable development objectives and develop plans to achieve the local goals. The statewide

[53] CARB 2022, ~~Draft~~ Final 2022 Scoping Plan for Achieving Carbon Neutrality~~Update~~, ~~May~~ December ~~10~~15, 2022, Executive Summary, https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp-es.pdf~~https://ww2.arb.ca.gov/sites/default/files/2022-05/2022-draft-sp.pdf~~, accessed on ~~August~~ October ~~21~~9, 2026.

[54] CARB, 2017. California's 2017 Climate Change Scoping Plan: The Strategy for Achieving California's 2030 Greenhouse Gas Target, https://www.arb.ca.gov/cc/scopingplan/2030sp_pp_final.pdf, accessed on August 21, 2026.

per capita goals were developed by applying the percent reductions necessary to reach the 2030 and 2050 climate goals (i.e., 40 percent and 80 percent, respectively) to the state's 1990 emissions limit established under AB 32. For CEQA projects, CARB states that lead agencies have discretion to develop evidenced-based numeric thresholds (mass emissions, per capita, or per service population) consistent with the Scoping Plan and the state's long-term GHG goals. To the degree a project relies on GHG mitigation measures, CARB recommends that lead agencies prioritize on-site design features that reduce emissions, especially from VMT, and direct investments in GHG reductions within the project's region that contribute potential air quality, health, and economic co-benefits. Where further project design or regional investments are infeasible or not proven to be effective, CARB recommends mitigating potential GHG impacts through purchasing and retiring carbon credits.[55]

The Scoping Plan scenario is set against what is called the business-as-usual (BAU) yardstick—that is, what would the GHG emissions look like if the state did nothing at all beyond the existing policies that are required and already in place to achieve the 2020 limit. It includes the existing renewables requirements, advanced clean cars, the LCFS, and the SB 375 program for more vibrant communities, among others. However, it does not include a range of new policies or measures that have been developed or put into statute over the past two years. The known commitments are expected to result in emissions that are 60 million $MTCO_2eq$ above the target in 2030. If the estimated GHG reductions from the known commitments are not realized due to delays in implementation or technology deployment, the post-2020 Cap-and-Trade Program would deliver the additional GHG reductions in the sectors it covers to ensure the 2030 target is achieved.

Mobile Sources

AB 1493 Vehicular Emissions: Prior to the U.S. EPA and NHTSA joint rulemaking, Governor Schwarzenegger signed Assembly Bill AB 1493 (2002). AB 1493 requires that CARB develop and adopt, by January 1, 2005, regulations that achieve "the maximum feasible reduction of greenhouse gases emitted by passenger vehicles and light-duty trucks and other vehicles determined by CARB to be vehicles whose primary use is noncommercial personal transportation in the state." CARB originally approved regulations to reduce GHGs from passenger vehicles in September 2004, with the regulations to take effect in 2009 (see amendments to CCR Title 13 Sections 1900 and 1961 (13 CCR 1900, 1961), and the adoption of CCR Title 13 Section 1961.1 (13 CCR 1961.1)). California's first request to the U.S. EPA to implement GHG standards for passenger vehicles was made in December 2005 and subsequently denied by the U.S. EPA in March 2008. The U.S. EPA then granted California the authority to implement GHG emission reduction standards for new passenger cars, pickup trucks, and sport utility vehicles on June 30, 2009. On April 1, 2010, CARB filed amended regulations for passenger vehicles as part of California's commitment toward the national program to reduce new passenger vehicle GHGs from 2012 through 2016. In 2012, CARB approved the Low-Emission Vehicle (LEV) III regulations which include increasingly stringent emission standards for both criteria pollutants and greenhouse gases for new passenger vehicles of manufacture years 2017 through 2025.[56]

Low Carbon Fuel Standard (LCFS): In the 2008 Scoping Plan, CARB identified the LCFS as one of the nine discrete early action GHG reduction measures. The LCFS is designed to decrease

[55] CARB, 2017. California's 2017 Climate Change Scoping Plan: The Strategy for Achieving California's 2030 Greenhouse Gas Target, https://www.arb.ca.gov/cc/scopingplan/2030sp_pp_final.pdf, accessed on August 21, 2026.

[56] CARB, Low-Emission Vehicle Greenhouse Gas Program, https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/lev-program/low-emission-vehicle-greenhouse-gas, accessed on August 21, 2026.

the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives, which reduce petroleum dependency and achieve air quality benefits. CARB approved the LCFS regulation in 2009 and began implementation on January 1, 2011 and has been amended several times since adoption. In 2018, CARB approved amendments to the regulation, which included strengthening and smoothing the carbon intensity benchmarks through 2030 in-line with California's 2030 GHG emission reduction target enacted through SB 32, adding new crediting opportunities to promote zero emission vehicle adoption, alternative jet fuel, carbon capture and sequestration, and advanced technologies to achieve deep decarbonization in the transportation sector. The LCFS is designed to encourage the use of cleaner low-carbon transportation fuels in California, encourage the production of those fuels, and therefore, reduce GHG emissions and decrease petroleum dependence in the transportation sector. The LCFS standards are expressed in terms of the 'carbon intensity' of gasoline and diesel fuel and their respective substitutes. The program is based on the principle that each fuel has 'lifecycle' greenhouse gas emissions that include CO_2, CH_4, N_2O, and other GHG contributors. This lifecycle assessment examines the GHG emissions associated with the production, transportation, and use of a given fuel. The lifecycle assessment includes direct emissions associated with producing, transporting, and using the fuels, as well as significant indirect effects on GHG emissions, such as changes in land use for some biofuels. The carbon intensity scores assessed for each fuel are compared to a declining carbon intensity benchmark for each year. Low carbon fuels below the benchmark generate credits, while fuels above the carbon intensity benchmark generate deficits. Providers of transportation fuels must demonstrate that the mix of fuels they supply for use in California meets the LCFS carbon intensity standards, or benchmarks, for each annual compliance period. A deficit generator meets its compliance obligation by ensuring that the quantity of credits it earns or otherwise acquires from another party is equal to, or greater than, the deficits it has incurred.

EO S-1-07: Governor Schwarzenegger signed Executive Order S-1-07 in 2007 which established the transportation sector as the main source of GHG emissions in California. Executive Order S-1-07 proclaims that the transportation sector accounts for over 40 percent of statewide GHG emissions. Executive Order S-1-07 also establishes a goal to reduce the carbon intensity of transportation fuels sold in California by a minimum of 10 percent by 2020. Executive Order S-1-07 established the LCFS and directed the Secretary for Environmental Protection to coordinate the actions of the CEC, CARB, the University of California, and other agencies to develop and propose protocols for measuring the 'life-cycle carbon intensity' of transportation fuels. The analysis supporting development of the protocols was included in the State Alternative Fuels Plan adopted by CEC on December 24, 2007 and was submitted to CARB for consideration as an 'early action' item under AB 32. CARB adopted the LCFS on April 23, 2009.

EO B-16-2012: Executive Order B-16-2012 establishes long-term targets of reaching 1.5 million zero emission vehicles on California's roadways by 2025 and sets zero emission vehicle purchasing requirements for state government fleets. Executive Order B-16-2012 also sets a target for 2050 to achieve a reduction of GHG emissions from the transportation sector equaling 80 percent less than 1990 levels. In February 2013, an interagency working group developed the "Zero-Emission Vehicle Action Plan," which identified specific strategies and actions that state agencies needed to take to meet the milestones of this Executive Order. The Zero-Emission Vehicle Action Plan states: "*Zero-Emission Vehicles are crucial to achieving the state's 2050 greenhouse gas goal of 80 percent emission reductions below 1990 levels, as well as meeting federal air quality standards. Achieving 1.5 million Zero-Emission Vehicles by 2025 is essential to advance the market and put the state on a path to meet these requirements.*"

EO N-79-20: On September 23, 2020, Governor Newsom signed Executive Order N-79-20 which included the following goals to have: 1) 100 percent of in-state sales of new passenger cars and trucks transition to zero emission vehicles by 2035; 2) 100 percent of drayage trucks transition to zero emission vehicles by 2035; 3) 100 percent of medium- and heavy-duty vehicles transition to zero emission vehicles by 2045 for all operations in California, where feasible; and 4) 100 percent of off-road vehicles and equipment to transition to zero emission vehicles and equipment by 2035, where feasible.

SB 44: The California Legislature passed SB 44, acknowledging the ongoing need to evaluate opportunities for mobile source emissions reductions and requires CARB to update the 2016 Mobile Source Strategy by January 1, 2021, and every five years thereafter. Specifically, SB 44 requires CARB to update the 2016 Mobile Source Strategy to include a comprehensive strategy for the deployment of medium- and heavy-duty vehicles for meeting air quality standards and reducing GHG emissions. It also directs CARB to set reasonable and achievable goals for reducing emissions by 2030 and 2050 from medium- and heavy-duty vehicles that are consistent with the California's overall goals and maximizes the reduction of criteria air pollutants.

SB 375: SB 375, signed into law in September 2008, aligns regional transportation planning efforts, regional GHG reduction targets, and land use and housing allocation. As part of the alignment, SB 375 requires Metropolitan Planning Organizations (MPOs) to adopt a Sustainable Communities Strategy (SCS) or Alternative Planning Strategy (APS) which prescribes land use allocation in that MPO's Regional Transportation Plan (RTP). CARB, in consultation with MPOs, is required to provide each affected region with reduction targets for GHGs emitted by passenger cars and light trucks in the region for the years 2020 and 2035. These reduction targets will be updated every eight years but can be updated every four years if advancements in emissions technologies affect the reduction strategies to achieve the targets. CARB is also charged with reviewing each MPO's SCS or APS for consistency with its assigned GHG emission reduction targets. If MPOs do not meet the GHG reduction targets, transportation projects located in the MPO boundaries would not be eligible for funding programmed after January 1, 2012.

CARB appointed the Regional Targets Advisory Committee (RTAC), as required under SB 375, on January 23, 2009. The RTAC's charge was to advise CARB on the factors to be considered and methodologies to be used for establishing regional targets. The RTAC provided its recommendation to CARB on September 29, 2009. CARB was required to adopt final targets by September 30, 2010.[57]

CARB is required to update the targets for the MPOs every eight years. CARB adopted revised SB 375 targets for the MPOs in March 2018.[58,59] The updated targets became effective on October 1, 2018. The targets consider the need to further reduce VMT, as identified in the 2017 Scoping Plan Update (for SB 32), while balancing the need for additional and more flexible revenue sources to incentivize positive planning and action toward sustainable communities. Like the 2010 targets, the updated SB 375 targets are in units of percent per capita reduction in GHG emissions from

[57] California Air Resources Board 2010, August. Staff Report Proposed Regional Greenhouse Gas Emission Reduction Targets for Automobiles and Light Trucks Pursuant to Senate Bill 375.

[58] California Air Resources Board, 2018, SB 375 Regional Greenhouse Gas Emissions Reduction Targets https://ww2.arb.ca.gov/sites/default/files/2020-06/SB375_Final_Targets_2018.pdf, accessed on August 21, 2026.

[59] California Air Resources Board, 2018, Updated Final Staff Report: Proposed Update to the SB 375 Greenhouse Gas Emissions Reduction Targets, https://ww2.arb.ca.gov/sites/default/files/2020-06/SB375_Updated_Final_Target_Staff_Report_2018.pdf, accessed on August 21, 2026.

automobiles and light trucks relative to 2005; this excludes reductions anticipated from implementation of state technology and fuels strategies, and any potential future state strategies, such as statewide road user pricing. The targets also call for greater per-capita GHG emission reductions from SB 375 than what were previously in place, which for 2035 translate into targets that either match or exceed the emission reduction levels in the MPOs' currently adopted SCS to achieve the SB 375 targets. For the next round of SCS updates, CARB's updated targets for the SCAG region are an eight percent per capita GHG reduction in 2020 from 2005 levels (unchanged from the 2010 target) and a 19 percent per capita GHG reduction in 2035 from 2005 levels (compared to the 2010 target of 13 percent).[60] CARB adopted the updated targets and methodology on March 22, 2018. All SCSs adopted after October 1, 2018, are subject to these revised targets.

SCAG's Regional Transportation Plan / Sustainable Communities Strategy: SB 375 requires each MPO to prepare a sustainable communities strategy in its regional transportation plan. SCAG released the draft 2020-2045 RTP/SCS (Connect SoCal) on November 7, 2019. On September 3, 2020, SCAG's Regional Council unanimously voted to approve and fully adopt the Connect SoCal Plan.[61] In general, the SCS outlines a development pattern for the region that, when integrated with the transportation network and other transportation measures and policies, would reduce vehicle miles traveled from automobiles and light duty trucks and thereby reduce GHG emissions from these sources.

Connect SoCal focuses on the continued efforts of the previous RTP/SCSs to integrate transportation and land uses strategies in development of the SCAG region through horizon year 2045. Connect SoCal forecasts that the SCAG region will meet its GHG per capita reduction targets of eight percent by 2020 and 19 percent by 2035. Additionally, Connect SoCal also forecasts that implementation of the plan will reduce VMT per capita in year 2045 by 4.1 percent compared to baseline conditions for that year. Connect SoCal includes a 'Core Vision' that centers on maintaining and better managing the transportation network for moving people and goods while expanding mobility choices by locating housing, jobs, and transit closer together, and increasing investments in transit and complete streets.

Adaptation

EO S-13-08: Governor Schwarzenegger signed Executive Order S-13-08 on November 14, 2008 which directed California to develop methods for adapting to climate change through preparation of a statewide plan. Executive Order S-13-08 directed OPR, in cooperation with the Resources Agency, to provide land use planning guidance related to sea level rise and other climate change impacts by May 30, 2009. Executive Order S-13-08 also directed the Resources Agency to develop a state Climate Adaptation Strategy by June 30, 2009 and to convene an independent panel to complete the first California Sea Level Rise Assessment Report. The assessment report was required to be completed by December 1, 2010 and required to meet the following four criteria:

1. Project the relative sea level rise specific to California by considering issues such as coastal erosion rates, tidal impacts, El Niño and La Niña events, storm surge, and land subsidence rates;

[60] California Air Resources Board. 2018, February. Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets. https://ww2.arb.ca.gov/sites/default/files/2020-06/SB375_Updated_Final_Target_Staff_Report_2018.pdf, accessed on August 21, 2026.

[61] Southern California Association of Governments (SCAG). 2020, September. Adopted Final Connect SoCal. https://scag.ca.gov/read-plan-adopted-final-plan, accessed on August 21, 2026.

2. Identify the range of uncertainty in selected sea level rise projections;
3. Synthesize existing information on projected sea level rise impacts to state infrastructure (e.g., roads, public facilities, beaches), natural areas, and coastal and marine ecosystems; and
4. Discuss future research needs relating to sea level rise in California.

Energy

SB 1078, SB 107 and EO S-14-08: SB 1078 (Chapter 516, Statutes of 2002) requires retail sellers of electricity, including investor-owned utilities and community choice aggregators, to provide at least 20 percent of their supply from renewable sources by 2017. SB 107 (Chapter 464, Statutes of 2006) changed the target date from 2017 to 2010. In November 2008, Governor Schwarzenegger signed Executive Order S-14-08, which expands the state's Renewable Portfolio Standard from 20 percent by 2010 to 33 percent renewable power by 2020.

SB X-1-2: SB X1-2 was signed by Governor Brown in April 2011. SB X1-2 created a new Renewables Portfolio Standard (RPS), which pre-empted CARB's 33 percent Renewable Electricity Standard. The new RPS applies to all electricity retailers in the state including publicly owned utilities (POUs), investor-owned utilities, electricity service providers, and community choice aggregators. These entities must adopt the new RPS goals of 20 percent of retails sales from renewables by the end of 2013, 25 percent by the end of 2016, and the 33 percent requirement by the end of 2020.

SB 1368: SB 1368 is the companion bill of AB 32 and was signed by Governor Schwarzenegger in September 2006. SB 1368 required the CPUC to establish a GHG emission performance standard for baseload generation from investor-owned utilities (IOUs) by February 1, 2007. The California Energy Commission (CEC) was also required to establish a similar standard for local publicly owned utilities by June 30, 2007. These standards cannot exceed the greenhouse gas emission rate from a baseload combined-cycle natural gas fired power plant. The legislation further required that all electricity provided to California, including imported electricity, must be generated from power plants that meet the standards set by the Public Utilities Commission (PUC) and CEC.

SB 350: Senate Bill 350 (de Leon) was signed into law September 2015 and establishes tiered increases to the RPS with 40 percent by 2024, 45 percent by 2027, and 50 percent by 2030. SB 350 also set a new goal to double the energy-efficiency savings in electricity and natural gas through energy efficiency and conservation measures.

SB 100: On September 10, 2018, Governor Brown signed SB 100. Under SB 100, the RPS for public-owned facilities and retail sellers consists of 44 percent renewable energy by 2024, 52 percent by 2027, and 60 percent by 2030. Additionally, SB 100 also established a new RPS requirement of 50 percent by 2026. Furthermore, the bill establishes an overall state policy that eligible renewable energy resources and zero-carbon resources supply 100 percent of all retail sales of electricity to California end-use customers and 100 percent of electricity procured to serve all state agencies by December 31, 2045. Under the bill, the state cannot increase carbon emissions elsewhere in the western grid or allow resource shuffling to achieve the 100 percent carbon-free electricity target.

EO B-55-18: Executive Order B-55-18, signed September 10, 2018, sets a goal "to achieve carbon neutrality as soon as possible, and no later than 2045, and achieve and maintain net negative emissions thereafter." Executive Order B-55-18 directed CARB to work with relevant state agencies to ensure future Scoping Plans identify and recommend measures to achieve the carbon neutrality goal. The goal of carbon neutrality by 2045 is in addition to other statewide goals, meaning not only should emissions be reduced to 80 percent below 1990 levels by 2050, but that, by no later than 2045, the remaining emissions be offset by equivalent net removals of CO_2eq from the atmosphere, including through sequestration in forests, soils, and other natural landscapes.

AB 2127: This bill requires the California Energy Commission (CEC), working with CARB and the California Public Utilities Commission (CPUC), to prepare and biennially update a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least five million zero emission vehicles on California roads by 2030 and of reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030. The bill requires the CEC to regularly seek data and input from stakeholders relating to electric vehicle charging infrastructure.[62]

California Building Code – Building Energy Efficiency Standards: Energy conservation standards for new residential and non-residential buildings were adopted by the California Energy Resources Conservation and Development Commission (now the CEC) in June 1977 (Title 24, Part 6, of the California Code of Regulations [CCR]). Title 24 requires the design of building shells and building components to conserve energy. The CEC updates building energy efficiency standards in Title 24 (Parts 6 and 11) every three years to allow for consideration and possible incorporation of new energy efficiency technologies and methods. The 2019 Building Energy Efficiency Standards were adopted on May 9, 2018 and went into effect on January 1, 2020. The 2019 standards move toward cutting energy use in new homes by more than 50 percent and will require installation of solar photovoltaic systems for single-family homes and multifamily buildings of three stories and less. The 2019 standards focus on four key areas: 1) smart residential photovoltaic systems; 2) updated thermal envelope standards (preventing heat transfer from the interior to exterior and vice versa); 3) residential and nonresidential ventilation requirements; 4) and nonresidential lighting requirements.[63]

In addition, the CEC adopted the 2022 Building Energy Efficiency Standards adopted on August 11, 2021 but they do not go into effect until January 1, 2023. The 2022 Energy Code encourages efficient electric heat pumps, establishes electric-ready requirements for new homes, expands solar photovoltaic and battery storage standards, strengthens ventilation standards, and more. Buildings whose permit applications are applied for on or after January 1, 2023, must comply with the 2022 Energy Code.

California Building Code – CALGreen: On July 17, 2008, the California Building Standards Commission adopted the nation's first green building standards. The California Green Building Standards Code (24 CCR Part 11, known as 'CALGreen') was adopted as part of the California Building Standards Code. CALGreen established planning and design standards for sustainable site development, energy efficiency (in excess of the California Energy Code requirements), water

[62] California Legislative Information, September 14, 2018, AB-2127 Electric Vehicle Charging Infrastructure: Assessment, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2127, accessed on August 21, 2026.

