

Yolo-Solano Air Quality Management District  
1947 Galileo Court, Suite 103  
Davis, CA 95616  
(530)757-3650  
www.ysaqmd.org



## **PROPOSED ADOPTION OF RULE 11.2, CONFINED ANIMAL FACILITIES PERMIT PROGRAM**

### **FINAL STAFF REPORT**

May 10, 2006

Prepared by: Gary Ma  
gma@ysaqmd.org

Reviewed by: Susan K. McLaughlin  
smclaughlin@ysaqmd.org

Table of Contents

Page

---

I.	EXECUTIVE SUMMARY .....	3
A.	BACKGROUND .....	4
II.	DISCUSSION OF PROPOSED RULE 11.2 REQUIREMENTS .....	11
III.	COMPARISON TO OTHER APPLICABLE REGULATIONS AND REQUIREMENTS .....	17
IV.	IMPACTS OF THE PROPOSED RULE .....	18
V.	ENVIRONMENTAL IMPACTS OF METHODS OF COMPLIANCE .....	21
VI.	REGULATORY FINDINGS .....	22
VII.	PUBLIC COMMENTS AND STAFF RESPONSES .....	23
VIII.	REFERENCES .....	24
ATTACHMENT A	PROPOSED RULE 11.2, CONFINED ANIMAL FACILITIES PERMIT PROGRAM	
ATTACHMENT B	NOTICE OF EXEMPTION FROM CEQA GUIDELINES	
ATTACHMENT C	RESOLUTION NO. 06-04	
ATTACHMENT D	WRITTEN COMMENTS RECEIVED	

## I. EXECUTIVE SUMMARY

On June 14, 2006, the Yolo-Solano Air Quality Management District (District) Board will consider the adoption of proposed Rule 11.2, Confined Animal Facilities Permit Program. Rule 11.2 is required to implement the requirements set forth in Section 40724.6 of the California Health and Safety Code (CH&SC). Proposed Rule 11.2 applies to all confined animal facilities (CAFs) within the District. However, the proposed rule language contains an exemption to those CAFs which do not meet the definition of a "Large CAF." A Large CAF is defined by the proposed rule (discussed later in this staff report). The definition of a Large CAF, as proposed for use in Rule 11.2, matches the definition adopted by the California Air Resources Board (CARB).

The main requirements for proposed Rule 11.2 are:

1. No person shall operate a Confined Animal Facility (CAF) without first obtaining a CAF Permit from the Air Pollution Control Officer (APCO).
2. No person shall alter a CAF without first submitting an application for modification to their CAF Permit and obtaining written approval from the APCO.
3. The APCO shall deny an application for a CAF Permit if the applicant does not show that the CAF is so designed, controlled, equipped, or operated with such air pollution control equipment, that it may be shown to operate without emitting or without causing to be emitted any air contaminant in violation of the District's Rules and Regulations, or any state or federal statutes or regulations that may be enforceable by the APCO.
4. The APCO shall require the use of Best Available Retrofit Control Technology (BARCT) to reduce emissions from pollutants that contribute to the nonattainment of any ambient air quality standard, within the regulatory authority of the APCO, for any existing CAF.
5. The APCO shall require the use of Best Available Control Technology (BACT) to reduce emissions from pollutants that contribute to the nonattainment of any ambient air quality standard, within the regulatory authority of the APCO, for any new CAF or modified CAF.
6. Requests for a CAF Permit shall be initiated by filing a standard CAF Permit application with the APCO together with an initial filing fee.
7. The owner or operator of an existing CAF shall submit a standard CAF Permit application no later than six (6) months after the date of rule adoption.
8. The application for a CAF Permit shall contain all information necessary to enable the APCO to prepare an emission inventory of all regulated air pollutants emitted from the CAF.
9. All applications for a CAF Permit shall include an emissions mitigation plan. The emissions mitigation plan shall demonstrate that the facility will apply BARCT or BACT, as applicable.

10. The APCO shall act upon an application for a CAF Permit no later than six (6) months after acceptance of an application as complete.
11. The APCO shall provide at least 30 days for the notice of, and opportunity to review and comment on, any proposed decision to issue a CAF Permit, except applications for transfer of ownership.
12. The term of a CAF Permit shall not exceed three (3) years from the date of issuance.
13. The APCO shall review every CAF Permit upon renewal to determine the feasibility of mitigation measures and that permit conditions are adequate to ensure compliance with, and the enforceability of, District Rules and Regulations applicable to the CAF for which the permit was issued.
14. The owner or operator of a CAF shall keep records that specify the number of animals maintained daily. Such records shall be maintained at a central place of business for a period of not less than three (3) years and shall be made available to the APCO or their designee upon request.

