

Yolo-Solano Air Quality Management District
1947 Galileo Court, Suite 103
Davis, CA 95618
(530)757-3650
www.ysaqmd.org



YOLO-SOLANO
AIR QUALITY MANAGEMENT DISTRICT

**PROPOSED ADOPTION OF
RULE 4.5
FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES**

DRAFT STAFF REPORT

February 14, 2024

Prepared by: Eden Winniford
Reviewed by: Paul Hensleigh and Ben Beattie

I. EXECUTIVE SUMMARY

Ozone is a highly reactive gas that is both a natural and a man-made product that occurs in the Earth's upper atmosphere (stratosphere) and lower atmosphere (troposphere). Tropospheric or ground-level ozone is formed primarily from photochemical reactions between two major classes of air pollutants, volatile organic compounds (VOC) and nitrogen oxides (NOx)¹.

The Yolo-Solano Air Quality Management District (District) is the local agency with the primary responsibility for the control of air pollution generated from stationary and area-wide sources in all of Yolo County and northeastern Solano County. The District is located within the SFNA, which is currently designated as severe nonattainment for the 1997, 2008, and 2015 8-hour ozone National Ambient Air Quality Standards (NAAQS).

On May 8, 2024, the District's Board of Directors will consider adopting Rule 4.5, FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES. Rule 4.5 will require the assessment of annual penalty fees for major stationary sources of VOC or NOx if the Sacramento Federal Nonattainment Area (SFNA) fails to demonstrate attainment of any 8-hour federal air quality standard promulgated by the United States Environmental Protection Agency (EPA) on or after March 12, 2008 by the respective attainment year and only for an ozone standard for which the SFNA is listed as Severe or Extreme. For the 2008 8-hour standard – 0.075 parts per million (ppm) – the SFNA has an attainment date of July 2025. For the 2015 8-hour standard – 0.070 ppm – the SFNA has an attainment date of August 2033.²

The proposed rule will not have a significant or detrimental effect on the environment. Therefore, staff prepared a Notice of Exemption to satisfy the requirements of the California Environmental Quality Act (CEQA). The notice states that the adoption of Rule 4.5 is exempt from the requirements of CEQA pursuant to Section 15308, Actions by Regulatory Agencies for Protection of the Environment.

A. BACKGROUND

History

The Federal Clean Air Act (FCAA) requires areas in nonattainment of the NAAQS to develop a state implementation plan (SIP) describing how state and local air pollutant emission reduction measures will result in attainment of air quality standards and compliance with the FCAA. Section 185³ of the FCAA requires SIPs for ozone nonattainment areas classified as severe and extreme to provide that, if the area fails to attain the ozone NAAQS by the applicable attainment date, each major stationary source of VOCs or NOx located in the area must pay a fee to the state (or air district) as a penalty. The SFNA has an attainment year of 2025 for the 2008 8-hour ozone standard and 2033 for the 2015 8-hour ozone standard.

¹ U.S. EPA. *What is ozone and where is it in the atmosphere?* Research Triangle Park, NC. Last updated July 11, 2023. <https://www.epa.gov/ozone-pollution-and-your-patients-health/what-ozone>.

² "Sacramento Regional 2015 NAAQS 8-hour Ozone Attainment and Reasonable Further Progress Plan." El Dorado County Air Quality Management District (AQMD), Feather River AQMD, Placer County Air Pollution Control District, Sacramento Metropolitan AQMD, Yolo-Solano AQMD. August 2023.

³ 42 U.S.C. § 7511d.

On January 17, 2023, the EPA issued a Finding of Failure to Submit a required SIP element for the 2008 8-hour ozone NAAQS to portions of the SFNA which did not submit a FCAA Section 185 penalty fee rule, including the District. With this Finding of Failure to Submit, the District, along with the other air districts in the SFNA, except for the Feather River Air Quality Management District, is now under a regulatory clock to complete the penalty fees regulation and submit it to the SIP before sanctions are applied by U.S. EPA. An emission offset sanction, which would increase the emission offset ratio to 2:1, would take effect on August 16, 2024. The second sanction, a federal highway funding sanction, would be applied on February 16, 2025. If the District does not adopt and submit a penalty fee rule into the SIP, U.S. EPA must adopt and enforce the penalty fee rule through a Federal Implementation Plan.