[63] California Energy Commission (CEC). 2018. News Release: Energy Commission Adopts Standards Requiring Solar Systems for New Homes, First in Nation. https://www.nbcnews.com/news/us-news/california-becomes-first-state-require-solar-panels-new-homes-n872531, accessed on August 21, 2026.

conservation, material conservation, and internal air contaminants.[64] The mandatory provisions of the California Green Building Code Standards became effective January 1, 2011 and were last updated in 2019. The 2019 CALGreen standards became effective January 1, 2020. Section 5.408 of CALGreen also requires that at least 65 percent of the nonhazardous construction and demolition waste from nonresidential construction operations be recycled and/or salvaged for reuse.

Short-Lived Climate Pollutants

SB 1383: On September 19, 2016, the Governor signed SB 1383 to supplement the GHG reduction strategies in the Scoping Plan to consider short-lived climate pollutants, including black carbon and methane. Black carbon is the light-absorbing component of fine particulate matter produced during incomplete combustion of fuels. SB 1383 required CARB, no later than January 1, 2018, to approve and begin implementing a comprehensive strategy to reduce emissions of short-lived climate pollutants to achieve a reduction in methane by 40 percent, hydrofluorocarbon gases by 40 percent, and anthropogenic black carbon by 50 percent below 2013 levels by 2030, as specified. On March 14, 2017, CARB adopted the "Final Proposed Short-Lived Climate Pollutant Reduction Strategy," which identifies the state's approach to reducing anthropogenic and biogenic sources of short-lived climate pollutants. Anthropogenic sources of black carbon include on- and off-road transportation, residential wood burning, fuel combustion (charbroiling), and industrial processes. According to CARB, ambient levels of black carbon in California are 90 percent lower than in the early 1960s despite the tripling of diesel fuel use. In-use on-road rules are expected to reduce black carbon emissions from on-road sources by 80 percent between 2000 and 2020.

Ozone Depleting Substances (ODSs)

Refrigerant Management Program: As part of implementing AB 32, CARB also adopted a Refrigerant Management Program in 2009. The Refrigerant Management Program is designed to reduce GHG emissions from stationary sources through refrigerant leak detection and monitoring, leak repair, system retirement and retrofitting, reporting and recordkeeping, and proper refrigerant cylinder use, sale, and disposal.

HFC Emission Reduction Measures for Mobile Air Conditioning – Regulation for Small Containers of Automotive Refrigerant: The Regulation for Small Containers of Automotive Refrigerant applies to the sale, use, and disposal of small containers of automotive refrigerant with a GWP greater than 150. Emission reductions are achieved through implementation of four requirements: 1) use of a self-sealing valve on the container; 2) improved labeling instructions; 3) a deposit and recycling program for small containers; and 4) an education program that emphasizes best practices for vehicle recharging. This regulation went into effect on January 1, 2010 with a one-year sell-through period for containers manufactured before January 1, 2010. The target recycle rate is initially set at 90 percent and rose to 95 percent beginning January 1, 2012.

3.2.2.2.3 South Coast AQMD

The South Coast AQMD adopted a "Policy on Global Warming and Stratospheric Ozone Depletion" on April 6, 1990. The policy commits the South Coast AQMD to consider global impacts in rulemaking and in drafting revisions to the AQMP. In March 1992, the South Coast

[64] California Building Standards Commission, 2022. CalGreen as promulgated in the California Code of Regulations, Title 24, Part 11 (24 CCR Part 11). https://www.dgs.ca.gov/BSC/CALGreen.

AQMD Governing Board reaffirmed this policy and adopted amendments to the policy to include support of the adoption of a California GHG emission reduction goal.

Basin GHG Policy and Inventory: The South Coast AQMD has established a policy, adopted by the South Coast AQMD Governing Board at its September 5, 2008 meeting, to actively seek opportunities to reduce emissions of criteria, toxic, and climate change pollutants. The policy includes the intent to assist businesses and local governments implementing climate change measures, decrease the agency's carbon footprint, and provide climate change information to the public.

3.2.2.2.3.1 Ozone Depleting Substances (ODSs)

Policy on Global Warming and Stratospheric Ozone Depletion: The South Coast AQMD adopted a "Policy on Global Warming and Stratospheric Ozone Depletion" on April 6, 1990. The policy targeted a transition away from CFCs as an industrial refrigerant and propellant in aerosol cans. In March 1992, the South Coast AQMD Governing Board reaffirmed this policy and adopted amendments to the policy to include the following directives for ODSs:

- Phase out the use and corresponding emissions of CFCs, methyl chloroform (1,1,1-trichloroethane or TCA), carbon tetrachloride, and halons by December 1995.
- Phase out the large quantity use and corresponding emissions of HCFCs by the year 2000.
- Develop recycling regulations for HCFCs.
- Develop an emissions inventory and control strategy for methyl bromide.

CHAPTER 4

ENVIRONMENTAL IMPACTS

Introduction and Background

Potential Significant Air Quality and Greenhouse Gas Impacts and Mitigation Measures

Significant Environmental Effects Which Cannot be Avoided

Potential Environmental Impacts Found Not to be Significant

Potential Growth-Inducing Impacts

Relationship Between Short-Term and Long-Term Environmental Goals

4.0 INTRODUCTION AND BACKGROUND

The CEQA Guidelines require environmental documents to identify significant environmental effects that may result from a proposed project. [CEQA Guidelines Section 15126.2(a)]. Direct and indirect significant effects of a project on the environment should be identified and described, with consideration given to both short- and long-term impacts. The discussion of environmental impacts may include, but is not limited to, the following: resources involved; physical changes; alterations of ecological systems; health and safety problems caused by physical changes; and other aspects of the resource base, including water, scenic quality, and public services. If significant adverse environmental impacts are identified, the CEQA Guidelines require a discussion of measures that could either avoid or substantially reduce any adverse environmental impacts to the greatest extent feasible. [CEQA Guidelines Section 15126.4].

The categories of environmental impacts to be studied in a CEQA document are established by CEQA (Public Resources Code Section 21000 et seq.), and the CEQA Guidelines, as codified in Title 14 California Code of Regulations Section 15000 et seq. Under the CEQA Guidelines, there are approximately 18 environmental categories in which potential adverse impacts from a project are evaluated. The South Coast AQMD, as lead agency, has adapted the environmental checklist form in Appendix G of the CEQA Guidelines, and developed a customized environmental checklist that reorganizes the questions based on topic area and removes redundancies. For example, the "air quality" and "greenhouse gas emissions" topics have been merged into one section, the "cultural resources" and "tribal cultural resources" topics have been merged into one section, the "hazards and hazardous materials" topic has been separated into two sections: "hazards and hazardous materials" and "solid and hazardous waste", and the questions under the "utilities/service systems" topic have been distributed to other environmental topics such as "energy", "hydrology and water quality", and "solid and hazardous waste." For each environmental topic area, per CEQA Guidelines Section 15064.7(a), "a threshold of significance is an identifiable quantitative, qualitative or performance level of a particular environmental effect, non-compliance with which means the effect will normally be determined to be significant by the agency and compliance with which means the effect normally will be determined to be less than significant." The South Coast AQMD has developed unique thresholds of significance for the determination of significance in accordance with CEQA Guidelines Section 15064.7(b).

Proposed Project and Focus of Environmental Effects and Analysis

PAR 1168 is the latest update to Rule 1168 which included technology assessment requirements in its amendments in 2017 and 2022. The purpose of the October 2017 amendments to Rule 1168 was to reduce emissions of VOCs by 1.38 tpd, as well as reduce toxic air contaminants and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. The October 2017 Final EA for Rule 1168 analyzed the environmental impacts associated with establishing more stringent VOC limits for several product categories with an effective date of January 1, 2023, and the activities manufacturers were anticipated to undertake to reformulate products; determining that these reformulation activities could create secondary adverse environmental impacts. None of the environmental topic areas previously analyzed in the October 2017 Final EA for Rule 1168 were concluded to have significant and unavoidable impacts, including the topic of air quality and GHGs.

The October 2017 amendments to Rule 1168 also included a commitment to conduct a technology assessment for top and trim adhesives, roofing products, plastic welding cements, and foam sealants to determine if products with compliant VOC contents for nine adhesive and sealant categories would be available by January 1, 2023. The 2022 technology assessment for Rule 1168 concluded that some of these product categories either needed more time beyond January 1, 2023, to meet the VOC limits or that achieving the lower VOC limits would not be technically feasible.

In addition, due to potential toxicity concerns associated with t-BAc and pCBtF and the uncertainty of on-site exposure modeling methodologies, the Stationary Source Committee of the South Coast AQMD Governing Board recommended prohibiting the exemption of compounds with a known or suspected toxic endpoint from the definition of VOC in Rule 102 or other South Coast AQMD rules. While not the case with Rule 1168, t-BAc was previously granted a partial exemption from the definition of a VOC for certain uses in various coatings rules such as Rule 1113 – Architectural Coatings, and Rule 1151 – Automotive Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. However, in 2017, t-BAc was identified as a carcinogen. Further, in 2020, pCBtF was identified as a stronger carcinogen than t-BAc, after it had been previously exempted from the definition of a VOC in Rule 102 for all uses within the South Coast AQMD, including adhesives and sealants that would otherwise be subject to Rule 1168 requirements.

Thus, based on the results of the 2022 technology assessment and the recommendation of the Stationary Source Committee of the South Coast AQMD Governing Board, Rule 1168 was amended in November 2022 which: 1) prohibited the use of pCBtF and t-BAc due to toxicity concerns; 2) either delayed the effective dates of VOC emission limits or maintained the existing VOC emission limits for certain categories of adhesives and sealants; 3) created additional subcategories of Regulated Products to better characterize and refine VOC emission limits; 4) allowed Opteon 1100 (cis-1,1,1,4,4,4-hexafluoro-2-butene/HFO-1336mzz-Z) to qualify as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an evaluation by OEHHA; and 5) removed definitions and updated, clarified, and streamlined rule language. The environmental impacts associated with the November 2022 version of Rule 1168 were analyzed in the November 2022 Final SEA for Rule 1168. The types of activities and associated environmental impacts associated with implementing the VOC limits and compliance dates subject to the October 2017 Rule 1168 amendments were compared to the November 2022 version of Rule 1168; the November 2022 Final SEA for Rule 1168 concluded that the type and extent of the anticipated physical changes would be similar and would cause similar secondary adverse environmental impacts for the same environmental topic areas that were identified and analyzed in the October 2017 Final EA for Rule 1168 except for the topic of air quality and GHG emissions. Specifically, the November 2022 Final SEA for Rule 1168 concluded that the November 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts due to delayed VOC emission reductions of 0.42 tpd over the short-term and permanent VOC emission reductions foregone of 0.28 tpd over the long-term. No feasible mitigation measures were identified that would avoid or lessen these significant air quality impacts.

As explained in Chapter 2, PAR 1168 has been mainly developed to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations, and to delay the effective

date of VOC emission limits for three categories of adhesives and sealants to allow more time for manufacturers to reformulate their products; these key components have the potential to result in adverse air quality impacts.

In addition, PAR 1168 contains the following other changes, which are administrative in nature: 1) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; 2) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 3) require manufacturers to provide a list of their distributors annually; 4) transition reporting to a recordkeeping requirement for distributors; 5) include a new category for battery adhesives with an extended pCBtF prohibition date; and 6) provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. However, these administrative components of PAR 1168 are not expected to contribute to any secondary adverse environmental impacts for air quality or any other environmental topic area. Thus, the analysis in this SEA focuses on only the portion of PAR 1168 relating to the potential adverse environmental impacts associated with extending the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations, and delaying the effective date of VOC emission limits for three categories of adhesives and sealants.

Overall, the nature, type and extent of the physical changes (e.g., activities associated with reformulation) that would be associated with PAR 1168 will have similar secondary adverse environmental impacts for the same environmental topic areas that were identified and previously analyzed in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168.

The key differences between the October 2017 and November 2022 versions of Rule 1168 and PAR 1168 are about the status of reformulation of various adhesives and sealants, and when VOC emission reductions will occur according to the prescribed effective dates of the VOC content limits. In particular, PAR 1168 will: 1) extend the effective dates for certain categories of adhesives and sealants to meet the VOC limits due to the lack of available technology on the market; and 2) delay the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives in response to the technology assessment which determined that the originally prescribed phaseout dates are not feasible.

The October 2017 version of Rule 1168 anticipated an overall net air quality benefit in the form of VOC emission reductions due to the anticipated reformulations of various adhesives and sealants according to the corresponding VOC emission limits and prescribed effective dates. The November 2022 version of Rule 1168 delayed the effective dates for certain categories of adhesives and sealants which resulted in a reduced air quality benefit than what was originally anticipated by the October 2017 version of Rule 1168. Currently, the non-administrative changes to PAR 1168 are also expected to have the same or similar effects that were previously examined in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, because PAR 1168 will result in product reformulations and additional delayed VOC emission reductions, which will be more severe than what was discussed in November 2022 Final SEA for Rule 1168. In addition, by extending the pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives in PAR 1168, the toxicity-related benefits associated with implementing the

phaseout of pCBtF would be delayed when compared to the November 2022 version of Rule 1168. Thus, PAR 1168 contains new information of substantial importance relative to the topic of air quality which was not known and could not have been known at the time the November 2022 Final SEA for Rule 1168 was certified. [CEQA Guidelines Section 15162(a)(3)].

The purpose of this SEA, and this chapter in particular, is to compare the types of activities and associated environmental impacts with implementing the VOC limits and effective dates established in the October 2017 and November 2022 versions of Rule 1168 that were previously analyzed in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, to the currently proposed changes which comprise PAR 1168.

The CEQA Guidelines indicate that the degree of specificity required in a CEQA document depends on the type of project being proposed. [CEQA Guidelines Section 15146]. However, the detail of the environmental analysis for certain types of projects cannot be as great as for others. As discussed earlier in Chapter 1, this SEA tiers off of the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168. Moreover, for this SEA, the baseline is the project analyzed in the October 2017 Final EA for Rule 1168. Lastly, because PAR 1168 proposes to amend an existing rule, this SEA is required to contain the environmental analysis required by CEQA Guidelines Section 15187 which specifically pertains to the environmental review of rules and regulations.

Because PAR 1168 contains changes that would only adversely impact the environmental topic area of air quality, the focus of this SEA analysis is relative to the potentially significant adverse impacts specific to the topic of air quality. The analysis of the potentially significant air quality impacts in this chapter incorporates a "worst-case" approach. This approach entails the premise that whenever the analysis requires that assumptions be made, those assumptions that result in the greatest adverse impacts are typically chosen. This method ensures that all potential effects of PAR 1168 are documented for the decision-makers and the public.

In addition, this chapter independently considers whether PAR 1168 would result in new significant impacts for any of the other environmental topic areas previously concluded in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 to have either no significant impacts or less than significant impacts; however, none were identified. See Section 4.3 of this chapter for a description and the basis for this conclusion.

4.1 POTENTIAL SIGNIFICANT AIR QUALITY AND GREENHOUSE GAS IMPACTS AND MITIGATION MEASURES

This chapter independently considers the currently proposed project (PAR 1168) and analyzes the incremental changes, if any, relative to the baseline established in the October 2017 Final EA for Rule 1168. As discussed in Section 4.0, the October 2017 Final EA for Rule 1168 previously analyzed air quality and GHG impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that less than significant adverse impacts to air quality and GHG emissions would occur. Five years later, the November 2022 Final SEA for Rule 1168 evaluated air quality and

GHG emissions impacts associated with the November 2022 version of Rule 1168 and concluded that the November 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts, because the delayed VOC emission reductions of 0.42 tpd over the short-term and the permanent VOC emission reductions foregone of 0.28 tpd over the long-term would exceed South Coast AQMD air quality significance threshold for mass daily emissions of VOCs during operation. No feasible mitigation measures were identified that would avoid or lessen these significant air quality impacts.

Thus, this section evaluates the potential air quality and GHG emission impacts for PAR 1168 and compares the previous air quality and GHG emission impacts analysis conducted in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168.

4.1.1 Significance Criteria

To determine whether air quality and GHG impacts from adopting and implementing the proposed project are significant, impacts will be evaluated and compared to the significance criteria on the following page. The significance thresholds for criteria pollutant emissions: the mass daily thresholds were developed in 1993, and a full discussion can be found in the South Coast AQMD CEQA Handbook. Significance thresholds for toxic air contaminants and odor are based on requirements in Rules 1401, 212, and 402. In December 2008, the Governing Board approved an interim GHG significance threshold for projects where the South Coast AQMD is the lead agency. The history about the development of the various significance thresholds and feasible mitigation measures are available on the South Coast AQMD website.[93] Significance determinations for construction impacts are based on the maximum or peak daily emissions during the construction period, which provides a "worst-case" analysis of the construction emissions. Similarly, significance determinations for operational emissions are based on the maximum or peak daily emissions during the operational phase.

The proposed project will have significant adverse air quality impacts if any one of the thresholds in Table 4-1 are equaled or exceeded.

[93] South Coast AQMD, 1993. http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook.

Table 4-1
South Coast AQMD Air Quality Significance Thresholds

Mass Daily Thresholds [a]		
Pollutant	**Construction**	**Operation**
NO_x	100 lbs/day	55 lbs/day
VOC	75 lbs/day	55 lbs/day
PM_{10}	150 lbs/day	150 lbs/day
$PM_{2.5}$	55 lbs/day	55 lbs/day
SO_x	150 lbs/day	150 lbs/day
CO	550 lbs/day	550 lbs/day
Lead	3 lbs/day	3 lbs/day
Toxic Air Contaminants (TACs), Odor, and GHG Thresholds		
TACs (including carcinogens and non-carcinogens)	Maximum Incremental Cancer Risk ≥ 10 in 1 million Cancer Burden > 0.5 excess cancer cases (in areas ≥ 1 in 1 million) Chronic & Acute Hazard Index ≥ 1.0 (project increment)	
Odor	Project creates an odor nuisance pursuant to South Coast AQMD Rule 402	
GHG	10,000 MT/yr CO_2eq for industrial facilities	
Ambient Air Quality Standards for Criteria Pollutants [b]		
NO_2 1-hour average annual arithmetic mean	South Coast AQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal)	
PM_{10} 24-hour average annual average	10.4 μg/m^3 (construction)[c] & 2.5 μg/m^3 (operation) 1.0 μg/m^3	
$PM_{2.5}$ 24-hour average	10.4 μg/m^3 (construction)[c] & 2.5 μg/m^3 (operation)	
SO_2 1-hour average 24-hour average	0.25 ppm (state) & 0.075 ppm (federal – 99th percentile) 0.04 ppm (state)	
Sulfate 24-hour average	25 μg/m^3 (state)	
CO 1-hour average 8-hour average	South Coast AQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal)	
Lead 30-day Average Rolling 3-month average	1.5 μg/m^3 (state) 0.15 μg/m^3 (federal)	

[a] Source: South Coast AQMD CEQA Handbook (South Coast AQMD, 1993)
[b] Ambient air quality thresholds for criteria pollutants based on South Coast AQMD Rule 1303, Table A-2 unless otherwise stated.
[e] Ambient air quality threshold based on South Coast AQMD Rule 403.

KEY: lbs/day = pounds per day ppm = parts per million μg/m^3 = microgram per cubic meter ≥ = greater than or equal to
MT/yr CO_2eq = metric tons per year of CO_2 equivalents > = greater than

Revision: March 2023

Project-Specific Air Quality Impacts During Construction

The November 2022 Final SEA for Rule 1168 evaluated construction-related air quality impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that compliance with the November 2022 version of Rule 1168 was not expected to require physical changes or modifications that would involve construction activities because the manufacture of products reformulated to comply with the VOC limits in the November 2022 version of Rule 1168 was expected to use the same or similar equipment utilized to manufacture products formulated to comply with the VOC limits contained in the October 2017 version of Rule 1168.