Proposed Rule 11.2 is expected to directly affect CAFs within the District. District staff researched local CAF operations by contacting the Solano County Resource Management Department, Solano County Agricultural Commissioner's office, and Yolo County Agricultural Commissioner's office. With the help of these local agencies, the District estimates that approximately two CAF operations will be affected by the proposed rule (other than record-keeping requirements).

Proposed Rule 11.2 establishes an operating permit program for CAFs. The rule requires existing CAFs to control emissions using Best Available Retrofit Control Technology (BARCT). For new and modified CAFs, the rule requires facilities to control emissions using Best Available Control Technology (BACT). BARCT and BACT will be proposed during CAF Permit application through mitigation plans - a required element of all CAF Permit applications. The District will evaluate each mitigation plan to determine compliance with BARCT and BACT standards. Therefore, the potential emission reductions generated by this rule-making are unknown, however, the District expects that there will be emission reductions as a result of adopting the proposed rule. The District will be better equipped to quantify emission reductions from proposed Rule 11.2 once mitigation plans are evaluated.

As a result of the previous air quality permit exemption for CAFs, there is little information regarding emissions from their operation. Currently, state-wide research projects are being conducted on CAF emissions and emission controls. As new research data becomes available for District review, this may change the District's methodology (i.e. emission factors and emission control efficiencies) in quantifying emissions and emission reductions from CAFs.

Proposed Rule 11.2 will add new air quality regulations to a previously permit-exempt source category. The adoption of proposed Rule 11.2 constitutes a Class 8 categorical exemption pursuant to California Environmental Quality Act (CEQA) Guidelines 15308 and, therefore, is exempt from CEQA.

## A. BACKGROUND

### 1. Overview of Confined Animal Facilities

Confined animal facilities (CAFs) are defined as a facility where animals are corralled, penned, or otherwise caused to remain in restricted areas for commercial purposes and primarily fed by means other than grazing. CAFs can house any type of animal. However, the usual practice of a CAF operation is to specialize in one particular livestock category - such as chickens, cows, horses, etc. Due to the different methods of confinement and associated manure management, there is no typical CAF. The design and operation of a CAF varies depending on animal type, regional climatic conditions, business practices, and preferences of the operator.

### 2. Overview of Senate Bill 700

In the past, agricultural operations - including confined animal facilities - have been exempt from obtaining air quality permits from local air districts. However, in September 2003, California signed into law Senate Bill 700 (SB 700). This bill amended air pollution control requirements in the California Health and Safety Code (CH&SC) to include regulatory requirements for agriculture. In particular, SB 700 added Section 40724.6 - the section addressed by proposed Rule 11.2.

SB 700 targeted agriculture and air pollution for two main reasons. First, California's previous agriculture exemption conflicted with federal law. California could have lost billions of dollars in federal transportation funding, as well as faced other sanctions, if the bill had not passed. Secondly, in some parts of the state - including the Sacramento air basin - air quality is poor and agricultural activities contribute to the problem. Poor air quality harms public health - causing and/or exacerbating asthma, respiratory illness, heart and lung disease, and early mortality.

SB 700 added CH&SC Section 40724.6, which established requirements for both the California Air Resources Board (CARB) and each air quality management (or air pollution control) district. The requirements of CH&SC Section 40724.6 are summarized in Table 1, below:

<b>Subject</b>	<b>CH&amp;SC Section</b>	<b>CH&amp;SC / SB 700 Requirement</b>
Large Confined Animal Facility Definition (Large CAF)	40724.6(a)	On or before July 1, 2005, CARB shall review all available scientific information, including, but not limited to, emission factors for confined animal facilities, and the effect of those facilities on air quality in the basin and other relevant scientific information, and develop a definition for the source category of "large confined animal facility."