Staff proposes to stop the sanctions clock by adopting Rule 4.5, FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES, to implement the required FCAA penalty fee for the 2008 and 2015 8-hour ozone standards, as well as all future 8-hour ozone standards for which the SFNA is classified as severe or extreme nonattainment by U.S. EPA, and submitting the rule into the SIP.

Overview of source category

This rule affects all major stationary sources of VOC or NOx. In an ozone nonattainment area classified as severe, the emissions threshold for classification as a major source of VOC or NOx is 25 tons of VOC or NOx per year. The eight currently permitted sources within the District that could be affected by this rule are:

- Bogle Winery Delta Facility
- California Medical Facility / California State Prison – Solano
- Conduit Infrastructure, LLC
- Yolo County Central Landfill
- Insulfoam, a Division of Carlisle Construction Materials, LLC
- University of California, Davis
- Woodland Biomass Power Ltd.

II. DISCUSSION OF PROPOSED RULE 4.5

The proposed Rule 4.5 is as follows:

Section 101 Purpose

The purpose of this Rule is to establish penalty fees pursuant to the Clean Air Act Sections 182(d) and 185(a) through 185(d).

Section 102 Applicability

As proposed, the provisions of this rule shall apply to major stationary sources of VOC and NOx within the District. Fees will be collected from major stationary sources if the SFNA fails to demonstrate attainment of any 8-hour federal air quality standard for ozone promulgated by the U.S. EPA on or after March 12, 2008 by the attainment date and only for an ozone standard for which the SFNA is listed as Severe or Extreme.

Section 104 Exemption

This exemption specifies that no sources will be required to remit the penalty fee for an ozone standard during an extension year for that standard.

Section 105 Cessation

This section specifies that no sources will be required to remit the penalty fee for an ozone standard

for which the SFNA has been redesignated to attainment.

Section 106 Exemption

This exemption specifies that no source will be required to remit the penalty fee for an ozone standard until the U.S. EPA has determined the SFNA has failed to attain the respective standard.

Section 200 Definitions

The Rule proposes to define a total of seven terms in order to adequately describe all aspects of the rule and its requirements.

Section 401 Collection of Penalty Fees

This section of the Rule provides the mechanism for penalty fee collection.

Section 402 Penalty Fee Determination

This section of the Rule provides the formula the District will use to calculate the penalty fee amount it will collect from a major source of VOC or NOx.

Section 403 Penalty Fee Adjustment

This section of the Rule specifies how the District will annually adjust the penalty fee amount per ton by the change in the Consumer Price Index.

III. COMPARISON WITH OTHER APPLICABLE REGULATIONS AND REQUIREMENTS

Health and Safety Code Section 40727.2 requires districts to prepare a written comparative analysis of any new control standard that identifies all existing federal air pollution control requirements, including, but not limited to, emission control standards constituting best available control technology (BACT) that apply to the same equipment or source type as the rule or regulation proposed for adoption or modification by the District. Proposed Rule 4.5 does not establish new emission control measures and is administrative in nature, so this section is not applicable.

IV. IMPACTS OF THE PROPOSED RULE

Emissions Impacts

This rule will provide an administrative mechanism to enforce the collection of penalty fees required by the FCAA and does not have a direct impact on emissions. Proposed Rule 4.5 will, at the minimum, maintain the air quality attainment status of the District.

Cost Effectiveness

CH&SC Section 40703 requires the District, in the process of the adoption of any rule or regulation, to consider and make public its findings related to the cost effectiveness of the rule. Cost effectiveness for rulemaking purposes is calculated by dividing the cost of air pollution controls required by the rule by the amount of air pollution reduced. The adoption of Rule 4.5 provides an administrative mechanism for the collection of penalty fees and does not have a direct impact on emissions, so this section is not applicable.