PAR 1168 proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; 3) include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; 4) delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; 5) require manufacturers to provide a list of their distributors annually; 6) transition reporting to a recordkeeping requirement for distributors; 7) include a new category for battery adhesives with an extended pCBtF prohibition date; and 8) provide clarifications, updates to definitions and cross references to maintain consistency with other South Coast AQMD rules. Similar to the November 2022 version of Rule 1168, PAR 1168 does not require construction of new buildings, or relocation of existing manufacturing facilities or equipment. Instead, for certain categories of Regulated Products, PAR 1168 would delay the effective dates for meeting the applicable VOC limits and extend the deadlines for phasing out pCBtF. As with the November 2022 version of Rule 1168, the manufacture of products reformulated to comply with the requirements in PAR 1168 is expected to use the same or similar equipment currently utilized to manufacture products formulated to comply with the VOC limits contained in the October 2017 version of Rule 1168. Therefore, consistent with the November 2022 version of Rule 1168, compliance with PAR 1168 is not expected to require physical changes or modifications that would involve construction activities. As a result, no construction air quality impacts are expected from PAR 1168. **Based upon these considerations, no adverse air quality impacts relating to construction are expected from implementing PAR 1168.**

Project-Specific Air Quality Impacts During Operation

Air Pollutants

The purpose of Rule 1168 is to minimize VOC emissions, a precursor to the criteria air pollutant ozone, from area sources, specifically adhesives and sealants, by establishing VOC limits and effective dates for the various product categories. Rule 1168 was amended in October 2017 to

reduce emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers.

Rule 1168 was later amended in November 2022 to delay the effective dates of and/or increase VOC limits for certain categories of adhesives, sealants, adhesive primers, and sealant primers where the technology assessment demonstrated the effective dates or VOC limits in the October 6, 2017 version of Rule 1168 were not feasible. The November 2022 amendments to Rule 1168 also created new subcategories of Regulated Products to better characterize and refine VOC emission limits; prohibited the use of t-BAc and pCBtF due to toxicity concerns; allowed Opteon 1100 as a VOC exempt compound for Two-Component Foam Sealants used in an industrial or professional setting contingent upon an OEHHA evaluation; and updated, clarified, and streamlined rule language. The November 2022 Final SEA for Rule 1168 estimated 0.42 tpd (equivalent to 840 pounds per day) of delayed VOC emission reductions from extending the final effective dates of the VOC limits, and 0.28 tpd (equivalent to 560 pounds per day) of permanent VOC emission reductions foregone from reverting to the higher VOC limit in place prior to the October 2017 amendments to Rule 1168 for certain categories of Regulated Products.

PAR 1168 has been developed to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for manufacturers to reformulate; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules.

Table 4-2 presents a summary of VOC limits, effective dates, and the estimated delayed VOC emission reductions for PAR 1168. It should be noted that the delayed VOC emission reductions due to PAR 1168 are estimated using scaled sales volume data collected from the Quantity and Emission Report (QER) 2021 and 2022, the proposed VOC limits, and the VOC limits in the October 2017 version of Rule 1168 for different categories of Regulated Products. The manufacturer and private labelers submitted the first QERs for the 2021 and 2022 period on September 1, 2023.

Table 4-2 also presents the VOC content limits, effective dates, and the corresponding delayed VOC emission reductions for various categories and subcategories of adhesives and sealants due to the implementation of the November 2022 Version of Rule 1168 relative to the October 2017 version of Rule 1168.

Table 4-2
Proposed Changes in PAR 1168 and Estimated Delayed VOC Emission Reductions

Adhesive and Sealant Category	VOC limit (g/L) Prior to 2017	VOC Limit(g/L) Amended in 2017	Subcategory		VOC limit		Effective Date		Delayed VOC Emission Reductions(tpd)	
			November 2022 Version of Rule 1168	PAR 1168	November 2022 Version of Rule 1168	PAR 1168	November 2022 Version of Rule 1168	PAR 1168	November 2022 Version of Rule 1168*	PAR 1168
Top and Trim Adhesive	540	250	N/A		250 g/L		1/1/2028	1/1/2030	0.1 through 1/1/2028	0.115 through 1/1/2030
Foam Sealant	250	50	One-Component		18% VOC by weight		7/1/2023	7/1/2023	0.01 through 7/1/2023	--
			High-Pressure Two-Component		5% VOC by weight		1/1/2023	1/1/2023	--	--
			Low-Pressure Two-Component		5% VOC by weight		1/1/2023	1/1/2023	--	--
PVC Welding Cement	510	425	N/A		425 g/L		1/1/2023	1/1/2023	--	--
CPVC Welding Cement	490	400	CPVC Welding Cement		400 g/L		1/1/2023	1/1/2023	--	--
			CPVC Welding Cement for Life Safety Systems		490 g/L		N/A	N/A	--	--
			Higher Viscosity CPVC Welding Cement		400 g/L		7/1/2024	7/1/2024	0.01 through 7/1/2024	--
All Other Roof Adhesives	250	200	All Other Roof Adhesives		250 g/L		11/4/2022	11/4/2022	--	
			Shingle Laminating Adhesive		30 g/L		1/1/2023	1/1/2023	--	--
			Hot Applied Modified Bitumen/Built Up Roof Adhesive		30 g/L		1/1/2023	1/1/2023	--	--
Single Ply Roof Membrane Adhesive	250	200	EPDM/TPO Single Ply Roof Membrane Adhesive		250 g/L		11/4/2022	11/4/2022	--	--
			Single Ply Roof Membrane Adhesive (Except EPDM/TPO)							
All Other Roof Sealants	300	250	N/A		300 g/L		11/4/2022	11/4/2022	--	--

* Delayed VOC emission reductions associated with the November 2022 amendments to Rule 1168 were estimated using the scaled sales volume data collected from the QER 2017 and 2018, the VOC limits in the November 2022 version of Rule 1168, and the VOC limits from the October 2017 version of Rule 1168 for the various categories of Regulated Products. The delayed emission reductions calculated in the November 2022 Final SEA for Rule 1168 have not been recalculated using the 2021 and 2022 QER data because doing so would not change the magnitude or conclusion regarding the potentially significant impacts associated with PAR 1168, as the duration of the potentially significant impacts associated with PAR 1168 extends beyond the timeframe estimated in the November 2022 Final SEA for Rule 1168.

Table 4-2 (concluded)
Proposed Changes under PAR 1168 and Estimated Delayed VOC Emission Reductions

Adhesive and Sealant Category	VOC limit (g/L) Prior to 2017	VOC Limit (g/L) Amended in 2017	Subcategory		VOC limit		Effective Date		Delayed VOC Emission Reductions(tpd)	
			November 2022 Version of Rule 1168	PAR 1168	November 2022 Version of Rule 1168	PAR 1168	November 2022 Version of Rule 1168	PAR 1168	November 2022 Version of Rule 1168*	PAR 1168
Clear, Paintable, Immediately Water-Resistant Sealant	380	250	N/A		250 g/L		1/1/2026	1/1/~~2028~~2029	0.007 through 1/1/2026	0.011 through 1/1/~~2028~~2029
Rubber Vulcanization Adhesive	850	250	N/A		250 g/L		1/1/2028	1/1/2029	0.29 through 1/1/2028	0.02 through1/1/2029
Cut Edge Single Ply Roof Membrane Sealant	450	250	Cut Edge Single Ply Roof Membrane Sealant		250 g/L		1/1/2023	1/1/2023	--	--
			Single Ply Roof Membrane Sealant (Except Cut Edge)							
								TOTAL	**-0.42 through 7/1/2023** **-0.41 from 7/1/2023 to 7/1/2024** **-0.40 from 7/1/2024 to 1/1/2026** **- 0.39 from 1/1/2026 till 1/1/2028**	**-0.146 through 1/1/~~2028~~2029** **~~-0.135 from 1/1/2028 to 1/1/2029~~** **-0.115 from 1/1/2029 to 1/1/2030**

* Delayed VOC emission reductions associated with the November 2022 amendments to Rule 1168 were estimated using the scaled sales volume data collected from the QER 2017 and 2018, the VOC limits in the November 2022 version of Rule 1168, and the VOC limits from the October 2017 version of Rule 1168 for the various categories of Regulated Products. The delayed emission reductions calculated in the November 2022 Final SEA for Rule 1168 have not been recalculated using the 2021 and 2022 QER data because doing so would not change the magnitude or conclusion regarding the potentially significant impacts associated with PAR 1168, as the duration of the potentially significant impacts associated with PAR 1168 extends beyond the timeframe estimated in the November 2022 Final SEA for Rule 1168.

Conclusion – Air Pollutants: As shown in Table 4-2, the delayed VOC emission reductions associated with PAR 1168 would extend beyond the period analyzed in the November 2022 Final SEA for Rule 1168. The November 2022 Final SEA for Rule 1168 originally estimated that the November 2022 version of Rule 1168 would result in delayed VOC emission reductions of 0.39 tpd through January 1, 2028. Meanwhile, PAR 1168 would result in delayed VOC emission reductions of 0.146 tpd through January 1, ~~2028~~2029; ~~followed by 0.135 tpd from January 1, 2028, through January 1, 2029;~~ and 0.115 tpd from January 1, 2029, through January 1, 2030. Thus, compared to the November 2022 version of Rule 1168, PAR 1168 would extend the period during which VOC emission reductions are delayed by approximately two years. Therefore, the extended duration of delayed VOC emission reductions that would occur as a result of PAR 1168 would create more severe operational air quality impacts than what was analyzed in the November 2022 Final SEA for Rule 1168, and the delayed VOC emission reductions that would occur as a result of PAR 1168 would exceed the South Coast AQMD air quality significance threshold for mass daily operational VOCs of 55 pounds per day.

It is important to note that PAR 1168 does not seek to change the existing VOC limits established in the November 2022 version of Rule 1168. However, PAR 1168 includes a new category of Battery Adhesives with VOC limit of 120 g/L which is less than the current VOC limit of 250 g/L established for the "All Other Adhesives" category. However, no change in VOC emissions is expected from establishing a specific VOC limit for Battery Adhesives because the products are already at or less than the 120 g/L limit. Therefore, no permanent VOC emission reductions foregone are expected from PAR 1168.

Based upon preceding discussion, the peak daily VOC operational impacts associated with the delayed VOC emission reductions from implementing PAR 1168 are significant. PAR 1168 is expected to generate significant adverse air quality impacts during operation.

It is important to note that the focus of PAR 1168 is the VOC content of adhesive and sealants. Emissions of other criteria pollutants such as NOx, CO, SOx, PM10, and PM2.5 are typically associated with combustion activities which are not affected by PAR 1168. **Thus, PAR 1168 will have no significant air quality impacts associated with NOx, CO, SOx, PM10, and PM2.5 emissions.**

Project-Specific Mitigation: If significant adverse environmental impacts are identified, the CEQA document shall describe feasible measures that could minimize or eliminate the significant adverse impacts of the proposed project. [CEQA Guidelines Section 15126.4]. Therefore, feasible mitigation measures for reducing VOC impacts associated with PAR 1168 are required. However, the reason PAR 1168 is revising the effective dates of VOC emissions limits for certain categories of adhesives and sealants is because the technology assessment concluded that there are no other replacement products currently available that can feasibly attain the existing VOC limits by the effective dates established in the November 2022 version of Rule 1168. **Based upon this technological limitation, there are no feasible mitigation measures that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels**.

Since no significant operational air quality impacts relating to NOx, CO, SOx, PM10, and PM2.5 emissions were identified, no mitigation measures are necessary or required for these pollutants.

Remaining Air Pollutant Impacts: While operational air quality impacts for VOC emissions are expected to be significant, no feasible mitigation measures have been identified that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels. **Therefore, operational air quality impacts for VOC emissions are significant and unavoidable**.

Toxic Air Contaminants

The purpose of Rule 1168 is to minimize VOC emissions, a precursor to the formation of the criteria air pollutant ozone, from adhesives and sealants by establishing VOC limits and effective dates for the various product categories. The November 2022 Final SEA for Rule 1168 analyzed the potential toxic air contaminant impacts associated with: 1) delaying the effective dates of and/or increasing the VOC limits for certain categories of adhesives, sealants, adhesive primers, and sealant primers that were identified in the technology assessment as not able to feasibly meet the VOC limits according to the timeline established in the October 2017 version of Rule 1168; 2) creating new subcategories of Regulated Products to better characterize and refine VOC emission limits; 3) prohibiting the use of t-BAc and pCBtF due to toxicity concerns; and 4) allowing Opteon 1100 as a VOC-exempt compound for Two-Component Foam Sealants used in an industrial or professional setting, contingent upon an OEHHA evaluation.

The analysis in the November 2022 Final SEA for Rule 1168 concluded less than significant impacts from toxic air contaminants because: 1) the prohibition of t-BAc and pCBtF, which are carcinogenic compounds with high cancer potency factors, was expected to reduce the overall toxic profile of adhesives and sealants (mainly roofing products) and result in an overall air quality benefit; 2) the reformulation of roofing products was not expected to be necessary since a wide variety of roofing products without pCBtF and t-BAc were commercially available and in use; and 3) the potential future replacement of currently used hydrofluoroolefins (HFOs) in Two-Component Foam Sealants with Opteon 1100 was not expected to increase the overall toxic profile of this category of products because the ability to use Opteon 1100 was contingent upon: a) specific toxicity criteria; and b) the completion of an OEHHA evaluation which does not result in OEHHA adopting a Cancer Inhalation Unit Risk Factor for Opteon 1100 or developing acute and chronic reference exposure levels (RELs), or interim RELs, that are greater than or equal to the corresponding RELs for HFO-1233zd, a commonly used HFO in Two-Component Foam Sealants.

PAR 1168 proposes to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. Under PAR 1168, the same VOC limits and pCBtF phaseout requirements adopted in the November 2022 version of Rule 1168 would continue to apply to the category of Roof Adhesive Primers and Battery Adhesives, but the effective dates would be extended, resulting in a delayed air quality benefit associated with reducing the potential exposure to pCBtF. However, consistent

with the November 2022 version of Rule 1168, the general requirement to phaseout pCBtF would remain in place under PAR 1168 so the air quality benefit will be eventually realized over a longer time horizon. In addition, PAR 1168 would prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products for use within the South Coast AQMD that contain dimethyl carbonate (DMC) in concentrations greater than 0.01 percent by weight or VMS in concentrations greater than ~~0.1~~1.0 percent by weight, thereby providing an additional benefit of reduced toxicity. Therefore, the previous conclusion of less than significant toxic air contaminants reached in the November 2022 Final SEA for Rule 1168 remains applicable to PAR 1168.

Conclusion – Toxic Air Contaminants: Although PAR 1168 would delay the air quality benefit associated with reducing toxics as a result of phasing out pCBtF for certain categories of Regulated Products, the phaseout would eventually occur under the extended deadlines. **Therefore, less than significant impacts from toxic air contaminants during operation are expected.**

Project-Specific Mitigation: Since no significant operational air quality impacts relating to emissions of toxic air contaminants were identified, **no mitigation measures are necessary or required.**

Remaining Toxic Air Contaminant Impacts: Operational air quality impacts for toxic air contaminants are expected to be less than significant such that no mitigation measures are necessary or required. **Therefore, operational air quality impacts for toxic air contaminants remain less than significant**.

Odor Impacts

The CEQA significance threshold for odor is whether the project has the potential to create an odor nuisance pursuant to South Coast AQMD Rule 402. Odor problems depend on individual circumstances. For example, individuals can differ quite markedly from the populated average in their sensitivity to odor due to any variety of innate, chronic or acute physiological conditions. This includes olfactory adaptation or smell fatigue (i.e., continuing exposure to an odor usually results in a gradual diminution or even disappearance of the smell sensation).

The November 2022 Final SEA for Rule 1168, which analyzed potential odor impacts associated with prohibiting pCBtF and t-BAc, and the resulting potential reformulation of adhesives and sealants, concluded that the prohibition of pCBtF and t-BAc was not expected to cause widespread odor issues associated with reformulation of adhesives and sealants, if any, because a substantial number of other products were commercially available and in use that do not contain pCBtF and t-BAc. In addition, the November 2022 Final SEA for Rule 1168 concluded that if manufacturers elected to reformulate certain adhesive and sealant products, it would be speculative to determine whether any new odor impacts from the reformulated products would occur relative to the existing odor profile of products currently available and in use. The November 2022 Final SEA for Rule 1168 also considered what would happen if the rule was amended to revert to the pre-2017 VOC limits for some categories of adhesives and sealants and the analysis concluded that manufacturers, suppliers, and distributors would revert to products that were and would continue to be commercially available and in use elsewhere outside of the South Coast AQMD jurisdiction. Based upon these considerations, the November 2022 Final SEA for Rule 1168 concluded that no change

or less than significant changes in odor profiles were expected and that the November 2022 version of Rule 1168 would not create objectionable odors affecting a substantial number of people.

PAR 1168 proposes to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. Under PAR 1168, the same VOC limits and pCBtF phaseout requirements presented in the November 2022 version of Rule 1168 would continue to apply, but the dates by which certain categories would be required to comply with those requirements would be extended. Therefore, the analysis of potential odor impacts presented in the November 2022 Final SEA remains applicable to PAR 1168. As with the November 2022 version of Rule 1168, it is not possible to reasonably determine whether any changes in odor profiles would occur because the specific formulations that may be used in the future are unknown. Accordingly, no changes or less than significant changes in odor profiles of adhesives and sealants in response to PAR 1168 are expected, such that PAR 1168 will not be expected to create objectionable odors affecting a substantial number of people. Local governments also typically have ordinances that are intended to protect the public from adverse odors. South Coast AQMD Rule 402 – Nuisance, also protects the public from adverse odor impacts. In manufacturing, ventilation systems connected to air pollution control equipment as well as employees being required to wear personal protective equipment (PPE) are two common ways to protect on-site and off-site receptors from odors and PAR 1168 has no provisions that would require a change to the existing ventilation systems, air pollution control equipment, or requirements associated with PPE. Thus, compliance with PAR 1168 is not expected to require physical changes or modifications that would involve construction activities.

Conclusion – Odors: Since PAR 1168 is not expected to require or involve construction activities, no impacts to odors during construction will occur. **During operation, less than significant odor impacts are expected from PAR 1168.**

Project-Specific Mitigation: Since no odor impacts were identified for construction and less than significant odor impacts were identified for operation, no mitigation measures are necessary or required.

Remaining Odor Impacts: With no odor impacts identified during construction and less than significant odor impacts identified during operation, no mitigation measures are necessary or required. **Thus, the air quality impacts relative to odors remain less than significant**.

4.1.2 Cumulative Air Quality Impacts

Pursuant to CEQA Guidelines Section 15130(a), the SEA shall discuss cumulative impacts of a project when the project's incremental effect is cumulatively considerable. In general, the preceding analysis concluded that air quality impacts from operation activities would be significant

from implementing the proposed project because the South Coast AQMD's significance thresholds for operation will be exceeded for VOC emissions. In addition, there are no feasible mitigation measures that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels. Thus, the air quality impacts due to operations are cumulatively considerable pursuant to CEQA Guidelines Section 15064(h)(1) and therefore, generate significant adverse cumulative air quality impacts.

The analysis also indicates that the proposed project will not involve any construction activities and emissions. Moreover, there will be less than significant increases to health risk and odor impacts. Pursuant to CEQA Guidelines Section 15130(a)(2), when the combined cumulative impact associated with the project's incremental effect is not significant, the SEA must indicate why the cumulative impact is not significant. Because construction emissions, odor impacts, and health risks do not exceed the air quality significance thresholds, which also serve as the cumulative significance thresholds, they are not considered to be cumulatively considerable [CEQA Guidelines Section 15064 (h)(1)].

This identical standard is appropriate because the South Coast AQMD air quality significance thresholds for criteria pollutants were set by evaluating the effect an individual project may have on the ability of the South Coast Air Basin to attain the NAAQS established by the U.S. EPA, and are therefore, cumulative in nature. Specifically, the South Coast AQMD Governing Board adopted 1993 CEQA Air Quality Handbook, which identified that the thresholds for criteria pollutants are based on the emissions levels in the Clean Air Act for a major source in an area designated as extreme non-attainment for ozone. [1993 CEQA Handbook, Chapter 6]. So, for example, a major source of VOCs, a precursor for ozone, is defined as a source that has a potential to emit at least 10 tons per year of VOCs [Clean Air Act section 182(e)]. The South Coast AQMD converted the 10 tons per year in terms of pounds per day, which resulted in a significance threshold of 55 pounds per day for operational emissions. The 1993 CEQA Handbook also explains that this approach is appropriate because the regulatory framework to establish the state and federal ambient air quality standards, and the method to achieve attainment of those standards, are intended to be protective of public health.