District rule/ regulation adoption	40724.6(b)	Not later than July 1, 2006, each district that is designated as a federal nonattainment area for ozone as of January 1, 2004, shall adopt, implement, and submit for inclusion in the state implementation plan, a rule or regulation that requires the owner or operator of a Large CAF to obtain a permit.
Requirements to be included in the District rule/regulation	40724.6(d)	<ol style="list-style-type: none"> <li>1. The owner/operator of an existing Large CAF shall submit an application for a permit within six months from the date of rule/regulation adoption;</li> <li>2. Permit applications shall include sufficient information to prepare an emission inventory of all regulated air pollutants emitted from the Large CAF;</li> <li>3. Permit applications shall include an emissions mitigation plan that demonstrates that the facility will use best available retrofit control technology (BARCT) to reduce emissions of pollutants that contribute to the nonattainment of any ambient air quality standard;</li> <li>4. District shall act on a complete application within six months;</li> <li>5. District shall require the CAF to implement the plan contained in the permit approved by the District;</li> <li>6. District shall review and update permits at least once every three (3) years to reflect changes in the operation or the feasibility of mitigation measures;</li> <li>7. CAF owner/operator shall implement control measures within one year of the date that the permit was approved by the District ;</li> <li>8. District shall provide a 30-day public noticing and commenting period for draft permits.</li> </ol>
Impact Assessment	40724.6(e)	<p>District shall assess the following:</p> <ol style="list-style-type: none"> <li>1. Category of sources affected;</li> <li>2. Nature and quantity of emissions from the category;</li> <li>3. Emission reduction potential;</li> <li>4. Socio-economic impact;</li> <li>5. Probable costs to affected sources;</li> <li>6. Availability and cost-effectiveness of alternatives;</li> <li>7. Technical and practical feasibility;</li> <li>8. Any additional impacts.</li> </ol>

### 3. Large Confined Animal Definition

The definition of a Large CAF provided by proposed Rule 11.2 is the definition developed and adopted by CARB as required by CH&SC 40724.6(a). CARB adopted Section 86500 into the California Code of Regulations with the following Large CAF thresholds (presented in Table 2) for

districts designated as a federal ozone nonattainment area as of January 1, 2004:

<b>Table 2: ARB Large CAF Thresholds</b>	
<b>Livestock Category</b>	<b>Number of Animals</b>
Dairy	1,000 milk-producing dairy cows
Beef Cattle (Beef Feedlots)	3,500 beef cattle
Other Cattle Operations	7,500 calves, heifers, or other cattle
Turkeys	100,000 head
Chickens	650,000 head
Swine	3,000 head
Sheep, lambs, and goats	15,000 head of sheep, lamb, goats, or any combination of the three
Horses	2,500 head
Ducks	650,000 head
Any other livestock not listed above	30,000 head

#### 4. General Description of Common CAF Operations

Below are general descriptions for common CAF operations - dairies, beef cattle feeding operations, swine operations, poultry operations, and land application of manure waste - as presented by the San Joaquin Valley Air Pollution Control District. Each description has been edited for the purpose of this report.

##### a. Dairy Operations

A dairy operation is a facility that produces milk and/or raises cattle for producing milk. In order to produce milk, a cow must be bred and have given birth. Typically, the gestation period for dairy cattle is nine months and dairy cows are bred again approximately four months after calving. Milk production typically peaks shortly after calving and then slowly declines with time. Commonly a cow will produce milk for 10-12 months and then be dry approximately two (2) months. Thus, a dairy operation may have several types of animal groups present including heifers, lactating cows, dry cows, calves, and bulls. Approximately 25% of a milking herd is replaced each year, but replacement levels can be as high as 40% for intensively managed herds.

Calves are typically housed in individual pens or hutches. Older animals are typically housed in freestall barns, drylots, tie stalls/stanchions, or any combination of the aforementioned. The freestall barn is the predominate type of housing system used on

larger dairy farms for lactating cows. In a freestall barn, cows are in large pens with free access to feed bunks, waterers, and stalls for resting. Standard freestall barn design has a feed alley in the center of the barn separating two feed bunks on each side. Animals stand on the corral side of the feedlane to eat; this is where the majority of the excretions occur. In some cases, cows may be confined in or have access to drylots, which are typically a fenced in area that may have shade. Drylot confinements are similar to beef feedlots described later in this report. Tie stalls/stanchions are not uncommon on smaller dairy farms and older facilities. With this type of housing system, cows are confined in a stall for feeding, but have access to a drylot or pasture for exercise. A mechanically cleaned gutter is located behind each row of stalls for manure collection and removal.

Feeding and watering practices vary for each animal type. In general, calves are nursed for four to five days after birth. Calves are then fed a milk replacement until weaning which generally occurs at about eight weeks of age. During this period, a feed grain based starter diet is introduced. This starter diet is fed up to about three months of age when the rumen development allows a shift to a roughage-based diet.

Older cattle and calves being raised for milk production are fed a roughage based diet. The principal constituents of these diets are corn or grain sorghum silage and legume or grass and legume hays. In addition, feed grains and by-product foodstuff are added in varying amounts to satisfy energy, protein, and other nutrient requirements. Manure, under these diet conditions, tends to be generated in a semi-solid state.