Fiscal Impacts

Rule 4.5 will not directly result in the assessment of penalty fees on major stationary sources since

the penalty fees are not assessed unless U.S. EPA issues a finding of failure to attain an applicable 8-hour ozone standard. If triggered, the penalty fee amount for each ton of VOC or NOx that is emitted in excess of 80% of an affected major source’s baseline emissions is established in Section 185 of the FCAA and is based on the original fee amount of \$5,000 per ton. This fee was established in the 1990 amendments to the FCAA, and the U.S. EPA annually adjusts this amount by the Consumer Price Index (CPI). The 2023 adjusted Section 185 penalty fee is \$11,922.00⁴ per ton of VOC and NOx emissions.

The following calculation will be used to determine the amount of penalty fees that are owed by an affected major source:

$$\text{Fee} = \$5,000 * [E_A - (0.8 * E_B)] * (1 + \text{CPI})$$

Where:

- Fee = Clean Air Act Penalty Fee
- E_A = Actual emissions for the applicable penalty fee assessment year
- E_B = Baseline emissions
- CPI = Percent change in the Consumer Price Index since 1990

The baseline emissions are calculated for each ozone precursor pollutant, VOC and NOx, for which the source is classified as a major stationary source, and are defined as follows:

- 1) For major stationary sources that began operation prior to the attainment year, the baseline emissions are the lower of:
 - a. the actual emissions during the attainment year, or
 - b. the emissions allowed under the facility’s permit during the attainment year, or
 - c. the emissions allowed any applicable rules or regulations for the facility during the attainment year.
- 2) For a major stationary source that begins operation during the attainment year or that becomes a major stationary source during the attainment year, the baseline emissions are the lower of:
 - a. the emissions allowed under permit during the operational period as a major source, extrapolated over the entire attainment year, or
 - b. the actual emissions from the period the source operated as a major stationary source, extrapolated over the entire attainment year.
- 3) For a major stationary source that begins operation after the attainment year or that becomes a major stationary source after the attainment year, the baseline emissions are the lower of:
 - a. the emissions allowed under permit or any applicable rules for the facility during the first year of operation or the operational period as a major stationary source, extrapolated over the entire first year as a major stationary source, or
 - b. the actual emission from the first year of operation or the operational period as a major stationary source extrapolated over the year.

The attainment year that is used to establish the baseline emissions is specific to the ozone standard

⁴ U.S. EPA, *Clean Air Act Section 185 Fee Rates Effective for Calendar Year 2023*. October 12, 2023. https://www.epa.gov/system/files/documents/2023-10/memorandum_sec-185-penalty-fees-for-year-2023_10-12-2023.pdf.

for which the SFNA is in severe or extreme nonattainment. The attainment year for the 2008 8-hour ozone standard is 2025, and the attainment year for the 2015 8-hour ozone standard is 2033.

If the penalty fees are triggered by U.S. EPA issuing a finding of failure to attain an applicable 8-hour ozone standard, the amount that each affected source would be responsible for in any year would directly depend on the actual emissions released by the source in that year. If an affected source were able to reduce its annual actual emissions to 80% or less than its baseline emissions for the applicable ozone standard during the attainment year, that source would not be responsible for paying any penalty fees. In contrast, a source emitted annual actual emissions in excess of 80% of the baseline emissions would be required to pay the CPI adjusted fee calculated above. This penalty fee would apply for each applicable 8-hour ozone standard until the District and the SFNA are in attainment of the standard.

Socioeconomic Impacts

California Health and Safety Code Section 40728.5 (a) requires the District, in the process of the adoption of any rule or regulation, to consider the socioeconomic impact if air quality or emission limits may be significantly affected. However, districts with a population of less than 500,000 persons are exempt from the provisions of Section 40728.5 (a). The District's population is estimated to be approximately 345,000 and well below the 500,000 person threshold. Therefore, a socioeconomic analysis for this rulemaking is not required.