Conclusion – Cumulative Air Quality Impacts: Similar to the November 2022 version of Rule 1168, the operational air quality impacts relative to VOCs are cumulatively considerable under PAR 1168, because: 1) the peak daily VOC operational impacts associated with delayed VOC emission reductions exceed the South Coast AQMD's significance threshold for VOC during operation; and 2) there are no feasible mitigation measures that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels.

Cumulative Mitigation: No feasible mitigation measures are available for PAR 1168 that would eliminate or reduce the cumulatively considerable operational air quality impacts for VOC emissions to less than significant levels.

Remaining Cumulative Air Quality Impacts: While operational air quality impacts for VOC emissions are cumulatively significant, no feasible mitigation measures have been identified that would eliminate or reduce the significant adverse operational air quality impacts for VOC emissions to less than significant levels. **Therefore, under PAR 1168, the cumulative operational air quality impacts for VOC emissions remain significant and unavoidable**.

4.1.3 Greenhouse Gas Impacts and Mitigation Measures

Significant changes in global climate patterns have recently been associated with global warming, an average increase in the temperature of the atmosphere near the Earth's surface, attributed to accumulation of GHG emissions in the atmosphere. GHGs trap heat in the atmosphere, which in turn heats the surface of the Earth. Some GHGs occur naturally and are emitted to the atmosphere through natural processes, while others are created and emitted solely through human activities. The emission of GHGs through the combustion of fossil fuels (i.e., fuels containing carbon) in conjunction with other human activities, appears to be closely associated with global warming. State law defines GHG to include the following: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6) (Health and Safety Code Section 38505(g)). The most common GHG that results from human activity is CO2, followed by CH4 and N2O.

Traditionally, GHGs and other global warming pollutants are perceived as solely global in their impacts and that increasing emissions anywhere in the world contributes to climate change anywhere in the world. A study conducted on the health impacts of CO2 "domes" that form over urban areas cause increases in local temperatures and local criteria pollutants, which have adverse health effects.[66]

The analysis of GHGs is a different analysis than the analysis of criteria pollutants for the following reasons. For criteria pollutants, the significance thresholds are based on daily emissions because attainment or non-attainment is primarily based on daily exceedances of applicable ambient air quality standards. Further, several ambient air quality standards are based on relatively short-term exposure effects on human health (e.g., one-hour and eight-hour standards). Since the half-life of CO2 is approximately 100 years, for example, the effects of GHGs occur over a longer term which means they affect the global climate over a relatively long time-frame. As a result, the South Coast AQMD's current position is to evaluate the effects of GHGs over a longer timeframe than a single day (i.e., annual emissions). GHG emissions are typically considered to be cumulative impacts because they contribute to global climate effects.

The South Coast AQMD convened a "Greenhouse Gas CEQA Significance Threshold Working Group" to consider a variety of benchmarks and potential significance thresholds to evaluate GHG impacts. On December 5, 2008, the South Coast AQMD adopted an interim CEQA GHG Significance Threshold for projects where South Coast AQMD is the lead agency (South Coast AQMD, 2008). This interim threshold is set at 10,000 metric tons of CO2 equivalent emissions (MT/yr of CO2eq). The South Coast AQMD prepared a "Draft Guidance Document – Interim CEQA GHG Significance Thresholds" that outlined the approved tiered approach to determine GHG significance of projects (South Coast AQMD, 2008, p. 3-10). The first two tiers involve: 1) exempting the project because of potential reductions of GHG emissions allowed under CEQA; and 2) demonstrating that the project's GHG emissions are consistent with a local general plan. Tier 3 proposes a limit of 10,000 MT/yr CO2eq as the incremental increase representing a significance threshold for projects where South Coast AQMD is the lead agency (South Coast AQMD, 2008, pp. 3-11). Tier 4 (performance standards) is yet to be developed. Tier 5 allows

[66] Jacobsen, Mark Z. "Enhancement of Local Air Pollution by Urban CO2 Domes," Environmental Science and Technology, as describe in Stanford University press release on March 16, 2010 available at: http://news.stanford.edu/news/2010/march/urban-carbon-domes-031610.html.

offsets that would reduce the GHG impacts to below the Tier 3 brightline threshold. Projects with incremental increases below this threshold will not be cumulatively considerable.

The purpose of Rule 1168 is to reduce emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from the application of adhesives, adhesive primers, sealants, and sealant primers because formulations of these products contain compounds that are primarily comprised of VOCs but can also contain toxics and stratospheric ozone-depleting compounds. The November 2022 Final SEA for Rule 1168 analyzed potential GHG impacts associated with the November 2022 version of Rule 1168 and concluded that adhesives and sealants were not known to contain GHG compounds such as HFCs, PFCs, and SF6 because these chemicals are typically used in refrigeration and fire suppression applications, and the November 2022 version of Rule 1168 did not contain limitations on the use of GHG compounds. The November 2022 Final SEA for Rule 1168 identified HFOs as the only known GHG compounds in adhesives and sealants subject to Rule 1168 and considered the potential use of Opteon 1100, which contains a foam blowing agent that is a GHG compound, as a replacement for currently used HFOs in certain Two-Component Foam Sealants. Because Opteon 1100, HFO-1234ze, and HFO-1233zd have similar low global warming potentials (GWP), the analysis in the November 2022 Final SEA for Rule 1168 concluded that the potential reformulation of Two-Component Foam Sealants with a different foam blowing agent, such as what is used in Opteon 1100, would not be expected to substantially change the overall GHG emissions associated with the use of these products. The November 2022 Final SEA also concluded that the prohibition of t-BAc and pCBtF would not affect GHG emissions because neither compound is considered a GHG pollutant. In addition, the November 2022 version of Rule 1168 did not contain any revisions that would require additional reductions of stratospheric ozone-depleting compounds. Because adhesives and sealants are not utilized in combustion activities, implementation of the November 2022 version of Rule 1168 was also not expected to result in construction or operational combustion-generated GHG emissions (e.g., CO2, CH4, N2O). Accordingly, the November 2022 Final SEA for Rule 1168 concluded less than significant GHG impacts for the November 2022 version of Rule 1168.

PAR 1168 proposes to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. Under PAR 1168, the same VOC limits and pCBtF phaseout requirements presented in the November 2022 version of Rule 1168 would continue to apply, but the dates by which certain categories would be required to comply with those requirements would be extended. As with the November 2022 version of Rule 1168, PAR 1168 does not propose limitations on the use of GHG compounds, and the prohibition of t-BAc and pCBtF would not affect GHG emissions because neither compound is considered a GHG pollutant. In addition, PAR 1168 does not propose any revisions that would require additional reductions of stratospheric ozone-depleting compounds. Lastly, because adhesives and sealants are not utilized in combustion activities, implementation of PAR 1168 is not expected to result in construction or operational combustion-generated GHG

emissions. Therefore, the previous conclusion of less than significant GHG impacts in the November 2022 Final SEA for Rule 1168 remains applicable to PAR 1168.

Conclusion – GHG Impacts: As with the November 2022 version of Rule 1168, PAR 1168 is not expected to generate GHG emissions either directly or indirectly, that may have a significant impact on the environment. Further, implementation of PAR 1168 would not be expected to conflict with an applicable plan, policy or regulation adopted for the purpose of reducing GHG emissions since GHG emissions would not be impacted in any way by PAR 1168. **Thus, PAR 1168 will have less than significant GHG emissions impacts.**

Project-Specific Mitigation: Since less than significant GHG emissions impacts were identified, no mitigation measures are necessary or required.

Conclusion – Cumulative GHG Impacts: Since PAR 1168 will have less than significant GHG emissions impacts, GHG emissions impacts are not cumulatively considerable.

Remaining Cumulative GHG Impacts: Since less than significant GHG emissions impacts are expected from PAR 1168, the proposed project would not be cumulative considerable for GHG emissions. Therefore, no cumulative GHG emissions impacts remain.

4.2 SIGNIFICANT ENVIRONMENTAL EFFECTS WHICH CANNOT BE AVOIDED

CEQA Guidelines Section 15126(c) requires an environmental analysis to consider "any significant irreversible environmental changes which would be involved if the proposed action should be implemented." This SEA identified the topic of air quality during operation as the only environmental topic area with significant environmental effects due to the delayed VOC emission reductions of 0.146 tpd through January 1, ~~2028~~2029; ~~0.135 tpd from January 1, 2028 through January 1, 2029;~~ and 0.115 tpd from January 1, 2029 through January 1, 2030. The operational air quality impacts from PAR 1168, while temporary, cannot be feasibly mitigated due to the technological limitation of having no other replacement products currently available that can feasibly attain the existing VOC limits by the effective dates established in the November 2022 version of Rule 1168. Thus, implementation of PAR 1168 would result in a significant and unavoidable air quality impact.

4.3 POTENTIAL ENVIRONMENTAL IMPACTS FOUND NOT TO BE SIGNIFICANT

CEQA requires this section of the SEA to identify the environmental topic areas that were analyzed and concluded to have no impacts or less than significant impacts if the proposed project is implemented. For the effects of a project that were determined not to be significant, CEQA Guidelines Section 15128 requires the analysis to contain a statement briefly indicating the reasons that various effects of a project were determined not to have significant impacts and were therefore not discussed in detail.

This subchapter of the SEA identifies the environmental topic areas that were previously analyzed in the October 2017 Final EA for Rule 1168 and concluded to have either less than significant

impacts or no impacts (e.g., aesthetics, agriculture and forestry resources; air quality and GHG emissions, biological resources; cultural resources; energy, geology and soils; hazards and hazardous materials; hydrology and water quality; land use and planning; mineral resources; noise; population and housing; public services; recreation; solid and hazardous waste; and transportation and traffic). Moreover, this subchapter of the SEA identifies the environmental topic areas that were previously analyzed in the November 2022 Final SEA for Rule 1168 and concluded to have either less than significant impacts or no impacts (e.g., aesthetics, agriculture and forestry resources; air quality and GHG emissions, biological resources; cultural resources; energy, geology and soils; hazards and hazardous materials; hydrology and water quality; land use and planning; mineral resources; noise; population and housing; public services; recreation; solid and hazardous waste; transportation and traffic; tribal cultural resources; and wildfire). It should be noted that since two new environmental topic areas of tribal cultural resources and wildfires were added to the CEQA Guidelines after the October 2017 Final EA for Rule 1168 was certified, the November 2022 Final SEA included analyses of these two environmental topic areas.

For all environmental topic areas except air quality and GHG emissions which is discussed and further analyzed in Sections 4.1 and 4.2 of this chapter, this section assesses whether these previously evaluated environmental topic areas in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 would be affected by PAR 1168.

Environmental Topic Areas Previously Concluded In the October 2017 Final EA and November 2022 Final SEA To Have No Impacts

The following environmental topic areas were previously analyzed and concluded in the October 2017 Final EA for Rule 1168 to have no impacts: aesthetics; agriculture and forestry resources; biological resources; cultural resources; energy; geology and soils; land use and planning; mineral resources; noise; population and housing; and recreation.

The November 2022 Final SEA for Rule 1168 independently considered the 2022 amendments to Rule 1168 and analyzed the incremental changes, if any, relative to the baseline which was the project analyzed in the October 2017 Final EA for Rule 1168. The analysis in the November 2022 Final SEA for Rule 1168 concluded that the incremental changes associated with implementing the 2022 amendments to Rule 1168 were not expected to alter the previous conclusions reached in the October 2017 Final EA for the environmental topic areas identified as having no impacts: aesthetics; agriculture and forestry resources; biological resources; cultural resources; energy; geology and soils; land use and planning; mineral resources; noise; population and housing; recreation; solid and hazardous waste; and transportation and traffic.

This SEA independently considers PAR 1168 and analyzes the incremental changes, if any, relative to the baseline which is the project analyzed in the October 2017 Final EA for Rule 1168. When comparing the types of activities and associated environmental impacts with implementing the VOC limits and the corresponding effective dates in the 2022 version of Rule 1168 as previously analyzed in the November 2022 Final SEA for Rule 1168 to the currently proposed project (PAR 1168), similar impacts to the same environmental topic areas that were previously analyzed are expected to occur for all of the environmental topic areas analyzed except air quality and GHG emissions which are discussed in Sections 4.1 and 4.2 of this chapter. For this reason, the incremental changes associated with implementing the proposed project will not be expected to alter the previous conclusions reached in the November 2022 Final SEA for Rule 1168 for the

environmental topic areas which were identified as having no impacts: aesthetics; agriculture and forestry resources; biological resources; cultural resources; energy; geology and soils; land use and planning; mineral resources; noise; population and housing; recreation; solid and hazardous waste; and transportation and traffic. Therefore, since no impacts to these environmental topic areas would occur if PAR 1168 implemented, they are not further evaluated in this SEA. A brief summary of the previous conclusions reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 as well as the reasoning why the no impact conclusions would remain the same for PAR 1168 is provided for each of the aforementioned environmental topic areas.

Aesthetics

The October 2017 Final EA for Rule 1168 previously analyzed aesthetics impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no aesthetics impacts would occur because: 1) no construction would be required to install new or modify existing structures that would obstruct or degrade scenic resources; 2) no light generating equipment would be required that would adversely affect day or nighttime views; and 3) any changes to the manufacturing process would occur inside the facility's buildings and do not affect the exterior of the structure.

The November 2022 Final SEA for Rule 1168 evaluated aesthetics impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. Consistent with the October 2017 Final EA for Rule 1168, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would not require construction activities to install new or modify existing structures and, therefore, would not require new light-generating equipment or cause changes to the visual profile of facility structures. Accordingly, the previous conclusion of no impact to aesthetics reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. As with the October 2017 and November 2022 versions of Rule 1168 and as explained in Section 4.1 of this chapter, PAR 1168 will also not require construction activities to install new or modify existing structures which means that PAR 1168 will also not require new light generating equipment or cause any changes in the visual profile of the facility structures. Therefore, the previous conclusion of no impact to aesthetics reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Agriculture and Forestry Resources

The October 2017 Final EA for Rule 1168 previously analyzed agriculture and forestry resources impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no agriculture and forestry resources impacts would occur since compliance with the October 2017 version of Rule 1168 would not result in the loss of forest land, conversion of farmland to non-agricultural use or conflict with zoning for agriculture use.

The November 2022 Final SEA for Rule 1168 evaluated agriculture and forestry resources impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would continue to involve manufacturing activities within the confines of the same existing facilities previously analyzed in the October 2017 Final EA for Rule 1168 and, therefore, would not require the use of forest land, the conversion of farmland to non-agricultural use, or conflict with zoning for agricultural use. Accordingly, the previous conclusion of no impact to agriculture and forestry resources reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, manufacturing of the adhesive and sealant products formulated to achieve the applicable VOC limits by their effective dates will occur within the confines of the same existing facilities as previously analyzed in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 and these ongoing manufacturing activities will not require the use of forest land, conversion of farmland to non-agricultural use or conflict with zoning for agriculture use. Therefore, the previous conclusion of no impact to agriculture and forestry resources reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Biological Resources

The October 2017 Final EA for Rule 1168 previously analyzed biological resources impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no biological resources impacts would occur because these activities would occur inside the boundaries of established industrial manufacturing facilities which have been previously cleared of vegetation and have already been paved for safety and fire prevention reasons and as such, would not result in or have the potential to result in the removal of vegetation with potential to support wildlife.

The November 2022 Final SEA for Rule 1168 evaluated biological resources impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. Consistent with the October 2017 Final EA for Rule 1168, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would continue to involve the manufacture of adhesive and sealant products within the boundaries of existing industrial facilities that had been previously cleared of vegetation and paved for safety and fire prevention purposes. Therefore, the 2022 amendments to Rule 1168 would not be expected to result in, or have the potential to result in, the removal of vegetation with the potential to support wildlife. Accordingly, the previous conclusion of no impact to biological resources reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. As with the October 2017 and November 2022 versions of Rule 1168, the manufacture of adhesive and sealant products will continue to occur within the boundaries of existing industrial facilities which have been previously cleared of vegetation and have already been paved for safety and fire prevention reasons. Thus, PAR 1168 would not be expected to result in or have the potential to result in the removal of vegetation with potential to support wildlife. Therefore, the previous conclusion of no impact to biological resources reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Cultural Resources

The October 2017 Final EA for Rule 1168 previously analyzed cultural and tribal cultural resource impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no cultural resources impacts would occur because there would be no construction-related activities to existing manufacturing facilities, and therefore no impacts to historical, cultural, paleontological, and archaeological resources.

The November 2022 Final SEA for Rule 1168 evaluated cultural resources impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. Consistent with the October 2017 Final EA for Rule 1168, the November 2022 Final SEA for Rule 1168

concluded that the 2022 amendments to Rule 1168 would not require construction-related activities at existing manufacturing facilities and, therefore, would not result in impacts to cultural resources or the disturbance of paleontological, archaeological, or historical resources. Accordingly, the previous conclusion of no impact to cultural resources reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, formulation of the adhesive and sealant products will not require any construction-related activities to existing manufacturing facilities, and there will be no expected impacts to historical or cultural resources, and no paleontological, archaeological, or historical resources disturbance. Therefore, the previous conclusion of no impact to cultural resources reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Energy

The October 2017 Final EA for Rule 1168 previously analyzed energy impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA concluded that no energy impacts would occur because manufacturing and reformulation of adhesive and sealant products would comply with any relevant existing energy conservation plans, create no need for new or substantially altered power or natural gas utility systems, create no significant adverse effects on peak and base period demands for electricity or other forms of energy, and cause no adverse effect on energy production or distribution infrastructures.

The November 2022 Final SEA for Rule 1168 evaluated energy impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168. Therefore, the November 2022 Final SEA for Rule 1168 concluded that the same reasoning supporting the conclusion of no energy impacts in the October 2017 Final EA for Rule 1168 also applied to the 2022 amendments to Rule 1168. Accordingly, the previous conclusion of no impact to energy reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay

the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 and November 2022 versions of Rule 1168. Thus, the same reasoning for why the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 concluded that no energy impacts would occur also applies to PAR 1168. Therefore, the previous conclusion of no impact to energy reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Geology and Soils

The October 2017 Final EA for Rule 1168 previously analyzed geology and soils impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no geology and soils impacts would occur because reformulation of products would take place at existing manufacturing facilities without involving construction activities and therefore the October 2017 version of Rule 1168 would not:

1) Alter the exposure of people or property to geological and natural hazards;
2) Disrupt soil, change topography, erode beach sand or change existing siltation rates;
3) Require groundwork, earth moving activities, or cause new landslide effects or changes to unique geologic features; and
4) Require the installation of a new or modified septic tank, or alternative wastewater disposal system.

The November 2022 Final SEA for Rule 1168 evaluated geology and soils impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesives and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168. Similar to the October 2017 version of Rule 1168, the 2022 amendments to Rule 1168 would not: 1) alter the exposure of people or property to geological and natural hazards; 2) disrupt soil, change topography, erode beach sand, or change existing siltation rates; 3) require groundwork or earth-moving activities, or cause new landslide effects or changes to unique geologic features; or 4) require the installation of a new or modified septic tank or alternative wastewater disposal system. Accordingly, the previous conclusion of no impact to geology and soils reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are

expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 and November 2022 versions of Rule 1168. Thus, the same reasoning for why the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 concluded that no geological and soils impacts would occur also applies to PAR 1168. Further, since no construction activities would be needed to implement PAR 1168, the same reasoning for why no geological and soils impacts would occur as listed in items 1) through 4) also apply to the proposed project. Therefore, the previous conclusion of no impact to geology and soils reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Land Use and Planning

The October 2017 Final EA for Rule 1168 previously analyzed land use and planning impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no impacts to present or planned land uses in the region would occur because reformulation of adhesives and sealant to meet the VOC limits would occur within the boundary of existing manufacturing facilities and:

1) Physical division of an established community would not be expected, no construction activities would be needed and no new developments in undeveloped areas would occur.
2) There would be no conflict with any applicable land use plan, policy, or regulation due to the absence of an agency with jurisdiction over the Rule 1168.

