

**June 24, 2015**

**STATEMENT OF PROCEEDINGS**

*The Minutes of the*

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

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

STATEMENT OF PROCEEDINGS  
SAN DIEGO COUNTY AIR POLLUTION CONTROL BOARD  
AIR POLLUTION CONTROL DISTRICT  
REGULAR MEETING  
\* MEETING AGENDA  
**WEDNESDAY, JUNE 24, 2015, 9:00 A.M.**  
BOARD OF SUPERVISORS NORTH CHAMBER  
1600 PACIFIC HIGHWAY, ROOM 310, SAN DIEGO, CALIFORNIA

MORNING SESSION: Meeting was called to order at 9:02 a.m.

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

Approval of Statement of Proceedings/Minutes for the meeting of May 5, 2015.

**ACTION:**

ON MOTION of Member Jacob, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District approved the Statement of Proceedings/Minutes for the meeting of May 5, 2015.

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

Public Communications: [No Speakers]

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

**Air Pollution Agenda Items**

**Agenda #    Subject**

1.            NOTICED PUBLIC HEARING:  
ADOPTION OF NEW RULE 69.5.1 – NATURAL GAS-FIRED WATER HEATERS, AND REPEAL OF EXISTING RULE 69.5 – NATURAL GAS-FIRED WATER HEATERS
  
2.            NOTICED PUBLIC HEARING:  
ADOPTION OF PROPOSED NEW RULE 67.0.1 - ARCHITECTURAL COATINGS AND REPEAL OF EXISTING RULE 67.0 -ARCHITECTURAL COATINGS

API.

**SUBJECT: NOTICED PUBLIC HEARING:  
ADOPTION OF NEW RULE 69.5.1 – NATURAL GAS-FIRED  
WATER HEATERS, AND REPEAL OF EXISTING RULE  
69.5 – NATURAL GAS-FIRED WATER HEATERS  
(DISTRICTS: ALL)**

**OVERVIEW:**

This is a request for the Air Pollution Control Board to adopt proposed new Rule 69.5.1 to reduce the amount of oxides of nitrogen (NO<sub>x</sub>) emitted from residential-type natural gas-fired water heaters. When water heaters burn natural gas, NO<sub>x</sub> is emitted into the air and reacts with other air pollutants to form ground level ozone, a major component of smog. San Diego County Air Pollution Control District (District) has programs and regulations in place designed to meet the current California or National Ambient Air Quality Standards for ozone, however, the county currently does not meet these standards. As a result, the District is required to update its regulations, as necessary, to reflect the latest advances in technology to further reduce ozone-forming emissions. Adoption of Rule 69.5.1 will help fulfill these State and federal requirements.

If adopted, Rule 69.5.1 will replace existing Rule 69.5, which has not been updated since its adoption in 1998. Since 1998, advances in water heating technology and tighter emission limits in several other California air districts have resulted in the availability of lower-emitting natural gas-fired water heaters. Proposed new Rule 69.5.1 reflects these advancements and will prohibit the sale, distribution, or installation of any new natural gas-fired water heater that does not comply with the proposed emission limits. It will apply only when an existing unit is replaced or a new unit is installed. There will be no immediate impact on existing residences and businesses that presently have water heaters on the premises. Proposed new Rule 69.5.1 will go into effect on July 1, 2016, and existing Rule 69.5 will then be automatically repealed.

The District held a public workshop to discuss and receive comments on the proposed new rule. No significant issues were raised and all known issues have been addressed.

**FISCAL IMPACT:**

There is no fiscal impact associated with the adoption of the resolution. If adopted, there will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT:**

Adopting proposed new Rule 69.5.1 will not adversely impact the business community. Natural gas-fired water heaters complying with the proposed rule are currently available in California. The rule will not affect any facility in San Diego County that currently operates water heaters until the unit is replaced or a new unit is installed. While low-emitting units are somewhat more expensive than standard ones, they are more energy efficient and are therefore cheaper to operate, with a payback period of a few years depending on usage. Also, their cost is expected to decrease over time due to advances in technology and increased production.

The one-year sell-through period minimizes impacts, and manufacturers and distributors are already familiar with the rule requirements due to several other California air districts having similar rules in place.

**RECOMMENDATION:**

**AIR POLLUTION CONTROL OFFICER**

1. Find that the adoption of proposed new Rule 69.5.1 and repeal of existing Rule 69.5 are categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to California Code of Regulations Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the resolution entitled: RESOLUTION ADOPTING NEW RULE 69.5.1 – NATURAL GAS-FIRED WATER HEATERS AND REPEALING RULE 69.5 – NATURAL GAS-FIRED WATER HEATERS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

**ACTION:**

ON MOTION of Member Jacob, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District closed the hearing and took action as recommended, on Consent, adopting Resolution No. 15-087, entitled: RESOLUTION ADOPTING NEW RULE 69.5.1 – NATURAL GAS-FIRED WATER HEATERS AND REPEALING RULE 69.5 – NATURAL GAS-FIRED WATER HEATERS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

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

AP2.