Incremental Cost Effectiveness

CH&SC Section 40920.6 requires an assessment of the incremental cost-effectiveness for proposed regulations relative to ozone, Carbon Monoxide (CO), Sulfur Oxides (SOx), Nitrogen Oxides (NOx), and their precursors. Incremental cost-effectiveness is defined as the difference in control costs divided by the difference in emission reductions between two potential control options that can achieve the same emission reduction goal of a regulation. Since proposed Rule 4.5 does not establish emission control measures, an incremental cost effectiveness evaluation is not applicable.

V. ENVIRONMENTAL IMPACTS OF METHODS OF COMPLIANCE

California Public Resource Code Section 21159 requires the District to perform an environmental analysis of the reasonably foreseeable methods of compliance. The analysis must include the following information:

1. An analysis of the reasonably foreseeable environmental impacts of the methods of compliance.
2. An analysis of the reasonably foreseeable mitigation measures.
3. An analysis of the reasonably foreseeable alternative means of compliance with the rule or regulation.

Proposed Rule 4.5 includes only administrative requirements. The proposed rule has no direct impact on emissions and thus an evaluation under this section cannot be performed.

The proposed rule will have neither a significant nor detrimental effect on the environment or

humans due to unusual circumstances. In addition, the proposed rule adoption is considered to be an action taken to maintain and protect the environment. Therefore, staff has determined that the project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15308, Actions by Regulatory Agencies for Protection of the Environment. Staff prepared a Notice of Exemption (NOE) to meet the CEQA Guidelines (Attachment B).

VI. REGULATORY FINDINGS

Section 40727(a) of the California Health & Safety Code (H&SC) requires that prior to adopting or amending a rule or regulation, an air district's board make findings of necessity, authority, clarity, consistency, nonduplication, and reference. The findings must be based on the following:

1. Information presented in the District's written analysis, prepared pursuant to H&SC Section 40727.2;
2. Information contained in the rulemaking records pursuant to H&SC Section 40728; and
3. Relevant information presented at the Board's hearing for adoption of the rule.

The required findings are:

Necessity: It is necessary for the District to adopt this rule in order to comply with federal law and to stop the sanctions clock from the U.S. EPA.

Authority: The District is authorized to adopt rules and regulations by California Health and Safety Code, Sections 40001, 40702, 40716, 41010 and 41013. [H&SC Section 40727 (b)(2)]

Clarity: The proposed rule is written so that the meaning can be easily understood by the persons directly affected by it. In addition, the record contains no evidence that the persons directly affected by the rule cannot understand the rule. [H&SC Section 40727(b)(3)]

Consistency: The proposed rule does not conflict with and is not contradictory to, existing statutes, court decisions, or state or federal regulations. [H&SC Section 40727(b)(4)]

Non-Duplication: The proposed rule does not duplicate any state laws or regulations, regarding the attainment and maintenance of state and federal air quality limits. [H&SC Section 40727(b)(5)]

Reference: The District must refer to any statute, court decision, or other provision of law that the District implements, interprets, or makes specific by adopting, amending or repealing the rule. [H&SC Section 40727(b)(6)]

VII. PUBLIC COMMENTS AND STAFF RESPONSES

Staff will hold a public workshop on March 14, 2024, to discuss the proposed adoption of Rule 4.5. Notification will be sent to surrounding Air Districts, City Managers within the District, building/planning/community development departments within the YSAQMD, all city and county

libraries within the District, all Board members, and all affected sources. The workshop notice will be published in the Vacaville Reporter, the Woodland Democrat, and the Davis Enterprise.

A copy of the public workshop notice, the draft staff report, and draft rule language, will be posted on the District's web page prior to the public workshop.

VIII. REFERENCES

"Sacramento Regional 2015 NAAQS 8-hour Ozone Attainment and Reasonable Further Progress Plan." El Dorado County Air Quality Management District (AQMD), Feather River AQMD, Placer County Air Pollution Control District, Sacramento Metropolitan AQMD, Yolo-Solano AQMD. August 2023.

U.S. EPA, *Clean Air Act Section 185 Fee Rates Effective for Calendar Year 2023*. October 12, 2023. https://www.epa.gov/system/files/documents/2023-10/memorandum_sec-185-penalty-fees-for-year-2023_10-12-2023.pdf.