The November 2022 Final SEA for Rule 1168 evaluated land use and planning impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168. Similar to the October 2017 version of Rule 1168, the 2022 amendments to Rule 1168 would not: 1) physically divide an established community, require construction activities, or result in new developments in undeveloped areas; or 2) conflict with any applicable land use plan, policy, or regulation due to the absence of an agency with jurisdiction over Rule 1168. Accordingly, the previous conclusion of no impact to land use and planning reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred

with the October 2017 and November 2022 versions of Rule 1168. Thus, the same reasoning for why the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 concluded that no land use and planning impacts would occur as listed in items 1) and 2) also applies to PAR 1168. Therefore, the previous conclusion of no impact to land use and planning reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Mineral Resources

The October 2017 Final EA for Rule 1168 previously analyzed mineral resources impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no impacts to mineral resources would occur because compliance with the October 2017 version of Rule 1168 would not result in the loss of availability of a known mineral resource of value to the region and the residents of the state such as gravel, asphalt, bauxite, gypsum, et cetera, or of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

The November 2022 Final SEA for Rule 1168 evaluated mineral resources impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168. Similar to the October 2017 version of Rule 1168, the 2022 amendments to Rule 1168 would not result in the loss of availability of a known mineral resource of value to the region and the residents of the state, or of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan. Accordingly, the previous conclusion of no impact to mineral resources reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 and November 2022 versions of Rule 1168. Thus, the same reasoning for why the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 concluded no impacts on the demand or use of important minerals, such as those described above, also applies to PAR 1168. Therefore, the previous conclusion of no impact to mineral resources reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Noise

The October 2017 Final EA for Rule 1168 previously analyzed noise impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no noise impacts would occur because the October 2017 version of Rule 1168 would:

1) Not alter the manufacturing, distribution, or application of adhesives and sealants in any substantial way that would alter existing noise profile at the manufacturing facilities;
2) Comply with noise standards that have been established by Occupational Safety and Health Administration (OSHA) and California-OSHA to protect worker health at distribution and retail locations;
3) Not expose persons to or generate excessive ground borne vibration or ground borne noise level since no construction activities are expected; and
4) Not cause an increase periodic or temporary ambient noise levels in the vicinity of affected manufacturing facilities since compliance would neither require construction-related activities nor change the existing activities currently performed by persons who utilize adhesives and sealants subject to Rule 1168.

The November 2022 Final SEA for Rule 1168 evaluated noise impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168, with no expected changes in manufacturing, distribution, application, or noise profile characteristics. Since the 2022 amendments to Rule 1168 would not require physical modifications involving construction, no new periodic or temporary ambient noise level increases in the vicinity of affected facilities, excessive ground-borne vibration, or ground-borne noise levels would be expected. Accordingly, the previous conclusion of no impact to noise reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 with no expected changes in manufacturing, distribution, application, and noise profile characteristics. Because PAR 1168 would not require physical modifications or construction activities, implementation of PAR 1168 is not expected to result in additional temporary or periodic ambient noise increases near affected facilities or expose persons to excessive

ground-borne vibration or ground-borne noise levels. Thus, the same reasoning for why the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 concluded no noise impacts would occur, such as those described above, also applies to PAR 1168. Therefore, the previous conclusion of no impact to noise reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Population and Housing

The October 2017 Final EA previously analyzed population and housing impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA concluded that no population and housing impacts would occur because:

1) No additional work was required since adhesive and sealant products would be reformulated using the same equipment that was previously used to manufacture those products.
2) No additional workers were expected to be needed to apply the reformulated products since the usage amount of the reformulated products would not be expected to substantially change.
3) The October 2017 version of Rule 1168 would not create any industry that would affect population growth, directly or indirectly induce the construction of housing units, or require the displacement of persons or housing elsewhere in the South Coast AQMD.

The November 2022 Final SEA for Rule 1168 evaluated population and housing impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168, with no expected changes in manufacturing, distribution, and application. Since the 2022 amendments to Rule 1168 would not require physical modifications involving construction or new housing, the same reasoning for why no population and housing impacts would occur as identified in items 1) through 3) also applied to the 2022 amendments to Rule 1168. Accordingly, the previous conclusion of no impact to population and housing reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesive and sealant products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule

1168, with no expected changes in manufacturing, distribution, and application. Because PAR 1168 would not require physical modifications involving construction or new housing, the reasoning supporting the previous conclusions that no population and housing impacts would occur, as identified in items 1) through 3), remains applicable to PAR 1168. Therefore, the previous conclusion of no impact to population and housing reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Recreation

The October 2017 Final EA for Rule 1168 previously analyzed recreation impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA concluded that no recreation impacts would occur because the reformulation of adhesive and sealant products would not:

1) directly or indirectly increase or redistribute population;
2) affect or increase the demand for or use of existing neighborhood and regional parks or other recreational facilities; and
3) require the construction of new or the expansion of existing recreational facilities that might have an adverse physical effect on the environment.

The November 2022 Final SEA for Rule 1168 evaluated recreation impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, used, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168, with no expected changes in manufacturing, distribution, and application. The November 2022 Final SEA for Rule 1168 also determined that the 2022 amendments to Rule 1168 would not result in population growth requiring additional recreation resources or otherwise affect existing recreational facilities. Therefore, the same reasoning for why no recreation impacts would occur as identified in items 1) through 3) also applied to the 2022 amendments to Rule 1168. Accordingly, the previous conclusion of no impact to recreation reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 and November 2022 versions of Rule 1168 with no expected changes in manufacturing, distribution, and application. Since PAR 1168 would not require physical modifications involving construction or new housing associated with population growth,

additional recreation resources would also not be needed. Consistent with the previous conclusion in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, PAR 1168 would not result in any recreation impacts as summarized in items 1) through 3). Therefore, the previous conclusion of no impact to recreation reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Solid and Hazardous Waste

The October 2017 Final EA for Rule 1168 previously analyzed solid and hazardous waste impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA concluded that no solid and hazardous waste impacts would occur because:

1) Compliance with the October 2017 version of Rule 1168 would not change the disposal practices and would not increase the volume of solid or hazardous wastes that cannot be handled by existing municipal or hazardous waste disposal facilities or require additional waste disposal capacity.
2) Implementation of the October 2017 version of Rule 1168 was not expected to interfere with any affected distributors' or retailers' ability to comply with applicable local, state, or federal waste disposal regulations.

The November 2022 Final SEA for Rule 1168 evaluated energy impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that, under the 2022 version of Rule 1168, adhesive and sealant products would continue to be manufactured, formulated, distributed, used, and applied in a manner similar to the October 2017 version of Rule 1168, with no expected changes in existing manufacturing, distribution, or application practices. Further, the sell-through and use-through provisions included in the 2022 version of Rule 1168 would allow manufacturers, and suppliers to deplete Regulated Products in the warehouse or on the shelf and allow users to utilize existing regulated products rather than dispose of unused materials. Under the 2022 version of Rule 1168, because unused products would continue to be managed through existing disposal practices in accordance with the specifications in the manufacturer's product data sheets or recycling, the 2022 amendments to Rule 1168 were not expected to increase the amount of solid or hazardous waste generated, require additional waste disposal capacity, or interfere with distributors' and retailers' ability to comply with applicable local, state, or federal waste disposal requirements. Therefore, the previous conclusion of no impact to solid and hazardous waste reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay

the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants products are expected to be manufactured, formulated, used, and applied in a similar fashion as occurred with the October 2017 and November 2022 versions of Rule 1168 with no expected changes in manufacturing, distribution, and application. The sell-through and use-through provisions in PAR 1168 will allow manufacturers and suppliers to deplete Regulated Products in the warehouse or on the shelf and allows users to use up any remaining product rather than disposing of them. The sell-through and use-through effective dates also accommodate the typical three-year shelf life of these Regulated Products. Of course, when there is unused material under the current version of Rule 1168, contractors and businesses using Regulated Products either dispose of waste material according to the specifications in the manufacturer's product data sheets or recycle the waste material. Under PAR 1168, the disposal practices and the total amount of materials (hazardous and non-hazardous) disposed of would not be expected to change. Therefore, implementation of PAR 1168 would not be expected to create a new need to dispose of unused materials that do not comply with PAR 1168 upon adoption. Thus, consistent with the previous conclusion in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, the proposed project would not increase the amount of solid or hazardous waste generated, require additional waste disposal capacity, or interfere with distributors' and retailers' ability to comply with applicable local, state, or federal waste disposal requirements. Therefore, the previous conclusion of no impact to solid and hazardous waste reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to the proposed project.

Transportation and Traffic

The October 2017 Final EA for Rule 1168 previously analyzed transportation and traffic impacts associated with reformulating adhesive and sealant products by substituting certain chemicals with other chemicals that contain fewer VOCs, fewer or no toxics, and no stratospheric ozone-depleting compounds. The October 2017 Final EA for Rule 1168 concluded that no transportation and traffic impacts would occur because:

1) Reformulation of adhesive and sealant products would not change the delivery and circulation pattern of Regulated Products. Thus, transportation demands related to transporting substitute chemicals or new formulations of materials was not expected to increase.
2) No additional worker trips to distribution or retail facilities were expected.
3) No changes in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks, would be expected since product reformulation would occur within the existing manufacturing facilities and regulated/reformulated products were typically shipped via ground transportation.
4) No new roadway hazards or incompatible roadway uses or alteration of the existing long-term circulation patterns due to no expected increases in transportation-related demands would be expected.
5) No requirements specific to emergency access points to adversely affect existing emergency access plans were imposed.

The November 2022 Final SEA for Rule 1168 evaluated transportation and traffic impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission

limits for certain categories of adhesives and sealants; 3) creating additional subcategories of regulated products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC-exempt compound for two-component foam sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured, formulated, and applied in a similar manner as previously analyzed in the October 2017 Final EA for Rule 1168, with no expected changes in transportation-related activities, including modes of transportation, delivery, circulation, and distribution of adhesive and sealant products. Therefore, the same reasoning for why no transportation and traffic impacts would occur as identified in items 1) through 5) also applied to the 2022 amendments to Rule 1168. Accordingly, the previous conclusion of no impact to transportation and traffic reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesives and sealants are expected to be manufactured, formulated, and applied in a similar fashion as occurred with the October 2017 and November 2022 versions of Rule 1168 with no expected changes in modes of transportation, delivery, recirculation, and distribution of adhesive and sealants. Consistent with the previous conclusion in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168, PAR 1168 would not be expected to result in the impacts summarized in items 1) through 5). Therefore, the previous conclusion of no impact to transportation and traffic reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Tribal Cultural Resources

At the time the October 2017 Final EA for Rule 1168 was certified, the environmental checklist did not include tribal cultural resources as an environmental topic area to be evaluated. However, in 2019, tribal cultural resources were added to the environmental checklist in the CEQA Guidelines. Thus, the November 2022 Final SEA for Rule 1168 evaluated tribal cultural resources impacts associated with the 2022 amendments to Rule 1168. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be formulated at existing manufacturing facilities located in industrial-zoned areas within and outside of South Coast AQMD's jurisdiction and California. As such, the 2022 amendments to Rule 1168 would not require any physical changes to a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American Tribe. Nonetheless, as part of releasing the October 2017 Final EA for Rule 1168 for public review and comment, South Coast AQMD provided a formal notice to all California Native American Tribes (Tribes) that requested to be on the Native American Heritage Commission's notification list per Public Resources Code Section 21080.3.1(b)(1). Furthermore, the 2022 amendments to Rule 1168 were not expected to result in a physical change to a resource listed or eligible for listing in the California Register of Historical Resources, included in a local register of historical resources, or determined by South Coast AQMD to be significant to any tribe. Therefore, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would not cause a substantial adverse

change in the significance of a tribal cultural resource as defined in Public Resources Code Section 21074. Accordingly, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would have no tribal cultural resources impacts.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesive and sealant products are expected to continue to be formulated at existing manufacturing facilities and used and applied in a similar manner as occurred with the October 2017 and November 2022 versions of Rule 1168. Similar to the 2022 amendments to Rule 1168, PAR 1168 would not require any physical changes to a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American Tribe. Furthermore, PAR 1168 would not be expected to result in a physical change to a resource listed or eligible for listing in the California Register of Historical Resources, included in a local register of historical resources, or determined by South Coast AQMD to be significant to any tribe. Therefore, the same reasoning supporting the November 2022 Final SEA for Rule 1168 conclusion that no tribal cultural resources impacts would occur, such as those outlined above, also applies to PAR 1168. Accordingly, the previous conclusion of no impact to tribal cultural resources reached in the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Wildfire

At the time the October 2017 Final EA for Rule 1168 was certified, the environmental checklist did not include wildfire as an environmental topic area to be evaluated. However, in 2019, wildfire was added to the environmental checklist in the CEQA Guidelines. As such, the November 2022 Final SEA for Rule 1168 evaluated wildfire impacts associated with the 2022 amendments to Rule 1168. The November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured and formulated at existing manufacturing facilities located in industrial-zoned areas within and outside of South Coast AQMD's jurisdiction and California, which are typically not located in or near State Responsibility Areas or lands classified as Very High Fire Hazard Severity Zones. Because the 2022 amendments to Rule 1168 would not require physical modifications involving construction or changes to existing manufacturing activities, they would not substantially impair an adopted emergency response plan or emergency evacuation plan; exacerbate wildfire risks or expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire due to slope, prevailing winds, or other factors; require the installation or maintenance of associated infrastructure, such as roads, fuel breaks, emergency water sources, power lines, or other utilities, that may exacerbate fire risk or result in temporary or ongoing environmental impacts; expose people or structures to significant risks, including downslope or downstream flooding or landslides resulting from runoff, post-fire slope instability, or drainage changes; or expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildfires. Therefore, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would have no wildfire impacts.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new

category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesive and sealant products are expected to continue to be manufactured and formulated at existing manufacturing facilities and used and applied in a similar manner as occurred with the October 2017 and November 2022 versions of Rule 1168. Similar to the 2022 amendments to Rule 1168, PAR 1168 would not require physical modifications involving construction or changes to existing manufacturing activities, and the affected manufacturing facilities would continue to be located in industrial-zoned areas that are typically not located in or near State Responsibility Areas or lands classified as Very High Fire Hazard Severity Zones. Therefore, the same reasoning supporting the November 2022 Final SEA for Rule 1168 conclusion that no wildfire impacts would occur, such as those outlined above, also applies to PAR 1168. Accordingly, the previous conclusion of no impact to wildfire reached in the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Environmental Topic Areas Previously Concluded In the October 2017 Final EA and November 2022 Final SEA To Have Less Than Significant Impacts

The following environmental topic areas were previously analyzed in the October 2017 Final EA for Rule 1168 to have less than significant impacts: air quality and greenhouse gas emissions; hazards and hazardous materials; hydrology and water quality; and public services.

The November 2022 Final SEA for Rule 1168 independently considered the 2022 amendments to Rule 1168 and analyzed the incremental changes, if any, relative to the baseline, which was the project analyzed in the October 2017 Final EA for Rule 1168, to determine whether the previous conclusions of less than significant impacts for the environmental topic areas of air quality and greenhouse gas emissions; hazards and hazardous materials; hydrology and water quality; and public services would change. The analysis in the November 2022 Final SEA for Rule 1168 concluded that the incremental changes associated with implementing the 2022 amendments to Rule 1168 were not expected to alter the previous less than significant impact conclusions reached in the October 2017 Final EA for hazards and hazardous materials, hydrology and water quality, and public services. However, unlike the October 2017 Final EA for Rule 1168, the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts since the delayed and permanent VOC emission reductions foregone would exceed the South Coast AQMD's daily VOC operational significance threshold with no feasible mitigation measures

The following discussion independently considers the currently proposed project and analyzes the incremental changes, if any, relative to the baseline, which is the project analyzed in the October 2017 Final EA for Rule 1168. A brief summary of the previous conclusions reached in the October 2017 Final EA for Rule 1168 and November 2022 Final SEA for Rule 1168, as well as the reasoning why the conclusions reached in the November 2022 Final SEA for Rule 1168 remain applicable to PAR 1168, is provided for each of the aforementioned environmental topic areas.

Air Quality and Greenhouse Gas Emissions

The October 2017 Final EA for Rule 1168 previously concluded that air quality and greenhouse gas emissions impacts would be less than significant due to operational VOC

emission reductions associated with reformulating adhesives and sealants with fewer VOC containing chemicals, fewer or no toxics, and no stratospheric ozone-depleting compounds.

The November 2022 Final SEA for Rule 1168 evaluated air quality and greenhouse gas emissions impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of Regulated Products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC exempt compound for Two-Component Foam Sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would result in significant and unavoidable operational air quality impacts because the delayed VOC emission reductions of 0.42 tpd over the short-term and permanent VOC emission reductions foregone of 0.28 tpd over the long-term would exceed South Coast AQMD's daily VOC operational significance threshold, with no feasible mitigation measures available.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations.

Sections 4.1 and 4.2 of this SEA analyzes the proposed project's air quality and GHG impacts and concludes significant operational air quality impacts since the delayed VOC emission reductions would exceed the South Coast AQMD's daily VOC operational significance threshold with no feasible mitigation measures.

Hazards and Hazardous Materials

The October 2017 Final EA for Rule 1168 previously concluded less than significant hazards and hazardous materials impacts associated with reformulating adhesives and sealants with fewer VOC containing chemicals, fewer or no toxics, and no stratospheric ozone-depleting compounds. The analysis in the October 2017 Final EA for Rule 1168 concluded that there would be:

1) No significant hazard to the public or environment through the routine transport, use, and disposal of hazardous materials; no new significant hazard to the public or the environment through reasonably foreseeable upset conditions involving the release of hazardous materials into the environment; no new hazardous emissions, or new or increased handling of hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school; or no significant increase in fire hazard in areas with flammable materials.
2) No change in how these facilities comply with their current hazardous waste handling practices for any adhesive and sealant manufacturing facilities are identified on lists of California Department of Toxics Substances Control hazardous waste facilities per Government Code Section 65962.5. In fact, any facility that is subject to the requirements in Government Code Section 65962.5 would still be required need to comply with any regulations relating to that code section.

3) No new safety hazards would be expected to people working or residing in the vicinity of public/private airports.
4) No impairment of the implementation of or physically interference with an adopted emergency response plan or emergency evacuation plan.
5) No significant exposure to people or structures to risk of loss, injury or death involving wildland fires.

The November 2022 Final SEA for Rule 1168 evaluated hazards and hazardous materials impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of Regulated Products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC exempt compound for Two-Component Foam Sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The November 2022 Final SEA for Rule 1168 concluded that the 2022 version of Rule 1168 would not require widespread reformulation of adhesive and sealant products because commercially available alternatives that do not contain pCBtF or t-BAc were already available. The November 2022 Final SEA for Rule 1168 also concluded that the extensive regulatory requirements governing flammable and other hazardous materials, including the existing requirements and permit conditions for the proper handling of flammable materials, would not be affected by the 2022 amendments to Rule 1168 because manufacturers would mostly continue to handle substantially the same solvents, including some hazardous or toxic materials, that were already subject to those existing regulatory requirements. The analysis in the November 2022 Final SEA for Rule 1168 also determined that the 2022 version of Rule 1168 would not increase or create new hazardous emissions that could adversely affect existing or proposed schools, prompt facility owners or operators to begin using new flammable materials, alter the regulatory requirements applicable to manufacturing facilities identified on the California Department of Toxic Substances Control hazardous waste facilities lists pursuant to Government Code Section 65962.5, interfere with adopted emergency response or emergency evacuation plans, or expose people or structures to increased risks associated with wildland fires because adhesive and sealant products would continue to be manufactured at existing facilities located in existing industrial, commercial or mixed land use areas within and outside of South Coast AQMD's jurisdiction and California. Accordingly, the previous conclusion of less than significant hazards and hazardous materials reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. PAR 1168 will not change the extensive and comprehensive regulatory requirements regarding flammable and otherwise hazardous materials. Also, as with the October 2017 version and November 2022 versions of Rule 1168, PAR 1168 is not expected to increase or create any new hazardous emissions which would adversely affect existing or proposed schools. In addition, PAR 1168 would not change the regulatory requirements for manufacturing facilities that are identified on lists of California Department of Toxics Substances Control hazardous waste facilities per Government Code

Section 65962.5. PAR 1168 also contains no requirements that would pertain to or alter any adopted emergency response plans or emergency evacuation plans that may be in place at facilities that manufacture or use the Regulated Products. Under PAR 1168, adhesives and sealants will continue to be formulated at the existing manufacturing facilities located in existing industrial, commercial or mixed land use areas within and outside of South Coast AQMD's jurisdiction and California. These manufacturing facilities are not typically located in or near wildlands to expose people or structures to risk of loss, injury or death involving wildland fires. Finally, PAR 1168 would not change the existing requirements and permit conditions for the proper handling of flammable materials. Further, PAR 1168 does not contain any requirements that would prompt facility owners/operators to begin using new flammable materials. Therefore, the previous conclusion of less than significant hazards and hazardous materials impacts reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

Hydrology and Water Quality

The October 2017 Final EA for Rule 1168 previously analyzed the hydrology and water quality impacts associated with reformulating adhesives and sealants with fewer VOC containing chemicals, fewer or no toxics, and no stratospheric ozone-depleting compounds. The analysis in the October 2017 Final EA for Rule 1168 concluded that the October 2017 version of Rule 1168 would not violate any water quality standards, waste discharge requirements, exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board, or otherwise substantially degrade water quality. Further, implementation of the October 2017 version of Rule 1168 would also not be expected to result in a determination by the wastewater treatment provider which serves or may serve the manufacturers and users of the reformulated Regulated Products that there is not adequate existing capacity to serve any additional wastewater that may be generated from using water for cleaning up.