Manure with a total solid content of 10% or less can be handled as a liquid. In a slurry or liquid system, the manure is flushed from alleys or pits to a storage facility. Typically, effluent from the solid separation system, or supernatant from ponds or anaerobic lagoons, is used as flush water. The supernatant is the clear liquid in the lagoons that is overlying the solids that settle below. Dairy manure that is handled and stored as a slurry or liquid may be mixed with dry manure. Liquid systems are common in large dairies due to their lower labor costs and ease of use with automatic flushing systems. Manure handled as solids can be removed by mechanized scraping systems, a tractor, or a chain scraper. Typically, the scraped manure is stock piled and dried for disposal by land application.

#### b. Beef Cattle Feeding Operations

This animal sector includes adult beef cattle (heifers and steers). Beef cattle may spend all, part, or none of their lives at a CAF. In general, there are three types of operations in the beef industry: cow-calf operations, backgrounding operations, and finishing operations. These operations are typically conducted at separate locations that specialize in each phase of production, but may also occur at a single location.

Cow-calf operations consist of heifers and steers fed for slaughter. At cow-calf operations, cattle is primarily fed hay with some grain and other foodstuff. Backgrounding (or stocker) operations prepare weaned calves for finishing by placing them on high energy rations to promote rapid weight gain. The backgrounding process is highly dependent on feed prices. Typically, the animals are fed the lowest priced feed at the time - which may be

forages or crop residues - with the objective of building muscle and bone mass without excessive fat at a low cost. The duration of the backgrounding process, and size of animals moving to the finishing stage, may be from 30 days to six months. Typically, high grain prices favor longer periods of backgrounding by reducing feed costs for finishing or fattening. Cattle are, usually, then sent to finishing operations at approximately six months of age and 400 pounds. In 150-180 days these animals will reach slaughter weights of 1,050 to 1,250 pounds. However, there are some feedlots that start with younger or older cattle. Therefore, the finishing cycle may fluctuate from being less than 100 days to over 270 days. Accordingly, feedlots will vary in regards to cattle turnover, with typical turnover ranging from 1.5 to 3.5 turnovers per year.

Regardless of the specific operation, beef feedlots typically segregate animals into different pens with feed truck access. The animals are usually fed two to three times per day using feed bunks located along feed alleys that separate individual pens.

Manure generated by the operation is commonly handled as a solid at beef feedlots. Solid manure is typically scraped or moved by tractors to stockpiles. Manure accumulates in areas around feed bunks and water troughs most rapidly. Some beef feedlots are totally enclosed facilities where the manure is collected by a scrape or flush system and handled in a similar manner to dairy freestalls.

#### c. Swine Operations

Typically, the production cycle for hogs has three phases: farrowing, nursing, and finishing. The first phase begins with breeding and gestation over a 114-day period, followed by farrowing (giving birth). After farrowing, the newly born pigs or piglets normally are nursed for a period of three to four weeks until they reach a weight of approximately 10 to 15 pounds. A typical litter may have approximately 9 to 11 pigs. Sows can be bred again within a week after a litter is weaned. Sows normally produce five to six litters before they are sold for slaughter at a weight of 400 to 460 pounds.

Weaned pigs are fed a starter ration until they reach a weight of approximately 50 to 60 pounds. At this point they are typically eight to ten weeks of age. Then the animals are fed a "growing" ration, followed by a "finishing" ration, until they are approximately 240 to 280 pounds - at which point they are approximately 26 weeks of age and ready for slaughter. Their diet varies, but it typically includes small grains such as wheat, barley, corn and soybean meal, and other types of various feed.

The animals are typically housed in confinement buildings that are either totally enclosed or open-sided with curtains. Totally enclosed facilities are mechanically ventilated throughout the year. Open-sided buildings are naturally ventilated the majority of the year, but may be mechanically ventilated when the curtains are closed due to weather conditions. Manure generated by the operation may be flushed from the floor of the housing or fall through slats in the floor to a pit underneath the floor. Manure in the pit may be flushed or scraped.

d. Poultry Operations

Poultry facilities typically operate either as a layer ranch for egg production or as a broiler ranch where birds are grown for the fresh meat market. Poultry facilities, called ranches in reference to their specialized operation, may consist of one or more farms on properties that may be several miles apart. This is a standard practice for poultry operations. The purpose of this practice is to separate poultry housing from one another for biosecurity reasons. Several barn-like houses may make up a farm. A chicken layer house may have over 100,000 layers; a typical chicken broiler house contains approximately 20,000-25,000 birds; and a typical turkey broiler house contains approximately 10,000 birds at any one time.