U.S. EPA. *What is ozone and where is it in the atmosphere?* Research Triangle Park, NC. Last updated July 11, 2023. <https://www.epa.gov/ozone-pollution-and-your-patients-health/what-ozone>.

ATTACHMENT A

**PROPOSED RULE 4.5, FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES
STRIKE-OUT UNDERLINE VERSION**

RULE 4.5 FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES

INDEX

100 GENERAL

- 101 PURPOSE
- 102 APPLICABILITY
- 103 SEVERABILITY
- 104 EXEMPTION – EXTENSION YEAR
- 105 EXEMPTION – CESSATION OF FEES
- 106 EXEMPTION – NONATTAINMENT STATUS

200 DEFINITIONS

- 201 ATTAINMENT DATE
- 202 ATTAINMENT YEAR
- 203 BASELINE EMISSIONS
- 204 EXTENSION YEAR
- 205 FEE ASSESSMENT YEAR
- 206 MAJOR STATIONARY SOURCE
- 207 SACRAMENTO FEDERAL NONATTAINMENT AREA FOR OZONE

300 STANDARDS (NOT INCLUDED)

400 ADMINISTRATIVE REQUIREMENTS

- 401 COLLECTION OF PENALTY FEES
- 402 PENALTY FEE DETERMINATION
- 403 PENALTY FEE ADJUSTMENT

500 MONITORING AND RECORDS (NOT INCLUDED)

100 GENERAL

- 101 **PURPOSE:** To establish fees pursuant to the Clean Air Act Sections 182(d) and 185(a) through 185(d).
- 102 **APPLICABILITY:** This rule applies to any major stationary source of volatile organic compounds or nitrogen oxides in the District. Clean Air Act penalty fees will be assessed if the SFNA for ozone fails to demonstrate attainment of any 8-hour federal air quality standard for ozone promulgated by the United States Environmental Protection Agency (EPA) on or after March 12, 2008 by the respective attainment year and only for an ozone standard for which the SFNA is listed as Severe or Extreme in 40 CFR Section 81.305.
- 103 **SEVERABILITY:** If any section, subsection, sentence, clause, phrase, or portion of this rule is, for any reason, held invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, such portion is deemed to be a separate, distinct, and independent provision, and such holding does not affect the validity of the remaining portions of this rule.
- 104 **EXEMPTION – EXTENSION YEAR:** No source will be required to remit Clean Air Act penalty fees for an ozone standard during any extension year for that standard.
- 105 **EXEMPTION – CESSATION OF FEES:** No source will be required to remit Clean Air Act penalty fees for an ozone standard if the SFNA has been redesignated by United States Environmental Protection (EPA) to attainment for that standard. The penalty fees will cease in the same calendar year as the redesignation or termination.
- 106 **EXEMPTION – NONATTAINMENT STATUS:** No source will be required to remit Clean Air Act penalty fees for an ozone standard until the EPA has determined the SFNA has failed to attain the respective ozone standard.

200 DEFINITIONS

- 201 **ATTAINMENT DATE:** The EPA-approved date by which the SFNA must attain a federal air quality standard for ozone. Where no such EPA approval exists, the date of the area's maximum statutory attainment date for that standard.
- 202 **ATTAINMENT YEAR:** The year that contains the attainment date.
- 203 **BASELINE EMISSIONS:** Baseline emissions are calculated for each pollutant — volatile organic compounds or nitrogen oxides — for which the source is classified as a major stationary source. Baseline emissions are calculated separately for each applicable ozone standard.
- 203.1 For major stationary sources that began operation prior to the attainment year, the baseline emissions are the lowest of:
- a. the actual emissions during the attainment year, or
 - b. the emissions allowed under the facility's permit during the attainment year,
- or
- c. the emissions allowed under any applicable rules or regulations for the facility during the attainment year.

203.2 For a major stationary source that begins operation during the attainment year or that becomes a major stationary source during the attainment year, the baseline emissions are the lower of:

- a. the emissions allowed under permit during the operational period as a major source, extrapolated over the entire attainment year, or
- b. the actual emissions from the period the source operated as a major stationary source, extrapolated over the entire attainment year.