The November 2022 Final SEA for Rule 1168 evaluated hydrology and water quality impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of Regulated Products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC exempt compound for Two-Component Foam Sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The analysis in the November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would not alter existing product practices or result in changes to adhesive and sealant formulations that would adversely affect water quality. In addition, the sell-through and use-through provisions in the November 2022 version of Rule 1168 were not expected to result in improper disposal of unused Regulated Products because such materials would continue to be managed through recycling or disposal methods consistent with manufacturer recommendations. Although wastewater generated from cleaning water-borne formulations could be discharged to public sewer systems, the November 2022 Final SEA for Rule 1168 concluded that significant adverse effects to water quality, wastewater treatment, or wastewater treatment capacity would not occur based on previous CEQA evaluations for other VOC rules, including Rule 1113 – Architectural Coatings, Rule 1107 – Coating of Metal Parts and Products, and Rule 1151– Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, which found no significant water quality impacts associated with

similar waterborne reformulation efforts. Therefore, the previous conclusion of less than significant impact related to water quality standards, waste discharge requirements, wastewater treatment, and wastewater treatment capacity reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. PAR 1168 would not change the current product practices or alter the product formulations to be more detrimental to water quality. Further, the sell-through and use-through provision in the proposed project would not create a new need to dispose of unused materials. If not being used, contractors and businesses using products would either dispose of waste material according to the specifications in the manufacturer's product data sheets or recycle the waste material, such that unused materials are not disposed of via wastewater. While PAR 1168 would not specify or dictate the type of solvent for formulation, wastewater from cleaning up water-borne formulations could be disposed of into the public sewer system, in lieu of disposal as hazardous waste. PAR 1168 is not expected to cause significant adverse effects to water quality, wastewater treatment, or wastewater treatment capacity since such effects were not previously observed as a result of reformulating coatings with water-borne technology in response to other rules targeting reductions in VOC emissions from area sources such as Rules 1113, 1107 and 1151. Therefore, the previous conclusion of less than significant impacts relating to water quality standards, waste discharge requirements, wastewater treatment, and wastewater treatment capacity reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

The analysis in the October 2017 Final EA also concluded less than significant impacts to ground water and water supplies because:

1) Unless being treated properly, the quality of groundwater is not suitable for usage in the manufacturing of Regulated Products and manufacturers typically use potable water for water-borne formulations of Regulated Products.
2) The CEQA evaluations for previous amendments to other VOC-based rules (e.g., Rules 1107, 1113, and 1151) concluded no significant impacts to water and groundwater supplies as a result of reformulation with waterborne technologies.

Similar to the October 2017 version of Rule 1168, the 2022 amendments to Rule 1168 were not expected to substantially deplete groundwater or water supplies or substantially interfere with groundwater recharge because manufacturers of adhesive and sealant products would continue to use potable water for waterborne formulations, as untreated groundwater would generally not be suitable for manufacturing regulated products unless properly treated, and previous CEQA evaluations for previous amendments to other VOC-based rules determined that waterborne reformulation approaches would not result in significant impacts to water or groundwater supplies. Accordingly, the previous conclusion of less than significant impact related to water and groundwater supplies to transportation and traffic reached in the October 2017 Final EA for Rule 1168 remained unchanged for the 2022 amendments to Rule 1168.

The same reasoning for why no significant impacts relating to water and groundwater supplies would occur, as outlined above, also apply to PAR 1168. Therefore, similar to the October 2017 and November 2022 versions of Rule 1168, PAR 1168 is not expected to substantially deplete groundwater or water supplies and substantially interfere with groundwater recharge.

Lastly, the October 2017 Final EA for Rule 1168 concluded that the October 2017 version of Rule 1168 would not:

1) Substantially alter the existing drainage pattern of the site or area where reformulated Regulated Products manufactured or used, including through alteration of the course of a stream or river;
2) Substantially increase the rate or amount of surface runoff in a manner that would result in substantial erosion or siltation on- or off-site or flooding on- or off-site;
3) Create new or contribute to existing runoff water which would exceed the capacity of existing or planned storm water drainage systems;
4) Place housing or other structures within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map;
5) Expose people or structures to a significant risk of loss, injury or death involving flooding as a result of the failure of a levee or dam, or inundation by seiche, tsunami, or mudflow; and
6) Result in the construction of new water or wastewater treatment facilities or new storm water drainage facilities, or the expansion of existing facilities.

The November 2022 Final SEA for Rule 1168 concluded that the 2022 amendments to Rule 1168 would not alter the existing manufacturing locations or facility operations because adhesive and sealant products would continue to be manufactured at existing facilities with process lines located within enclosed buildings. In addition, reformulated adhesive and sealant products would continue to be applied and used in the same manner as products regulated under the October 2017 version of Rule 1168, and unused Regulated Products would continue to be recycled or properly disposed of in accordance with manufacturer recommendations and applicable local and state requirements. Therefore, the reasoning supporting the conclusions reached in the October 2017 Final EA for Rule 1168 related to drainage patterns, runoff, flooding hazards, and the need for new or expanded water, wastewater, or stormwater facilities would continue to apply to the 2022 amendments to Rule 1168.

Under PAR 1168, adhesives and sealants will continue to be manufactured at existing facilities whose process lines operate within enclosed buildings. Similarly, new or revised formulations of adhesives and sealants are expected to be applied and used in the same manner as the adhesives and sealants currently subject to the requirements in the October 2017 and November 2022 versions of Rule 1168. Further, unused Regulated Products will be recycled or properly disposed according to the specifications in the manufacturer's product safety data sheets and according to local and state requirements for proper handling and disposal. Therefore, the same reasoning for why no impacts relating to drainage patterns of the area, run off water, exposing people and structures to flooding hazards, and constructing new water or wastewater treatments would occur, as outlined above, also apply to PAR 1168.

Public Services

The October 2017 Final EA for Rule 1168 previously analyzed public services impacts associated with reformulating adhesives and sealants with fewer VOC containing chemicals, fewer or no toxics, and no stratospheric ozone-depleting compounds and concluded that less than significant impacts would occur because:

1) Implementation of the October 2017 version of Rule 1168 might result in an accidental or emergency release of hazardous or flammable materials that are being used during the reformulation process. While unpredictable and with a low probability of occurring, it would require the assistance of public services personnel.
2) Police and fire department personnel may be needed since they are typically first responders to emergency situations and may assist local hazmat teams with containing hazardous materials, putting out fires, and controlling crowds to reduce public exposure to releases of hazardous materials in the event of a spill. However, no substantial increases in police attendance are anticipated due to the low probability of such incidences.

The November 2022 Final SEA for Rule 1168 evaluated public services impacts associated with: 1) prohibiting the use of pCBtF and t-BAc due to toxicity concerns; 2) delaying the effective dates of VOC emission limits or maintaining the existing VOC emission limits for certain categories of adhesives and sealants; 3) creating additional subcategories of Regulated Products to better characterize and refine VOC emission limits; and 4) allowing Opteon 1100 as a VOC exempt compound for Two-Component Foam Sealants used in an industrial or professional setting contingent upon OEHHA's assessment for toxicity concerns. The analysis in the November 2022 Final SEA for Rule 1168 concluded that adhesive and sealant products would continue to be manufactured within the boundaries of existing manufacturing facilities using the same equipment; therefore, the same reasoning supporting the less than significant public services impact conclusion related to fire and police protection services in the October 2017 Final EA for Rule 1168 would continue to apply to the 2022 amendments to Rule 1168. The November 2022 Final SEA for Rule 1168 also concluded that the potential need for fire and police protection services associated with accidental or emergency releases of hazardous or flammable materials during the reformulation process would remain limited because such incidents would be unpredictable and have a low probability of occurring. Although emergency responders may be needed to assist local hazmat teams with containing hazardous materials, extinguishing fires, and controlling crowds to reduce public exposure to hazardous material releases, the 2022 version of Rule 1168 was not expected to result in a substantial increase in demand for fire and police protection services.

The analysis in this SEA focuses on the following key components of PAR 1168 which proposes to: 1) extend the pCBtF prohibition date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) to allow more time for reformulations; and 2) delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations. Under PAR 1168, adhesive and sealant products are expected to be manufactured within the boundary of existing manufacturing facilities with the same equipment. Therefore, the same reasoning for why less than significant public service impacts relating to fire and police protection services would occur, as outlined above, also apply to the proposed project.

The analysis in the October 2017 Final EA for Rule 1168 also concluded no impacts to public services from schools and other facilities because reformulation of adhesive and sealant products would not cause an increase in the local population such that:

1) additional personnel at local schools would not be needed; and
2) no new or physically altered government facilities would be needed in order to maintain acceptable service ratios, response times, or other performance objectives.

The analysis in the November 2022 Final SEA for Rule 1168 concluded that, because implementation of the 2022 amendments to Rule 1168 was not expected to increase the local population, no additional personnel at local schools or new or physically altered government facilities would be needed to maintain acceptable service ratios, response times, or other performance objectives. Therefore, the November 2022 Final SEA for Rule 1168 concluded that the reasoning supporting the no public services impact conclusion related to schools and other facilities in the October 2017 Final EA for Rule 1168 would continue to apply to the 2022 amendments to Rule 1168.

Since no increase in local population would be anticipated as a result of implementing PAR 1168, the same reasoning for why no public service impacts relating to schools and other facilities would occur, as outlined above, also apply to the proposed project. Therefore, the previous conclusion of no impacts to public services from schools and other facilities less reached in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 will continue to apply to PAR 1168.

4.4 POTENTIAL GROWTH-INDUCING IMPACTS

CEQA Guidelines Section 15126(d) requires an environmental analysis to consider the "growth-inducing impact of the proposed action." CEQA defines growth-inducing impacts as those impacts of a proposed project that “could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this are projects, which would remove obstacles to population growth.” [CEQA Guidelines Section 15126.2(d)].

To address this issue, potential growth-inducing effects are examined through the following considerations:

- Facilitation of economic effects that could result in other activities that could significantly affect the environment;
- Expansion requirements for one or more public services to maintain desired levels of service as a result of the proposed project;
- Removal of obstacles to growth through the construction or extension of major infrastructure facilities that do not presently exist in the project area or through changes in existing regulations pertaining to land development;
- Adding development or encroachment into open space; and/or
- Setting a precedent that could encourage and facilitate other activities that could significantly affect the environment.

4.4.1 Economic and Population Growth, and Related Public Services

A project would be considered to directly induce growth if it would directly foster economic or population growth or the construction of new housing in the surrounding environment (e.g., if it would remove an obstacle to growth by expanding existing infrastructure such as new roads or wastewater treatment plants).

The projects evaluated in the October 2017 Final EA for Rule 1168 and the November 2022 Final SEA for Rule 1168 were concluded to not remove barriers to population growth, since implementation of the October 2017 and November 2022 versions of Rule 1168 involved no changes to a General Plan, zoning ordinance, or a related land use policy.

The proposed project evaluated in this SEA contains incremental changes to the project previously evaluated in the November 2022 Final SEA for Rule 1168. The proposed project would also not be expected to remove barriers to population growth, since implementation of the proposed project does not involve any changes to a General Plan, zoning ordinance, or a related land use policy.

Further, the proposed project, as with the projects evaluated in the October 2017 Final EA for Rule 1168 and November 2022 Final SEA for Rule 1168, does not include policies that would encourage the development of new housing or population-generating uses or infrastructure that would directly encourage such uses. The proposed project, as with the projects evaluated in the October 2017 Final EA for Rule 1168 and November 2022 Final SEA for Rule 1168, does not change jurisdictional authority or responsibility concerning land use or property issues. Land use authority falls solely under the purview of the local governments. The South Coast AQMD is specifically excluded from infringing on existing city or county land use authority (Health and Safety Code Section 40414). Therefore, PAR 1168 would not directly trigger new residential development in the area.

PAR 1168 would not directly or indirectly stimulate substantial population growth, remove obstacles to population growth, or necessitate the construction of new community facilities that would lead to additional growth within South Coast AQMD's jurisdiction. Due to no expected construction activities, PAR 1168 would not require relocation of any workers. Further, PAR 1168 would not be expected to result in an increase in local population, housing, or associated public services (e.g., fire, police, schools, recreation, and library facilities) since no increase in population or the number of workers is expected. Likewise, PAR 1168 would not create new demand for secondary services, including regional or specialty retail, restaurant or food delivery, recreation, or entertainment uses. As such, the proposed project would not foster economic or population growth in the surrounding area in a manner that would be growth-inducing.

Thus, implementing PAR 1168 will not, by itself, have any direct or indirect growth-inducing impacts on businesses in the South Coast AQMD's jurisdiction because it is not expected to foster economic or population growth or the construction of additional housing and primarily affects existing facilities.

4.4.2 Removal of Obstacles to Growth

The facilities which manufacture adhesives and sealants that will be regulated by PAR 1168 are already established entities located within and outside of South Coast AQMD's jurisdiction and

outside of California. Under PAR 1168, adhesives and sealants are expected to be manufactured, reformulated (as applicable), used, and applied in a similar fashion as adhesives and sealants subject to the October 2017 and November 2022 versions of Rule 1168. Further, PAR 1168 will not cause any substantial changes in transportation type, delivery, recirculation, and distribution of adhesive and sealants. Therefore, PAR 1168 would not employ activities or uses that would result in growth inducement, such as the development of new infrastructure (e.g., new roadway access or utilities) that would directly or indirectly cause the growth of new populations, communities, or currently undeveloped areas. Likewise, PAR 1168 would not require or result in an expansion of existing public service facilities (e.g., police, fire, libraries, and schools) or the development of public service facilities that do not already exist.

4.4.3 Development or Encroachments into Open Space

Development can be considered growth-inducing when it is not contiguous to existing urban development and introduces development into open space areas. PAR 1168 applies to all adhesive and sealants manufactured, supplied, distributed, sold and used within South Coast AQMD's jurisdiction but does not contain any requirements that would trigger new land use developments. Moreover, as discussed in Section 4.1.1, PAR 1168 is not expected to require physical changes or modifications that would involve construction activities. Therefore, PAR 1168 would not require or result in development within or encroachment into an open space area.

4.4.4 Precedent Setting Action

Rule 1168 was adopted in April 1989 to reduce VOC emissions from adhesive applications. The rule has been amended 15 times with the last two amendments in October 2017 and November 2022. The purpose of the October 2017 amendments to Rule 1168 was to reduce emissions of VOCs by 1.38 tpd, as well as reduce toxic air contaminants, and stratospheric ozone-depleting compounds from adhesives, adhesive primers, sealants, and sealant primers. The October 2017 amendments to Rule 1168 also included a commitment to conduct a technology assessment for top and trim adhesives, roofing products, plastic welding cements, and foam sealants to determine if products for nine adhesive and sealant categories were available that could achieve the VOC limits by January 1, 2023. The technology assessment concluded that some of these product categories either needed more time beyond January 1, 2023 to meet the VOC limits or that achieving the lower VOC limits would not be technically feasible. Based on the results of the technology assessment, the November 2022 version of Rule 1168 adjusted certain VOC limits and provided additional time for certain products to be reformulated. In addition, the November 2022 version of Rule 1168 prohibited the use of t-BAc and pCBtF, which are strong carcinogens, to promote public health and reduce exposure to these toxic compounds. By prohibiting t-BAc and pCBtF, the November 2022 version of Rule 1168 established a precedent for future rulemaking activities aimed at reducing VOCs and toxic compounds. However, the precedent established by prohibiting these carcinogenic compounds was not expected to result in other significant environmental effects because the prohibition of t-BAc and pCBtF was intended to promote public health and would provide an air quality benefit without causing significant adverse environmental effects.

PAR 1168 proposes to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other

Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. Under PAR 1168, the same VOC limits and pCBtF phaseout requirements established by the November 2022 version of Rule 1168 would continue to apply, but the dates by which certain categories would be required to comply with those requirements would be extended. Because PAR 1168 would delay, rather than establish, requirements previously adopted under the November 2022 version of Rule 1168, and would not introduce a new type of regulatory action beyond the requirements established by the November 2022 version of Rule 1168, PAR 1168 is not expected to establish a new precedent that would result in other significant environmental effects.

4.4.5 Conclusion

PAR 1168 is not expected to foster economic or population growth or result in the need to construct additional housing or other infrastructure, either directly or indirectly, that would further encourage growth. PAR 1168 would also not result in an increase in production of resources or cause a progression of growth that could significantly affect the environment either individually or cumulatively.

4.5 RELATIONSHIP BETWEEN SHORT-TERM AND LONG-TERM ENVIRONMENTAL GOALS

CEQA documents are required to explain and make findings about the relationship between short-term uses and long-term productivity. [CEQA Guidelines Section 15065(a)(2)]. An important consideration when analyzing the effects of a proposed project is whether it will result in short-term environmental benefits to the detriment of achieving long-term goals or maximizing productivity of these resources. Implementing the proposed project is not expected to achieve short-term goals at the expense of long-term environmental productivity or goal achievement. The purpose and long-term environmental goals of Rule 1168 is to reduce emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from the application of adhesives, adhesive primers, sealants, and sealant primers because formulations of these products contain compounds that are primarily comprised of VOCs but can also contain toxics and stratospheric ozone-depleting compounds.

As discussed earlier, the November 2022 version of Rule 1168 prohibited the use of t-BAc and pCBtF due to toxicity concerns, which would directly support the long-term goal of reducing toxic air contaminants and would result in a long-term environmental benefit. However, due to technological issues with the inability to achieve the VOC limits and effective dates in the October 2017 version of Rule 1168 for certain adhesives and sealants, the short-term goal of the November 2022 version of Rule 1168 was to revert to the higher VOC limits that were in place prior to the October 2017 amendments to Rule 1168 and to extend the effective dates for certain categories of adhesives and sealants to allow manufacturers additional time to develop products with fewer VOCs, which would eventually lead to achieving VOC emission reductions for these categories of adhesives and sealants over the long-term. The November 2022 Final SEA concluded that the November 2022 version of Rule 1168 would result in delayed VOC emission reductions of 0.42 tpd over the short term and permanent VOC emission reductions foregone of 0.28 tpd over the

long term, and that these delayed and permanent emission reductions foregone would result in significant and unavoidable operational air quality impacts. The analysis in the November 2022 Final SEA for Rule 1168 also noted that the majority of the VOC limits would remain unchanged, such that the long-term goal of reducing VOC emissions from adhesives and sealants would prevail.