The majority of poultry houses use power ventilation instead of natural ventilation. The most common type of power ventilation is tunnel ventilation. In tunnel-ventilated houses, all the fans are clustered at one end of the house, pushing the air to the other end. Curtains on the houses may be used on a non-routine basis for ventilation, particularly during colder weather.

Studies indicate that the typical chicken layer house produces approximately two cubic yards of waste per week per five hundred chickens. Poultry excretions account for a majority of the waste. However, a small amount of liquid waste may occur from egg washing operations located on the facility and a small amount of bedding may be collected as waste. Typically, hens are confined in a layer house that consists of many layer boxes positioned above the ground. Waste is removed from under the layer boxes approximately every 7-9 days. In addition, waste is removed from the floor of the layer house approximately every 14-18 weeks.

In broiler facilities, complete litter removal from the house occurs one to four times per year. Litter removal frequencies vary from every two flocks (approximately 90 days) to every seven flocks (approximately 315 days). Most commonly, waste is removed every third flock. Before introducing a new flock, the house is left empty, typically for 5 days. During this interlude, the operator adjusts the temperature and other ambient conditions in the house. In the broiler industry, the new flocks of birds are brought into the houses as chicks and are raised for approximately 45 days, until they reach the desired weight. Shortly thereafter, the grown birds are removed and the house is again left empty for 5 days to sanitize. This 55-day average cycle is an approximate span of the production period for one flock.

Poultry excretions and bedding materials, such as rice hulls, are removed either by scraping or by flushing. In a scrape system, the litter is either swept or scraped from the house into a pile or piles outside the house. Typically, concerns about transmitting diseases among birds and flocks necessitate trucking the scraped litter off-site shortly after removal. The liquid handling system is similar to dairy flush systems, explained earlier in this report.

Based on current preliminary research data, litter and feed are the major sources of VOC

emissions. These emission points are also sources of ammonia emissions. Since ammonia forms a significant health risk to the animals and decreases productivity, many facilities implement controls for ammonia. The humidity, litter additive, moisture, and ventilation controls commonly used to control ammonia may also reduce VOC emissions.

e. Land Application of Manure Waste

Liquid manure from flush systems stored in lagoons or solid manure scraped from facilities eventually may be land applied with or without prior treatment such as composting. Typically, animal waste is applied to crop land at rates adequate to supply crop nutrient needs. Historically, the determination of application rates has been based on crop nitrogen requirements due to concerns about the impact of excess nitrogen on surface and ground water.

Surface application of manure waste is done with a spreading device known as a box manure spreader. This is simply a rectangular box that is either tractor drawn or truck mounted with a spreading device at the rear end. During spreading the manure moves to the rear of the box by conveyor. Box type spreaders are loaded with skid-steer or tractor mounted front-end loaders. Manure handled as slurry or liquid may be spread with a tractor drawn or truck mounted tank known as a liquid manure spreader. The manure may be forced out of the tank under pressure against a distribution plate to create a spray pattern. Another option is to force the manure from the tank under pressure through a manifold with a series of hanging or trailing pipes to create parallel strips of manure on the soil surface. A second type of spreader for manure slurries is a flail spreader. This is a partially open tank with chains attached to a rotating shaft positioned parallel to the direction of travel. Manure is discharged perpendicular to the direction of travel by the momentum transferred from the rotating chains.

5. Emissions from CAF operations

Emissions from CAF operations are discussed below in the "Impacts of the Proposed Rule" section of this report. As stated below, the primary criteria pollutants of concern emitted by CAF operations are volatile organic compounds (VOCs) and particulate matter less than 10 micrometer in diameter (PM10). Ammonia, also, can be emitted from decomposing animal waste. Ammonia, in the presence of sulfur oxides and nitrogen oxides, can cause the secondary formation of particulate matter.

## II. DISCUSSION OF PROPOSED RULE 11.2 REQUIREMENTS

Listed below are descriptions of the proposed requirements for Rule 11.2, Confined Animal Facilities Permit Program.

### Section 100 General

Section 101 - Purpose: The purpose of proposed Rule 11.2 to implement the requirements of

Section 40724.6 of the California Health and Safety Code (CH&SC).

**Section 102 - Applicability:** The proposed rule applies to all CAFs operating within the District's jurisdiction. Although the CH&SC contains requirements for those CAFs defined as a "Large CAF" (presented above), the District feels it is necessary to impose certain aspects of the proposed rule, specifically record-keeping, on other CAFs not meeting the Large CAF definition. This is discussed below.