203.3 For a major stationary source that begins operation after the attainment year or that becomes a major stationary source after the attainment year, the baseline emissions are the lower of:

- a. the emissions allowed under permit or any applicable rules for the facility during the first year of operation or the operational period as a major stationary source, extrapolated over the entire first year as a major stationary source, or
- b. the actual emissions from the first year of operation or the operational period as a major stationary source extrapolated over the year.

204 **EXTENSION YEAR:** An EPA-approved attainment year deferral requested under Section 181(a)(5) of the Clean Air Act.

205 **PENALTY FEE ASSESSMENT YEAR:** The year for which Clean Air Act penalty fees are being calculated and assessed.

206 **MAJOR STATIONARY SOURCE:** For the purposes of this rule, “major stationary source” has the same meaning as in Section 181(b)(4)(B) of the Clean Air Act, if applicable, or as in Rule 3.4, NEW SOURCE REVIEW. As required by Section 182(f) of the Clean Air Act, major stationary sources of nitrogen oxides are subject to this rule in addition to major stationary sources of volatile organic compounds.

207 **SACRAMENTO FEDERAL NONATTAINMENT AREA FOR OZONE (SFNA):** The Sacramento Metro, CA nonattainment area defined in 40 CFR Section 81.305 for an ozone standard, as amended.

300 STANDARDS (NOT INCLUDED)

400 ADMINISTRATIVE REQUIREMENTS

401 **COLLECTION OF PENALTY FEES:** Except as provided in Sections 110 through 112, if the SFNA fails to meet an attainment year deadline each major stationary source must pay an annual Clean Air Act penalty fee for each calendar year following the attainment year. Penalty fees will be billed and remitted in conjunction with the permit renewal fee established by Rule 4.1, PERMIT FEES - STATIONARY SOURCE. Notification will be made by mail of the penalty fee due and payable and the date it is due. If the penalty fee is not paid within 60 days of the notice, the permit will be suspended, and notification will be made by mail. A suspended permit may be reinstated by payment of the penalty fee and any other applicable fees.

402 **PENALTY FEE DETERMINATION:** The Clean Air Act penalty fee established in 1990 by Clean Air Act Section 185(b)(2) is \$5,000 per ton of volatile organic compound and nitrogen oxide

emissions that exceed 80% of the baseline emissions for each calendar year following the attainment year. The \$5,000 penalty fee multiplier will automatically be adjusted if revised under Clean Air Act Section 185(b)(2). The penalty fee will also be adjusted annually pursuant to Section 403.

$$Fee = 5000 * [E_A - (0.8 * E_B)] * (1 + CPI)$$

Where: Fee = Clean Air Act penalty fee
 E_A = actual emissions for the applicable penalty fee assessment year
 E_B = baseline emissions
 CPI = percent change in the Consumer Price Index since 1990 as determined by Section 403

403 **PENALTY FEE ADJUSTMENT:** The Clean Air Act penalty fee will be adjusted annually by the change in the Consumer Price Index, beginning in the year after 1990, pursuant to Clean Air Act Sections 185(b)(3) and 502(b)(3)(B)(v).

500 MONITORING AND RECORDS (NOT INCLUDED)

ATTACHMENT B

NOTICE OF EXEMPTION FROM CEQA GUIDELINES

Notice of Exemption

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

County Clerk
County of Yolo
625 Court Street Room 105
Woodland, CA 95695

County Clerk
Solano County
600 Texas Street
Fairfield, CA 94533

From: Yolo-Solano Air Quality Management District
1947 Galileo Court, Suite 103
Davis, CA 95618

Project Title: Adoption of Rule 4.5 – FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES

Project Location: Yolo-Solano Air Quality Management District

Project description: The District is proposing to adopt Rule 4.5, FEDERAL CLEAN AIR ACT SECTION 185 PENALTY FEES. The District is proposing to adopt the rule to establish penalty fees for major sources of NOx and VOC pursuant to the Federal Clean Air Act Section 185.