**SUBJECT: NOTICED PUBLIC HEARING:**

**ADOPTION OF PROPOSED NEW RULE 67.0.1 - ARCHITECTURAL COATINGS AND REPEAL OF EXISTING RULE 67.0 - ARCHITECTURAL COATINGS (DISTRICTS: ALL)**

**OVERVIEW:**

This is a request for the Air Pollution Control Board to adopt proposed new Rule 67.0.1 to reduce the volatile organic compounds (VOC) emitted from the application of coatings to stationary structures in San Diego County. These coatings include a variety of residential, commercial and industrial paints, primers, sealers and other products. When these architectural coatings are applied, VOC are emitted into the air and react with other air pollutants to form ground level ozone, a major component of smog. San Diego County Air Pollution Control

District (District) has programs and regulations in place designed to meet the current California or National Ambient Air Quality Standards for ozone, however, the county currently does not meet these standards. As a result, the District is required to update its regulations, as necessary, to reflect the latest advances in technology to further reduce ozone-forming emissions. Adoption of Rule 67.0.1 will help fulfill these State and national requirements.

If adopted, Rule 67.0.1 will replace existing Rule 67.0, which was last updated in 2001. Since 2001, coating manufacturers have developed new architectural coatings that contain less VOC while meeting appearance, durability and other performance needs. Proposed Rule 67.0.1 reflects the development of new, lower VOC content coatings and is based on a Suggested Control Measure (SCM) developed in 2007 by the California Air Resources Board that is designed to further reduce VOC emissions and encourage consistency in the regulation of architectural coatings across the State. Several air districts throughout California have already adopted the requirements found in the SCM and as a result complying coatings are now readily available.

If adopted, on January 1, 2016, the proposed new Rule 67.0.1 would go into effect and existing Rule 67.0 would be automatically repealed. Coatings manufactured before January 1, 2016, may be sold for up to three years and applied at any time. This will allow time for affected businesses and consumers to sell or use their inventories of non-compliant coatings and then transition to the new coatings required by Rule 67.0.1.

Substantial outreach was conducted during the rule development process to ensure that the architectural coatings industry would not be negatively affected. No significant concerns were raised and all known issues have been addressed.

The District held a public workshop to discuss and receive comments on the proposed new rule. No significant issues were raised and all known issues have been addressed.

**FISCAL IMPACT:**

There is no fiscal impact associated with the adoption of the resolution. If adopted, there will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT:**

Adopting proposed new Rule 67.0.1 will not adversely impact the business community. Only one company in San Diego County manufactures architectural coatings and it already complies with the VOC content limits and other requirements of the proposed rule. Businesses involved in the distribution, sales and application of architectural coatings are familiar with the requirements of proposed new Rule 67.0.1 due to the California Air Resources Board's 2007 SCM and corresponding requirements already in place throughout much of California. A socioeconomic impact assessment (Attachment B) conducted by the District demonstrates that adopting the proposed rule will not have a significant economic impact on affected industries or small businesses in San Diego County.

**RECOMMENDATION:**

**AIR POLLUTION CONTROL OFFICER**

1. Find that the adoption of proposed new Rule 67.0.1 and repeal of existing Rule 67.0 are categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to California Code of Regulations, Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the Resolution entitled: RESOLUTION ADOPTING NEW RULE 67.0.1 - Architectural COATINGS AND REPEALING RULE 67.0 - ARCHITECTURAL COATINGS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

**ACTION:**

ON MOTION of Member Jacob, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District closed the hearing and took action as recommended, on Consent, adopting Resolution No. 15-088, entitled: RESOLUTION ADOPTING NEW RULE 67.0.1 - Architectural COATINGS AND REPEALING RULE 67.0 - ARCHITECTURAL COATINGS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

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

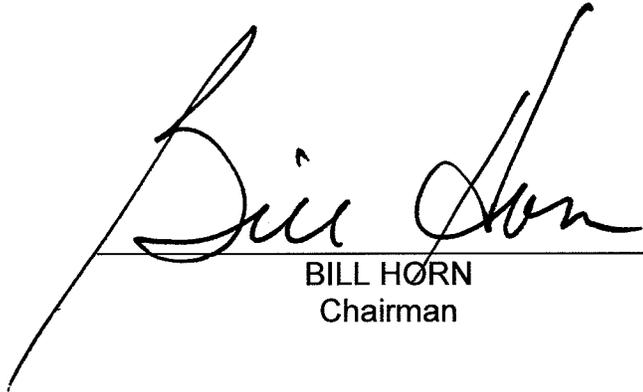
There being no further business, the Board adjourned at 9:24 a.m.

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

Notes by: Lopez

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

Approved by the Members of the Board, on Tuesday, August 4, 2015.



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BILL HORN  
Chairman

Attest:



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DAVID HALL  
Clerk of the Board