**Section 103 - Exemptions:** CAFs that do not meet the definition of a Large CAF, as defined by the proposed rule, are exempt from the requirements of the rule except for Section 502, which outlines record-keeping requirements. This exemption allows the District to require record-keeping, only, for those CAFs not meeting the definition of a Large CAF. The required record-keeping for an exempt CAF is discussed later in the summary for Section 502.

In addition to the exemption for CAFs that do not meet the definition of a Large CAF, the rule provides an exemption to CAFs that are subject to the requirements of District Rule 3.8 - Federal Operating Permits. Once a CAF is subject to Rule 3.8, the standards of that rule would apply. A Federal Operating Permit would contain the same requirements as proposed Rule 11.2, but permit conditions would be cited directly from the CH&SC. Also, the federal operating permit would include other conditions required by Rule 3.8.

#### Section 200 Definitions

Proposed Rule 11.2 provides approximately 13 definitions to clarify terms used in the rule, and to improve overall enforceability and compliance. Some of the definitions come from other District rules. However, new definitions were constructed to accommodate new terms not used before by the District.

#### Section 300 Standards

**Section 301 - CAF Permit:** The requirement of this section states that no person shall operate a CAF without first obtaining a CAF Permit from the Air Pollution Control Officer (APCO). Therefore, it is a violation of proposed Rule 11.2 to operate a CAF without a CAF Permit if the source is subject to the permitting requirements of the proposed rule.

**Section 302 - CAF Modification:** This section states that no person shall alter a CAF unless the CAF Permit Holder adheres to the application procedures outlined in Section 402.2 of the proposed rule. Therefore, changes to the design, capacity, process, or arrangement of a permitted CAF operation must be reported to the District. These changes, or modifications, would require an application to modify the operation's CAF Permit. The purpose of this section is to obligate CAF Permit Holders to maintain a current CAF Permit that most accurately reflects the operation. Also, it would allow the District the opportunity to analyze and assess the potential affect on emissions from any proposed changes to the operation before the modification occurs.

**Section 303 - Standards for Granting Applications:** The language of Section 303 is similar to portions of District Rule 3.1, General Permit Requirements, Section 303, Standards for Granting

Applications. This section specifies standards a CAF must comply with in order to obtain a CAF Permit. First, the APCO has the authority to deny an application for a CAF Permit if the applicant does not show that the equipment can operate without emitting, or without causing to be emitted, any air contaminant in violation of District Rules and Regulations, or any state or federal statutes or regulations that may be enforceable by the APCO. Secondly, the APCO must determine if the applicant has complied with public notice requirements set forth in CH&SC 42301.6. This section of the CH&SC contains public noticing requirements for sources that emit hazardous air pollutants within 1,000 feet of a K-12 school.

Section 304 - CAF Permit Transfer: This section states that a CAF Permit shall not be transferable, by operation of law or otherwise, from one location to another. However, this section provides that a CAF Permit may be transferred from the CAF Permit Holder to another entity provided that an application is submitted for such transfer in accordance with Sections 402.4 of the proposed rule. It is the transferee's responsibility to inform the District on assumption of ownership or operating control. The purpose of this section is to prohibit someone from applying, and the District granting, a CAF Permit to an operation at one location and then using the CAF Permit to authorize an operation at another location. The section goes on, though, to allow for changes in ownership or operating control of the CAF, provided that application procedures are followed.

Section 305 - Existing CAF: This section requires an existing CAF, granted a CAF Permit, to implement all emission control measures required by the CAF Permit issued by the District within one (1) year of the date the CAF Permit is issued to the existing CAF. This section incorporates the requirement of CH&SC 40724.6(d)(4). The purpose of this section is to limit the amount of time an existing CAF has to install and implement emission control measures that are specified in their CAF Permit. Thus, the implementation of the measures are not drawn out over an extended period of time.

Section 306 - Best Available Retrofit Control Technology: All CAFs subject to this section of the rule will be required to install Best Available Retrofit Control Technology (BARCT) to reduce emissions of pollutants that contribute to the nonattainment of any ambient air quality standard, within the regulatory authority of the APCO. BARCT is an emission limitation based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts. Specific BARCT measures are not listed within the rule because a determination of what constitutes BARCT is emissions unit specific and may change over time. The District will determine BARCT measures at the time of CAF Permit application evaluation.