Name of Public Agency Approving Project: Yolo-Solano Air Quality Management District

Name of Person or Agency Carrying Out Project: Yolo-Solano Air Quality Management District

Exempt Status:

- Ministerial
- Emergency Project
- Categorical Exemption (CEQA Guidelines Section 15308, Action by Regulatory Agency for Protection of the Environment)
- Statutory Exemption

Reason why project is exempt: The adoption of Rule 4.5 is an action taken to maintain and protect the environment and is therefore exempt from CEQA because it constitutes a Class 8 categorical exemption pursuant to CEQA Guidelines 15308.

Lead Agency Contact Person: Gretchen Bennitt, Air Pollution Control Officer
Telephone Number: (530) 757-3650

Signature: _____ **Date:** _____ **Title:** _____

ATTACHMENT C

RESOLUTION NO. 1X-XX

RESOLUTION NO. 1X-XX

RESOLUTION ADOPTING YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT RULE 4.5

WHEREAS, California Health and Safety Code section 40702 provides that an air quality management district shall adopt rules and regulations as may be necessary or proper to execute the powers and duties granted to, and imposed upon, the district by Division 26 of the Health and Safety Code; and

WHEREAS, Health and Safety Code section 40727 provides that before adopting, amending, or repealing a rule or regulation, a district board shall make findings of necessity, authority, clarity, consistency, nonduplication, and reference, based upon information developed pursuant to section 40727.2, information in the rulemaking record maintained pursuant to section 40728, and relevant information presented at the public hearing required by section 40725; and

WHEREAS, section 15308 of the CEQA Guidelines provides that actions taken by regulatory agencies as authorized by state law to assure the maintenance, restoration, or enhancement of the environment where the regulatory process involves procedures for protection of the environment, are categorically exempt from CEQA review (Class 8 Categorical Exemption); and

WHEREAS, District staff identified requirements within the Federal Clean Air Act, Section 182(d) and 185(a) through 185(d), which required the adoption of RULE 4.5, FEDERAL CLEAN AIR ACT PENALTY FEES, to remain consistent with federal policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Yolo-Solano Air Quality Management District hereby finds, authorizes, directs and declares as follows:

1. The Board of Directors has considered and hereby adopts by reference the staff report prepared in this matter.
2. The Board of Directors makes the following findings pursuant to Health and Safety Code section 40727:
 - a. Necessity: Information in the District's rulemaking record maintained pursuant to Health and Safety Code section 40728 demonstrates a need for adopting District Rule 4.5;
 - b. Authority: Health and Safety Code section 40702 permits the District to adopt District Rule 4.5;

- c. Clarity: District Rule 4.5 as adopted is written so that its meaning can be easily understood by the persons directly affected by it;
 - d. Consistency: District Rule 4.5 as adopted is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations;
 - e. Nonduplication: District Rule 4.5 as adopted does not impose the same requirements as an existing state or federal regulation;
 - f. Reference: By adopting District Rule 4.5, the District meets the requirements of Health & Safety Code Sections 40702.
3. The Board of Directors finds that the District has complied with the procedural requirements set forth in Chapters 6 and 6.5 of Part 3 of Division 26 of the Health and Safety Code.
 4. The Board of Directors finds that adopting District Rule 4.5 is an action taken by a regulatory agency as authorized by state law to assure the maintenance, restoration, or enhancement of the environment where the regulatory process involves procedures for protection of the environment, and is therefore categorically exempt from CEQA review as a Class 8 Categorical Exemption.
 5. The Board of Directors hereby adopts District Rule 4.5 as set forth in Exhibit 1 (Attachment A of the Staff Report), which is attached and incorporated by reference. The adoption is effective May 8th, 2024.

PASSED AND ADOPTED by the Board of Directors of the Yolo-Solano Air Quality Management District this 8th day of May, 2024, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Mitch Mashburn, Chair Board of Directors
Yolo-Solano Air Quality Management District

Attest:

Approved as to Form:

Denise Almaguer, Clerk
Board of Directors

Hope Welton, District Counsel

ATTACHMENT D

WRITTEN COMMENTS RECEIVED