PAR 1168 proposes to extend the pCBtF prohibition date for Roof Adhesive Primers to allow more time for reformulations; delay the effective dates of VOC emission limits for three categories of adhesives and sealants to allow more time for reformulations; include equivalent alternative reactivity-based limits for Top and Trim Adhesives, ~~and~~ Roof Adhesive Primers, and All Other Adhesive Primers; delete the exemption that allows facilities to use up to 55-gallons of non-compliant products per year; require manufacturers to provide a list of their distributors annually; transition reporting to a recordkeeping requirement for distributors; include a new category for battery adhesives with an extended pCBtF prohibition date; and provide clarifications, updates to definitions, and cross references to maintain consistency with other South Coast AQMD rules. Under PAR 1168, the same VOC limits and pCBtF phaseout requirements established by the November 2022 version of Rule 1168 would continue to apply, but the dates by which certain categories would be required to comply with those requirements would be extended. Therefore, implementation of PAR 1168 would delay certain VOC emission reductions and the air quality benefit associated with the pCBtF phaseout over the short-term. However, because PAR 1168 would not change the established VOC limits or eliminate the pCBtF phaseout requirements in the November 2022 version of Rule 1168, the delayed VOC emission reductions would eventually be achieved and the pCBtF phaseout would still occur for the applicable categories of Regulated Products. As such, the short-term delays under PAR 1168 would not prevent achievement of the long-term environmental goals of Rule 1168, and the conclusion in the November 2022 Final SEA that the long-term goal of reducing VOC emissions from adhesives and sealants would prevail remains applicable to PAR 1168.

CHAPTER 5

ALTERNATIVES

Introduction

Methodology for Developing Project Alternatives

Description of Alternatives to the Proposed Project

Alternatives Analysis

Comparison of Alternatives to the Proposed Project

Alternatives Rejected as Infeasible

Lowest Toxic and Environmentally Superior Alternative

Conclusion

5.0 INTRODUCTION

This SEA provides a discussion of alternatives to the proposed project as required by CEQA. The alternatives discussion includes measures for attaining the objectives of the proposed project and provide a means for evaluating the comparative merits of each alternative. A 'no project' alternative must also be evaluated. The range of alternatives must be sufficient to permit a reasoned choice but need not include every conceivable project alternative. CEQA Guidelines Section 15126.6(c) specifically notes that the range of alternatives required in a CEQA document is governed by a 'rule of reason' and only necessitates that the CEQA document set forth those alternatives necessary to permit a reasoned choice. The key issue is whether the selection and discussion of alternatives fosters informed decision making and public participation. A CEQA document need not consider an alternative whose effect cannot be reasonably ascertained and whose implementation is remote and speculative. In addition, South Coast AQMD's certified regulatory program pursuant to Public Resources Code Section 21080.5, CEQA Guidelines Section 15125(l), and South Coast AQMD Rule 110 does not impose any greater requirements for a discussion of project alternatives in a SEA than is required for an EIR under CEQA.

5.1 METHODOLOGY FOR DEVELOPING PROJECT ALTERNATIVES

The alternatives typically included in CEQA documents for proposed South Coast AQMD rules, regulations, or plans are developed by breaking down the project into distinct components (e.g., emission limits, compliance dates, applicability, exemptions, pollutant control strategies, etc.) and varying the specifics of one or more of the components. Different compliance approaches that generally achieve the objectives of the project may also be considered as project alternatives. CEQA Guidelines Section 15126.6(b) states that the purpose of alternatives is to identify ways to mitigate or avoid significant effects that a project may have on the environment.

The initial analysis of the proposed project determined that, of the amendments proposed, only the components in PAR 1168 that propose to delay the effective dates of VOC emission limits for certain categories of adhesives and sealants could have potentially significant adverse air quality impacts during operation. As discussed earlier, under PAR 1168, extending the pCBtF phaseout date for Roof Adhesive Primers and a new category of adhesives (Battery Adhesives) would also delay the air quality benefit associated with the pCBtF phaseout and the corresponding reduction in potential exposure to pCBtF. As such, alternatives to PAR 1168 were crafted by varying the proposed effective dates of VOC emission limits for certain categories of adhesives and sealants and/or the proposed pCBtF phaseout date for Roof Adhesive Primers and Battery Adhesives.

5.2 DESCRIPTION OF ALTERNATIVES TO THE PROPOSED PROJECT

Three alternatives to the proposed project are summarized in Table 5-1: Alternative A – No Project, Alternative B – More Stringent Proposed Project, and Alternative C – Less Stringent Proposed Project. The primary components of the proposed alternatives that have been modified are the effective dates for compliance with the VOC emission limits and the pCBtF phaseout date established in the November 2022 version of Rule 1168. Unless otherwise specifically noted, all

other components of the project alternatives are identical to the components of the proposed project.

The following subsections provide a brief description of the alternatives.

5.2.1 Alternative A – No Project

CEQA requires the specific alternative of "No Project" to be evaluated. A No Project Alternative consists of what would occur if the proposed project (PAR 1168) was not approved; in this case, not proposing amendments to Rule 1168. Alternative A, the no project alternative, means that the November 2022 version of Rule 1168 would remain in effect. Under Alternative A, adhesives, sealants, sealant primers and adhesive primers would have to comply with the VOC emission limits and their corresponding effective dates in the November 2022 version of Rule 1168. Moreover, under Alternative A, the t-BAc and pCBtF prohibition effective dates, sell-through end dates, and use-through end dates for all categories of adhesives, sealants, sealant primers, and adhesive primers would remain unchanged from the November 2022 version of Rule 1168.

5.2.2 Alternative B – More Stringent Proposed Project

There are some elements in PAR 1168 that could be adjusted to create a more stringent proposed project. To be more stringent would be to impose more requirements, reduce the emission standards to be achieved, or provide less flexibility or relief to those subject to PAR 1168. Under Alternative B, more stringent means the required effective date to meet the VOC limits would need to occur six months earlier than the proposed project for the categories of Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant while the effective date to meet the VOC limit for Top and Trim Adhesive would need to occur 12 months earlier than PAR 1168. In addition, under this alternative, the pCBtF effective date, sell-through end date, and use-through end date would be 12 months earlier than the proposed project for Roof Adhesive Primers and Battery Adhesives.

5.2.3 Alternative C – Less Stringent Proposed Project

By contrast to Alternative B, there are a number of elements in PAR 1168 that could be adjusted to create a less stringent proposed project. To be less stringent would be to impose fewer requirements, increase the VOC emission limits to be achieved, or provide more flexibility or relief to the adhesives and sealants subject to PAR 1168. Under Alternative C, the categories of Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant would have an additional six months to meet the meet the VOC limits whereas the required effective date to meet the VOC limits would need to occur 12 months later than the proposed project for the category of Top and Trim Adhesive. In addition, under this alternative, the pCBtF effective date, sell-through end date, and use-through end date would be 12 months later than the proposed project for Roof Adhesive Primers and Battery Adhesives.

5.3 ALTERNATIVES ANALYSIS

Each key component of PAR 1168 has been identified to only affect operational air quality. As such, for this alternatives analysis, the key components with the potential to create operational air quality impacts are evaluated for each alternative and compared to the effects of PAR 1168. Therefore, the following section describes the potential operational air quality impacts that may occur for each alternative and identifies which of the key components may have significant or less than significant impacts, as applicable. Potentially significant adverse operational air quality impacts are quantified where sufficient data are available. A comparison of the environmental impacts for each project alternative is provided in Table 5-2. The following subsections also re-summarize impacts and significance conclusions from the proposed project before discussing each alternative.

5.3.1 Air Quality and Greenhouse Gas Emissions

5.3.1.1 Proposed Project

Potential direct and indirect air quality and GHG emissions impacts from the proposed project are summarized in the following subsection. For the complete analysis, refer to Section 4.1 - Air Quality and Greenhouse Gas Emissions.

As explained previously, PAR 1168 is not expected to require physical changes or modifications that would involve construction activities. Furthermore, the types of chemicals that are used for manufacturing adhesives and sealants subject to Rule 1168 are not known to contain any GHG compounds, and any future reformulations with GHG compounds as a result of implementing PAR 1168 would not be expected. Therefore, PAR 1168 would neither generate significant adverse construction air quality impacts nor generate GHG impacts during construction or operation.

PAR 1168 proposes to delay the effective dates for certain categories of adhesives and sealants to comply with the applicable VOC limits established in the November 2022 version of Rule 1168, and these proposed changes are considered operational activities that are expected to generate significant air quality impacts. While the November 2022 Final SEA for Rule 1168 originally estimated that the November 2022 version of Rule 1168 would result in delayed VOC emission reductions ranging from 0.42 tpd to 0.39 tpd through January 1, 2028, PAR 1168 would extend the period of delayed VOC emission reductions beyond January 1, 2028. Implementation of PAR 1168 would delay VOC emission reductions for Clear, Paintable, Immediately Water-Resistant Sealant from January 1, 2026 to January 1, ~~2028~~2029, for Rubber Vulcanization Adhesive from January 1, 2028 to January 1, 2029, and for Top and Trim Adhesive from January 1, 2028 to January 1, 2030. As shown in Table 4-2, PAR 1168 is expected to result in 0.146 tpd of delayed VOC emission reductions through January 1, ~~2028~~2029, ~~followed by 0.135 tpd from January 1, 2028 through January 1, 2029~~ and 0.115 tpd from January 1, 2029 through January 1, 2030. Thus, PAR 1168 would extend the period during which VOC emission reductions are delayed by approximately two years compared to the November 2022 version of Rule 1168.

It is important to note that PAR 1168 does not change the VOC limits established in the November 2022 version of Rule 1168, except for the new category of Battery Adhesives, for which PAR 1168 would establish a lower VOC limit of 120 g/L for these coatings instead of the current VOC limit of 250 g/L under "All Other Adhesives." However, no change in VOC emissions are expected from requiring the lower VOC limit for Battery Adhesives; therefore, no permanent VOC emission reductions are expected from the proposed project.

Lastly, PAR 1168 proposes to extend the pCBtF prohibition effective date, sell-through end date, and use-through end date for Roof Adhesive Primers and Battery Adhesives. As a result, the air quality benefit associated with the pCBtF phaseout and the corresponding reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives would be delayed. However, the pCBtF phaseout requirement established in the November 2022 version of Rule 1168 would remain in place under PAR 1168, and the phaseout would still occur under the extended deadline. PAR 1168 would also prohibit the use, supply, sale, offer for sale, distribution, packaging, repackaging, or possession of Regulated Products for use within the South Coast AQMD that contain DMC in concentrations greater than 0.01 percent by weight or VMS in concentrations greater than ~~0.1~~1.0 percent by weight, thereby providing an additional toxicity benefit.

5.3.1.2 Alternative A – No Project

Under Alternative A, manufacturers would be required to formulate adhesives and sealants for sale and use within South Coast AQMD's jurisdiction that meet the VOC limits and their corresponding effective dates established in the November 2022 version of Rule 1168. The November 2022 Final SEA for Rule 1168 concluded that compliance with these VOC limits and effective dates would result in delayed VOC emission reductions ranging from 0.42 tpd to 0.39 tpd[67] through January 1, 2028. Under Alternative A, the t-BAc and pCBtF prohibition effective dates, sell-through end dates, and use-through end dates for all categories of adhesives, sealants, sealant primers, and adhesive primers would remain the same as the November 2022 version of Rule 1168. Thus, this alternative will reduce the potential for toxic chemicals to be used in Rule 1168 Regulated Products.

However, manufacturers of certain adhesives and sealants have indicated that they need additional time to develop compliant products or cannot meet the applicable VOC limits or pCBtF phaseout effective dates established in the November 2022 version of Rule 1168 due to technological limitations, creating potential compliance issues.

5.3.1.3 Alternative B – More Stringent Proposed Project

PAR 1168 proposes revisions to the VOC limits and corresponding effective dates for certain categories of adhesives and sealants which are based on the recommendations from the

[67] Delayed emission reductions calculated for the November 2022 version of Rule 1168 relied on 2017 and 2018 QER data, while the delayed emission reductions calculated for PAR 1168 rely on 2021 and 2022 QER data. The delayed emission reductions calculated in the November 2022 Final SEA for Rule 1168 have not been recalculated using the 2021 and 2022 QER data because doing so would not change the magnitude or conclusion regarding the potentially significant impacts associated with PAR 1168, as the duration of the potentially significant impacts associated with PAR 1168 extends beyond the timeframe estimated in the November 2022 Final SEA for Rule 1168.

technology assessment that was conducted and Alternative B proposes the same VOC limits but with earlier effective dates for the following categories of adhesives and sealants: Top and Trim Adhesive (by January 1, 2029 instead of January 1, 2030), Rubber Vulcanization Adhesive (by July 1, 2028 instead of January 1, 2029), and Clear, Paintable, Immediately Water-Resistant Sealant (by July 1, ~~2027~~ 2028 instead of January 1, ~~2028~~2029). In addition, under Alternative B, the pCBtF prohibition effective date, sell-through end date, and use-through end date for Roof Adhesive Primers and Battery Adhesives would be 12 months earlier than PAR 1168. When compared to PAR 1168, Alternative B may be infeasible at worst, or difficult to achieve at best, due to technological limitations and time constraints associated with developing and testing new formulations prior to making them commercially available for use.

Alternative B would result in 0.146 tpd of delayed VOC emission reductions through July 1, ~~2027~~2028, ~~followed by 0.135 tpd from July 1, 2027 through July 1, 2028,~~ and 0.115 tpd from July 1, 2028 through January 1, 2029, but the delay would be for a shorter period of time (i.e., six to 12 months less) when compared to PAR 1168. Thus, Alternative B would result in significant operational air quality impacts. Lastly, under Alternative B, the delay in achieving the air quality benefits associated with the pCBtF phaseout for Roof Adhesive Primers and Battery Adhesives would be 12 months shorter compared to PAR 1168.

Since the analysis concluded that there would be no significant impacts on construction air quality and construction/operation GHG emissions for PAR 1168, and since Alternative B is only focused on imposing more stringent compliance dates than what would occur under PAR 1168, Alternative B would also be expected to have no significant impacts on construction air quality and construction/operation GHG emissions.

5.3.1.4 Alternative C – Less Stringent Proposed Project

Alternative C adjusts some elements in PAR 1168 to create a less stringent proposed project by further delaying the potential to achieve VOC emission reductions and the pCBtF phaseout to the fullest extent possible. Specifically, Alternative C proposes delayed effective dates by one year for the following categories of adhesives and sealants: Top and Trim Adhesive (by January 1, 2031 instead of January 1, 2030), Rubber Vulcanization Adhesive (by July 1, 2029 instead of January 1, 2029), and Clear, Paintable, Immediately Water-Resistant Sealant (by July 1, ~~2028~~ 2029 instead of January 1, ~~2028~~2029) to comply with the same proposed VOC limits as in PAR 1168.

Alternative C would result in 0.146 tpd of delayed VOC emission reductions through July 1, ~~2028~~2029, ~~followed by 0.135 tpd from July 1, 2028 through July 1, 2029~~ and 0.115 tpd from July 1, 2029 through January 1, 2031, but the delay would occur over a longer period of time (e.g., twelve months longer) when compared to the proposed project. Thus, Alternative C would result in significant operational air quality impacts. Lastly, under Alternative C, the delay in achieving the air quality benefits associated with the pCBtF phaseout for Roof Adhesive Primers and Battery Adhesives would be 12 months longer compared to PAR 1168.

Since the analysis concluded that there would be no significant impacts on construction air quality and construction/operation GHG emissions for PAR 1168, and since Alternative C is only focused on imposing less stringent compliance dates than what would occur under PAR 1168, Alternative C would also be expected to have no significant impacts on construction air quality and construction/operation GHG emissions.

5.4 COMPARISON OF ALTERNATIVES TO THE PROPOSED PROJECT

Pursuant to CEQA Guidelines Section 15126.6(d), a CEQA document "shall include sufficient information about each alternative to allow meaningful evaluation, analysis, and comparison with the proposed project." A matrix displaying the major characteristics and significant environmental effects of each alternative may be used to summarize the comparison. If an alternative would cause one or more significant effects in addition to those that would be caused by the project as proposed, the significant effects of the alternative shall be discussed, but in less detail than the significant effects of the project as proposed." Accordingly, Table 5-1 provides a matrix displaying the major differences in characteristics between the proposed project and each alternative, and Table 5-2 compares the environmental impacts between the proposed project and each alternative.

Table 5-1
Summary of the Proposed Project (PAR 1168) and Alternatives

Categories with Proposed Changes	Proposed Project (PAR 1168)	Alternative A: No Project*	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Top and Trim Adhesive	No change to existing 250 g/L VOC limit but extend effective date from 1/1/2028 to 1/1/2030 Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L	250 g/L VOC limit by 1/1/2028	250 g/L VOC limit by 1/1/2029 Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L	250 g/L VOC limit by 1/1/2031 Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L
Rubber Vulcanization Adhesive	No change to existing 250 g/L VOC limit but extend effective date from 1/1/2028 to 1/1/2029	250 g/L VOC limit by 1/1/2028	250 g/L VOC limit by 7/1/2028	250 g/L VOC limit by 7/1/2029
Clear, Paintable, Immediately Water-Resistant Sealant	No change to existing 250 g/L VOC limit but extend effective date from 1/1/2026 to 1/1/~~2028~~2029	250 g/L VOC limit by 1/1/2026	250 g/L VOC limit by 7/1/~~2027~~2028	250 g/L VOC limit by 7/1/~~2028~~2029
Roof Adhesive Primers	No change to existing 250 g/L VOC limit Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L Extend pCBtF prohibition effective date from 1/1/2027 to 1/1/2030 Extend pCBtF sell-through end date from 1/1/2028 to 1/1/2031 Extend pCBtF use-through end date from 1/1/2028 to 1/1/~~2031~~2032	No change to existing 250 g/L VOC limit pCBtF prohibition effective date would be 1/1/2027 pCBtF sell-through end date would be 1/1/2028 pCBtF use-through end date would be 1/1/2028	No change to existing 250 g/L VOC limit Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L pCBtF prohibition effective date would be 1/1/2029 pCBtF sell-through end date would be 1/1/2030 pCBtF use-through end date would be 1/1/~~2030~~2031	No change to existing 250 g/L VOC limit Include optional alternative reactivity-based limits equivalent to VOC limit of 250 g/L pCBtF prohibition effective date would be 1/1/2031 pCBtF sell-through end date would be 1/1/2032 pCBtF use-through end date would be 1/1/~~2032~~2033

*The No Project alternative means retaining the VOC limits and effective dates as established in the November 2022 version of Rule 1168.

Table 5-1 (concluded)
Summary of the Proposed Project (PAR 1168) and Alternatives

Categories with Proposed Changes	Proposed Project (PAR 1168)	Alternative A: No Project*	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Battery Adhesives (a new category, currently included under All Other Adhesives)	120 g/L VOC limit upon rule adoption Extend pCBtF prohibition effective date from 1/1/2024 to 1/1/2029 Extend pCBtF sell-through end date from 1/1/2027 to 1/1/2030 Extend pCBtF use-through end date from 1/1/2028 to 1/1/2031	No change to existing 250 g/L VOC limit pCBtF prohibition effective date would be 1/1/2024 pCBtF sell-through end date would be 1/1/2027 pCBtF use-through end date would be 1/1/2028	120 g/L VOC limit upon rule adoption pCBtF prohibition effective date would be 1/1/2028 pCBtF sell-through end date would be 1/1/2029 pCBtF use-through end date would be 1/1/2030	120 g/L VOC limit upon rule adoption pCBtF prohibition effective date would be 1/1/2030 pCBtF sell-through end date would be 1/1/2031 pCBtF use-through end date would be 1/1/2032

*The No Project alternative means retaining the VOC limits and effective dates as established in the November 2022 version of Rule 1168.