Section 307 - Best Available Control Technology: Any new or modified CAF will be required to install Best Available Control Technology (BACT) to reduce emissions of pollutants that contribute to the nonattainment of any ambient air quality standard, within the regulatory authority of the APCO. In general, BACT is the most effective emission control measure for an emissions unit. Like BARCT, BACT takes into account environmental, energy, and economic impacts, but not to the same degree as BARCT. BARCT is designed to reduce current stationary source emissions. BACT, on the other-hand, is designed to minimize the growth in future stationary source emissions. Specific BACT measures are not listed within the rule because a determination of what constitutes BACT is emissions unit specific and may change over time. The District will determine BACT measures at the time of CAF Permit application evaluation, similar to BACT determinations

for other source categories.

**Section 308 - Mitigation Plan:** This section requires all CAF Permit applications include an emissions mitigation plan. The purpose of the emissions mitigation plan is have the applicant demonstrate that the CAF operation will comply with Section 306 or 307 of the proposed rule (BARCT or BACT). This section incorporates the requirement of CH&SC 40724.6(d)(1)(B).

**Section 309 - Operation According to the CAF Permit Conditions:** This section states that no person shall operate a CAF contrary to the terms and conditions specified on the CAF Permit issued in accordance with the provisions of the proposed rule. The District will evaluate a CAF Permit application for compliance with District Rules and Regulation. If a CAF Permit is issued, the District will place terms and conditions on the CAF Permit to ensure the CAF is operated in a manner as proposed in the CAF Permit application, mitigation plan, and as evaluated by the District. The District expects the operation to adhere to the terms and conditions of the CAF Permit. However, if the terms and conditions are not met by the operation, District enforcement action may be taken against the CAF.

#### Section 400 Administrative Requirements

**Section 401 - CAF Permit Applications:** This section states that a request for a CAF Permit shall be initiated by filing a standard CAF Permit application with the APCO together with an initial filing fee (discussed in Section 601). The purpose of this section is to outline the first step in applying for and obtaining a CAF Permit.

**Section 402 - Application Requirements:** Section 402.1 is in regards to existing CAFs. Existing CAFs subject to the proposed rule are required to submit a CAF Permit application no later than six (6) months after the date of rule adoption. Section 402.1 incorporates the requirement of CH&SC 40724.6(d)(1).

Section 402.2 applies to applications for modifications to a CAF Permit. An application to modify a CAF Permit is required to be submitted prior to altering the CAF. This section allows the District to evaluate changes to the physical properties of the CAF, as well as changes in the operation's potential to emit air pollutants from the CAF, prior to any alterations taking place. In this way, the District can add or remove terms and conditions to the CAF Permit, as necessary. The section goes on to state that the CAF shall not be operated contrary to the terms and conditions specified in the existing CAF Permit prior to APCO issuance of the new CAF Permit. Therefore, the modifications proposed in the application must be approved by the APCO and a new CAF Permit issued before alterations can be made to the CAF.

Section 402.3 governs applications for CAF Permit renewal. The section requires the CAF Permit Holder to submit a CAF Permit application no earlier than twelve (12) months and no later than six (6) months before the expiration date of the current CAF Permit. This allows the District enough time to re-evaluate the CAF operation and the feasibility of mitigation measures as required by CH&SC 40724.6(d)(3).

Section 402.4 applies to applications for transfer of ownership. Transfer of ownership applications

are required to be submitted within thirty (30) days of the ownership change occurring. This allows the parties involved with the transfer to complete their contract before submitting an application to the District. The section goes on to state that the operation of the CAF by the new owner shall be under the terms and conditions of the CAF Permit issued to the previous owner until the new CAF Permit is issued.

**Section 403 - Information** - Section 403 requires that CAF Permit applications contain all the information necessary to enable the APCO to prepare an emissions inventory of all regulated air pollutants. This section incorporates the requirements of CH&SC 40724.6(d)(1)(A). The section also ensures that applications contain the information necessary for the APCO to make a determination required by Section 303 of the proposed rule. If the information on the application is not sufficient, the APCO can require additional information from the applicant before issuing a CAF Permit. This section allows the APCO to require any information from the applicant deemed necessary for evaluating an application. If the requested information is not provided by the applicant, the APCO can deem the application incomplete and deny the issuance of the CAF Permit (see Completeness Review, below). In addition, the APCO can require information from CAF Permit Holders, or CAFs required to have a CAF Permit, deemed necessary to evaluate air contaminants discharged from the operation.

**Section 404 - Completeness Review**: Section 404 requires that the APCO determine, and notify applicants, when a CAF Permit application submitted pursuant to Sections 401, 402.1, 402.2, and 402.3 of the proposed rule is deemed complete. The APCO is required to conduct this determination and notify the applicant within 30 days of receiving the application. The section provides an extended period if the applicant and APCO agrees on an extension. If an application is deemed incomplete by the APCO, the APCO shall notify the applicant. Any re-submittal of the application begins a new 30-day completeness review period.