Table 5-2
Comparison of Adverse Environmental Impacts of the Proposed Project (PAR 1168) and Alternatives

Air Quality & GHGs Impact Areas	Proposed Project (PAR 1168)	Alternative A: No Project	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Construction	**No Impacts** because no physical modifications involving construction are expected	**No Impacts** Same as Proposed Project	**No Impacts** Same as Proposed Project	**No Impacts** Same as Proposed Project
GHGs	**Less than Significant Impacts** because the type of chemicals used for reformulating compliant products are not known to contain any GHG compounds and any future reformulation with GHG compounds would not be expected to occur	**Less than Significant Impacts** Same as Proposed Project	**Less than Significant Impacts** Same as Proposed Project	**Less than Significant Impacts** Same as Proposed Project
Operation – VOC Emissions	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.146 tpd through 1/1/~~2028~~2029; ~~0.135 tpd from 1/1/2028 through 1/1/2029~~ and 0.115 tpd from 1/1/2029 through 1/1/2030: d) Clear, Paintable, Immediately Water-Resistant Sealant - 0.011 tpd until 1/1/~~2028~~2029 e) Rubber Vulcanization Adhesive - 0.02 tpd until 1/1/2029 f) Top and Trim Adhesive - 0.115 tpd until 1/1/2030	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.39 tpd through 1/1/2028 from: c) Rubber Vulcanization Adhesive - 0.29 tpd until 1/1/2028 d) Top and Trim Adhesive - 0.1 tpd until 1/1/2028	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.146 tpd through 7/1/~~2027~~2028; ~~0.135 tpd from 7/1/2027 through 7/1/2028~~ and 0.115 tpd from 7/1/2028 through 1/1/2029: d) Clear, Paintable, Immediately Water-Resistant Sealant - 0.011 tpd until 7/1/~~2027~~ 2028 e) Rubber Vulcanization Adhesive - 0.0.02 tpd until 7/1/2028 f) Top and Trim Adhesive - 0.115 tpd until 1/1/2029	**Potentially Significant Impacts** due to: Delayed VOC emission reductions of 0.146 tpd through 7/1/~~2028~~2029; ~~0.135 tpd from 7/1/2028 through 7/1/2029~~ and 0.115 tpd from 7/1/2029 through 1/1/2031: d) Clear, Paintable, Immediately Water-Resistant Sealant - 0.011 tpd until 7/1/~~2028~~2029 e) Rubber Vulcanization Adhesive - 0.02 tpd until 7/1/2029 f) Top and Trim Adhesive - 0.115 tpd until 1/1/2031

Table 5-2 (concluded)
Comparison of Adverse Environmental Impacts of the Proposed Project (PAR 1168) and Alternatives

Air Quality & GHGs Impact Areas	Proposed Project (PAR 1168)	Alternative A: No Project	Alternative B: More Stringent Proposed Project	Alternative C: Less Stringent Proposed Project
Operation – Toxicity	**Less than Significant Toxicity Impacts** because although PAR 1168 would delay the air quality benefit associated with the pCBtF phaseout and the corresponding reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives, the t-BAc and pCBtF phaseout requirements established in the November 2022 version of Rule 1168 would remain in place and continue to apply under PAR 1168, with only the applicable phaseout dates for Roof Adhesive Primers and Battery Adhesives being extended. No other changes affecting toxic air contaminants are expected.	**Less than Significant Toxicity Impacts** because the t-BAc and pCBtF phaseout requirements, including the applicable prohibition effective dates, sell-through end dates, and use-through end dates established in the November 2022 version of Rule 1168, would remain unchanged.	**Less than Significant Toxicity Impacts** - Same as Proposed Project**.**	**Less than Significant Toxicity Impacts** - Same as Proposed Project**.**
Operation – Odor Nuisance	**Less than Significant Odor Nuisance Impacts** because PAR 1168 would not change the types of adhesives and sealants subject to Rule 1168 or the manufacturing processes and types of chemicals used and, therefore, would not result in new or different sources of odor.	**Less than Significant Odor Nuisance Impacts** - Same as Proposed Project**.**	**Less than Significant odor nuisance impacts** - Same as Proposed Project**.**	**Less than Significant odor nuisance impacts** - Same as Proposed Project**.**

5.5 ALTERNATIVES REJECTED AS INFEASIBLE

In accordance with CEQA Guidelines Section 15126.6(c), a CEQA document should identify any alternatives that were considered by the lead agency but were rejected as infeasible during the scoping process and briefly explain the reasons underlying the lead agency's determination. Section 15126.6(c) also states that among the factors that may be used to eliminate alternatives from detailed consideration in a CEQA document are: 1) failure to meet most of the basic project objectives; 2) infeasibility; or 3) inability to avoid significant environmental impacts.

As noted in Section 5.1, the range of feasible alternatives to the proposed project is limited by the nature of PAR 1168 and associated legal requirements. Similarly, the range of alternatives considered, but rejected as infeasible is also relatively limited. This subsection identifies Alternative A, as being rejected due to infeasibility, for the reasons explained in the following discussion.

5.5.1 Alternative A - No Project

CEQA documents typically assume that the adoption of a No Project alternative would result in no further action on the part of the project proponent or lead agency. For example, in the case of a proposed land use project such as a housing development, adopting the No Project alternative terminates further consideration of that housing development or any housing development alternative identified in the associated CEQA document. In that case, the existing setting would typically remain unchanged.

However, by not adopting PAR 1168, Alternative A would require: 1) the categories of Top and Trim Adhesive, Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant to meet the VOC limits and corresponding effective dates established in the November 2022 version of Rule 1168; and 2) Roof Adhesive Primers and Battery Adhesives (currently included under All Other Adhesives) to comply with the pCBtF prohibition effective date, sell-through end date, and use-through end date established in the November 2022 version of Rule 1168, even though the technology assessment concluded that it is technologically infeasible for the above noted categories to meet the VOC limits and comply with the pCBtF phaseout requirements within the timeframes currently established in the November 2022 version of Rule 1168. Thus, implementation of Alternative A would create potential compliance issues for manufacturers and distributors of the affected categories of adhesives and sealants.

The main objectives of the proposed project are to: 1) reduce VOC emissions from adhesives and sealants by establishing technologically feasible effective dates for compliance with the VOC limits established in the November 2022 version of Rule 1168; and 2) reduce potential exposure to pCBtF and t-BAc by establishing technologically feasible prohibition, sell-through, and use-through dates for products subject to Rule 1168.

Alternative A is, therefore, rejected as infeasible because it does not meet the objectives of the proposed project nor takes into consideration the conclusions of the technology assessment

and the Stationary Source Committee's direction to take a precautionary approach evaluating existing or proposed exemptions for any compound with a toxic endpoint.

5.6 LOWEST TOXIC AND ENVIRONMENTALLY SUPERIOR ALTERNATIVE

5.6.1 Lowest Toxic Alternative

In accordance with South Coast AQMD's policy document: Environmental Justice Program Enhancements for FY 2002-03, Enhancement II-1 recommends for all South Coast AQMD CEQA documents which are required to include an alternatives analysis, the alternative analysis shall also include and identify a feasible project alternative with the lowest air toxics emissions. In other words, for any major equipment or process type under the scope of the proposed project that creates a significant environmental impact, at least one alternative, where feasible, shall be considered from a "least harmful" perspective with regard to hazardous or toxic air contaminants.

Relative to toxic air contaminants, some manufacturers of adhesives and sealants currently use compounds in their product formulations that are VOCs but may also be considered toxic air contaminants (e.g., toluene). For any formulations that contain toxic compounds that are also classified as VOCs, the VOC limits established in the November 2022 version of Rule 1168, PAR 1168, and the alternatives serve to limit the overall toxicity of product formulations. However, other toxics, such as pCBtF, which are currently exempt from the definition of what qualifies as a VOC as set forth in Rule 102, if relied upon to reformulate products capable of meeting particular VOC limits, could result in a formulation with a low VOC content but a high toxicity. This is especially true if pCBtF is relied upon as a non-VOC substitute because it is carcinogenic with very high cancer potency factor.

While the purpose of Rule 1168 is to minimize VOC emissions from adhesive and sealant products, the November 2022 version of Rule 1168 prohibited the use of t-BAc and pCBtF due to toxicity concerns so as to also minimize consumer exposure to air toxics during the application of adhesives and sealants. PAR 1168 and Alternatives A, B, and C would retain the t-BAc and pCBtF phaseout requirements established in the November 2022 version of Rule 1168. However, the alternatives differ with respect to the timing of the pCBtF prohibition, sell-through, and use-through dates for Roof Adhesive Primers and Battery Adhesives.

Alternative A would retain the pCBtF prohibition, sell-through, and use-through dates established in the November 2022 version of Rule 1168 and, therefore, provide the earliest reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives. However, as explained previously, Alternative A is rejected as infeasible. Of the remaining alternatives, Alternative B would establish the applicable pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives 12 months earlier than PAR 1168. On the other hand, Alternative C would further delay the applicable pCBtF phaseout dates for Roof Adhesive Primers and Battery Adhesives by 12 months compared to PAR 1168. Therefore, among the remaining feasible alternatives, Alternative B would be the most beneficial in terms of reducing the public exposure to toxic impacts of pCBtF because it would provide the earliest reduction in potential exposure to pCBtF for Roof Adhesive Primers and Battery Adhesives.

Moreover, although Alternative B would require certain categories of adhesives and sealants to meet the VOC limits established in the November 2022 version of Rule 1168 by six to 12 months earlier than PAR 1168, Alternative C would require these same categories to meet the applicable VOC limits by six to 12 months later than PAR 1168. As a result, Alternative B would require manufacturers to reformulate the affected categories of adhesives and sealants to have lower VOC contents sooner, potentially resulting in fewer toxic compounds. Meanwhile, Alternative C would allow the continued use of products with more VOC emissions for a longer period, potentially resulting in greater exposure to toxic compounds. Therefore, Alternative B would provide earlier VOC emission reductions and could potentially result in products with fewer VOCs and fewer to no toxic compounds earlier than PAR 1168 and Alternative C.

Based upon preceding discussion, when considering all of the alternatives from toxic impacts perspective, Alternative B is the lowest toxic alternative.

5.6.2 Environmentally Superior Alternative

Pursuant to CEQA Guidelines Section 15126.6(e)(2), if the environmentally superior alternative is the No Project alternative, the CEQA document shall also identify an alternate environmentally superior alternative from among the other alternatives.

Alternative A would require: 1) the categories of Top and Trim Adhesive, Rubber Vulcanization Adhesive, and Clear, Paintable, Immediately Water-Resistant Sealant to meet the VOC limits and corresponding effective dates established in the November 2022 version of Rule 1168; and 2) Roof Adhesive Primers and Battery Adhesives to comply with the pCBtF prohibition effective date, sell-through end date, and use-through end date established in the November 2022 version of Rule 1168. Therefore, among all alternatives, Alternative A would provide the earliest VOC emission reductions and reduction in potential exposure to pCBtF. However, as discussed previously, the technology assessment concluded that it is technologically infeasible for the aforementioned categories to comply with the applicable VOC limits and pCBtF phaseout requirements within the timeframes established in the November 2022 version of Rule 1168.

Of the remaining feasible alternatives, Alternative B would require certain categories of adhesives and sealants to comply with the VOC limits established in the November 2022 version of Rule 1168 by six to 12 months earlier than PAR 1168, whereas Alternative C would delay compliance with the applicable VOC limits by six to 12 months compared to PAR 1168. Therefore, when compared to PAR 1168 and Alternative C, Alternative B would result in fewer delayed VOC emission reductions and would achieve VOC emission reductions sooner.

Alternative B would also establish the pCBtF prohibition, sell-through, and use-through dates for Roof Adhesive Primers and Battery Adhesives 12 months and 24 months earlier than those under PAR 1168 and Alternative C, respectively, thereby providing an earlier reduction in potential exposure to pCBtF.

Based upon preceding discussion, relative to PAR 1168 and the other feasible alternatives, Alternative B would be considered the environmentally superior alternative.

5.7 CONCLUSION

As discussed previously, Alternative A was dismissed as infeasible because it would not fulfill the objectives of PAR 1168. Of the remaining feasible alternatives, Alternative B would provide the earliest VOC emission reductions for certain categories of adhesives and sealants and the earliest reduction in potential exposure to pCBtF from Roof Adhesive Primers and Battery Adhesives by establishing earlier pCBtF phaseout dates and, therefore, would be considered both the lowest toxic and environmentally superior alternative. However, the technology assessment identified that additional time is needed for manufacturers to develop commercially available formulations for certain categories of adhesives and sealants that meet the VOC limits and pCBtF phaseout requirements established in the November 2022 version of Rule 1168. While Alternative B may be the environmentally superior alternative, uncertainty regarding the ability of manufacturers to meet the applicable VOC limits and pCBtF phaseout requirements within the earlier compliance timeframes may not be fully realistic as a practical matter. **Thus, when comparing the environmental effects of the project alternatives with PAR 1168 and evaluating the effectiveness of achieving the project objectives, the proposed project provides the best balance in achieving the project objectives while minimizing the significant adverse environmental impacts to operational air quality.**

CHAPTER 6

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6.0 REFERENCES

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CHAPTER 7

ACRONYMS

7.0 ACRONYMS

µg/m= micrograms per cubic meter

APS = Alternative Planning Strategy (APS)

AQMP = Air Quality Management Plan

ATCM = Airborne Toxic Control Measure

Basin = South Coast Air Basin

BAU = business-as-usual

CAA = Clean Air Act

CalEPA = California Environmental Protection Agency

CARB = California Air Resources Board

CCR = California Code of Regulations

CEC = California Energy Commission

CEQA = California Environmental Quality Act

CFR = Code of Federal Regulations

CH4 = methane

CO = carbon monoxide

CO2 = carbon dioxide

CO2eq = carbon dioxide equivalent

COHb = carboxyhemoglobin

CPR = Consumer Products Regulation

CPUC = California Public Utilities Commission

CPVC = Chlorinated Poly (Vinyl Chloride)

EA = Environmental Assessment

EIR = Environmental Impact Report

EISA = Energy Independence and Security Act

EJ = Environmental Justice

gal = gallons

GHG = greenhouse gases

GWP = global warming potential

H2S = hydrogen sulfide

H2SO4 = sulfuric acid

HCFC = hydrochlorofluorocarbon

HF = hydrofluoric acid

HFC = hydrofluorocarbons

HI = hazard index

HSC = Health and Safety Code

IOUs = investor-owned utilities (IOUs)

IS = Initial Study

LCFS = Low Carbon Fuel Standard

MATES = Multiple Air Toxics Exposure Studies

MDAB = Mojave Desert Air Basin

MPOs = Metropolitan Planning Organizations

N2O = nitrous oxide

NAAQS = National Ambient Air Quality Standards

ND = Negative Declaration

NHTSA = National Highway Traffic and Safety Administration

NO = nitric oxide

NO2 = nitrogen dioxide

NOC = Notice of Completion

NOP/IS = Notice of Preparation/Initial Study

NOx = oxides of nitrogen

O2 = oxygen

O3 = ozone

ODS = ozone depleting substance

OEHHA = Office of Environmental Health Hazard Assessment

OES = Office of Emergency Services

OPR = Office of Planning and Research

OSHA = Occupational Safety and Health Administration

PAR = Proposed Amended Rule

pCBtF = parachlorobenzotriflouride

PFAS = perfluoroalkyl and polyfluoroalkyl substances

PFC = perfluorocarbon

PM = particulate matter

PM10 = particulate matter with an aerodynamic diameter of 10 microns or less

PM2.5 = particulate matter with an aerodynamic diameter of 2.5 microns or less

ppb = parts per billion

ppm = parts per million

PRDI = Planning, Rule Development, and Implementation

PV = photovoltaic

RELs = Reference Exposure Levels

RFS = renewable fuel standard

RPS = renewables portfolio standard

RTAC = Regional Target Advisory Committee

RTP = Regional Transportation Plan

SCAB = South Coast Air Basin

SCAG = Southern California Association of Governments

South Coast AQMD = South Coast Air Quality Management District

SCS = sustainable communities strategy

SEA = Subsequent Environmental Assessment

SF6 = sulfur hexafluoride

SIP = State Implementation Plan

SO2 = sulfur dioxide

SO3 = sulfur trioxide

SOx = oxides of sulfur

SSAB = Salton Sea Air Basin

TACs = toxic Air Contaminants

t-BAc = tertiary-Butyl Acetate

tpd = ton or tons per day

U.S. EPA = United States Environmental Protection Agency

Vehicle Mile Traveled = VMT

VOC = volatile organic compound(s)

ZE/NZE = zero emission and near-zero emission

APPENDIX A

Proposed Amended Rule (PAR) 1168 – Adhesive and Sealant Applications

In order to save space and avoid repetition, please refer to the latest version of PAR 1168 located elsewhere in the Governing Board Agenda for the public hearing scheduled on December 4, 2026. The version of PAR 1168 that was circulated with the Draft SEA for a 46-day public review and comment period from September 18, 2026 to November 3, 2026 was identified as the "Preliminary Draft Rule PAR 1168, revision date September 18, 2026," which is available from the South Coast AQMD's website at: https://www.aqmd.gov/docs/default-source/rule-book/proposed-rules/1168/par-1168---pdrl.pdf. An original hard copy of the Draft SEA, which included the draft version of PAR 1135 listed above, can be obtained through the South Coast AQMD Public Information Center by phone at (909) 396-2001 or by email at PICrequests@aqmd.gov.

ATTACHMENT J

Proposed Amended Rule 1168: Adhesive and Sealant Applications

Governing Board Presentation

December 4, 2026

Rule 1168 Background

Adopted in 1989, amended 15 times

- Regulates volatile organic compound (VOC) emissions from adhesives, adhesive primers, sealants, and sealant primers
- Last amended in 2022, included *para*-Chlorobenzotrifluoride (pCBtF) *and* tert-butyl acetate (t-BAc) phase-out schedule

Public Process Began June 2026

- One technology check-in meeting
- Two working group meetings
- One public workshop

Need for Amendment

2022 Rule Amendment Required Technology Check-In for pCBtF/t-BAc Phase Out

November 2022

Rule amended to phase out pCBtF and delayed several future effective VOC limits

June 2026

Initiated rule amendment

- Identified three categories with upcoming deadlines that need additional time

November 2025

Technology check-in conducted on pCBtF phase out

- Most reformulations are pCBtF-free and meet VOC limit
- Roof adhesive primers need additional time

Proposed Amendments

1. Provide additional time for pCBtF phase out and VOC reductions for several categories
2. Propose additional toxic compound prohibitions
3. Remove 55-gallon exemption
4. Clarify and streamline reporting and recordkeeping requirements

1 Proposed Extended Regulatory Deadlines

pCBtF Prohibition Extension

Two categories need more time to phase out of pCBtF:

- Roof Adhesive Primers
- Battery Adhesive

- Extend phase-out up to three years
- Introduce alternative reactivity-based VOC limit for Roof Adhesive Primers*

VOC Limit Extension

Three categories need more time to lower VOC levels:

- Top and Trim Adhesive
- Rubber Vulcanization Adhesive
- Clear, Paintable, and Immediately Water Resistant Sealant

- Extend lower VOC limit timelines up to three years
  - Delayed emission reductions: 0.15 ton per day
- Introduce alternative reactivity-based VOC limit for Top and Trim*

*Approach consistent with recent rule amendments for challenging categories with limited alternative formulations

2 Toxic Compound Phase Out

Volatile methyl siloxanes (VMS)

- South Coast AQMD defines as potentially toxic
- In 1995, OEHHA identified non-cancer chronic toxic endpoint
- September 2025, U.S. EPA preliminary evaluation indicated unreasonable risk for certain consumer use

Dimethyl Carbonate (DMC)

- Exempted as VOC by U.S. EPA, but not exempted by South Coast AQMD due to toxicity concerns
- Reactivity-based limits could incentivize manufacturers to reformulate with DMC

- Staff is only aware of minimal use of these compounds
- Allowing time to reformulate
- Ensures products do not transition from pCBtF and t-BAc to VMS and DMC formulations

Objectives of Proposed Amendments to Rule 1168

3

Sunset 55 Gallon Exemption

Facilities allowed to use 55 gallons non-compliant product per year

- No facilities report using exemption
- One facility intends to use during reformulation

- Sunset January 1, 2029

4

Clarify Reporting

Reporting inconsistencies identified for manufacturers and distributors

- Clarified requirements
- Removed reporting for distributors, only require recordkeeping

California Environmental Quality Act (CEQA)

- Subsequent Environmental Assessment prepared tiering off two previous analyses
- Delayed VOC emission reductions up to 0.15 ton per day expected until January 2030
  - Potentially significant air quality impacts during operation
  - No feasible mitigation measures identified
  - Less than significant or no impact to other environmental topic areas
- 46-day public review and comment period; no comment letters received
- Findings and Statement of Overriding Considerations prepared

Socioeconomic Impact Assessment

- Overall cost savings due to extending timelines for manufacturers to phase out pCBtF and meet future VOC limits
- Minimal socioeconomic impacts from VMS and DMC phase out
  - Limited usage in current formulations
  - Alternative compliant formulations without DMC currently available at equivalent prices

Staff Recommendations

Certify the Final Subsequent Environmental Assessment for PAR 1168

Amend Rule 1168 – Adhesive and Sealant Applications

Direct staff to submit PAR 1168 to CARB and U.S. EPA for inclusion into the State Implementation Plan