**Section 405 - Application Processing**: Section 405 requires the APCO to act upon a CAF Permit application submitted pursuant to Sections 401, 402.1, 402.2, and 402.3 of the proposed rule within six (6) months after accepting an application as complete. This section incorporates the requirements of CH&SC 40724.6(d)(2). The application processing time requirement restricts the period of time the District has to evaluate a CAF Permit application. This ensures that a determination on the issuance of a CAF Permit is given in a timely manner.

**Section 406 - Public Notification**: Section 406 incorporates the requirements of CH&SC 40724.6(d)(4). The section requires the District to perform a 30-day public notice on any proposed decision to issue a CAF Permit (except CAF Permit transfer of ownership). The notice informs the public that the District evaluated an application for a CAF Permit, determined that the proposed CAF will operate in compliance with all District, State, and Federal rules enforceable by the APCO, and intends to issue a CAF Permit to the applicant. The public notice will state that the District seeks comments from the public regarding the proposed issuance of the CAF Permit within 30 days of the beginning of the noticing period. The noticing period allows for the opportunity to review and comment on the CAF Permit before final issuance. The section goes on to require that the APCO provide written notice, the proposed CAF Permit, and, upon request, copies of the District analysis to interested persons or agencies. Therefore, any interested persons or agencies, who have requested in writing for such notification, can obtain notice on any and all proposed

District decisions regarding CAF Permit applications prior to the issuance of the final CAF Permit.

**Section 407 - Conditional Approval:** Section 407 ensures that the APCO has the authority to include terms and conditions in the CAF Permit deemed necessary to enforce compliance with District Rules and Regulations. This is especially important for enforcing required mitigation measures - since mitigation measures are emissions unit specific and will vary from one CAF operation to another. This section is the District's mechanism to enforce those types of terms and conditions.

**Section 408 - Permit Reopening:** This section allows the APCO to reopen and revise a CAF Permit under specific circumstances. If a CAF Permit contains a material mistake or an inaccurate statement, the APCO may reopen and revise the CAF Permit to correct those mistakes. Also, as rules and regulations are adopted by the District, the APCO may reopen and revise a CAF Permit to incorporate any new, revised, or additional applicable requirements.

**Section 409 - Denial of Applications:** Section 409 requires the APCO to notify the applicant in writing explaining the basis for denial if an application is deemed denied. This section ensures that the applicant, whose application is deemed denied, is given full explanation and clarity as to why the application is denied.

**Section 410 - Appeals:** This section provides the applicant a 30-day period to petition the Hearing Board after notice by the APCO of denial or approval of a CAF Permit. The Hearing Board, after notice and a public hearing, may sustain or reverse the actions of the APCO. The language in Section 410 is similar to that of District Rule 3.1, General Permit Requirements, Section 406, Appeals.

**Section 411 - Right of Entry:** The language in Section 411 is similar to that of District Rule 3.1, General Permit Requirements, Section 405.5, Information. This section provides the APCO right of entry to a CAF subject to this proposed rule. Right of entry to the CAF allows the APCO to ascertain whether the CAF is operating under the requirements of their CAF Permit, maintaining required record-keeping, or if a CAF is operating without a valid CAF Permit.

**Section 412 - Term of CAF Permit:** This section specifies that the term of a CAF Permit shall not exceed three (3) years from the date of issuance. This CAF Permit term period was chosen to align with the requirements of CH&SC 40724.6(d)(3). In this way, the CAF permit is reviewed and updated to reflect changes in the operation or the feasibility of mitigation measures every three (3) years at the same time as CAF Permit renewal.

**Section 413 - CAF Permit Renewal:** This section provides the opportunity for CAF Permits to be renewed at the end of its term, provided that the CAF Permit Holder adheres to the application requirements in Section 402.3 of the proposed rule. During CAF Permit renewal application review, Section 413.2 requires that the District determine the feasibility of the operation's mitigation measures and that permit conditions are adequate to ensure compliance with District Rules and Regulations. This section incorporates the requirements of CH&SC 40724.6(d)(3).

## Section 500 Monitoring and Records

Section 501 - Number of Animals: This record-keeping section is similar to the language of California Code of Regulations, Title 17, Section 86501 - Recordkeeping and Reporting Requirements. The section requires that CAF operations keep a record that specifies the number of animals maintained daily. The section goes on to state that these records shall be maintained at a central place of business for a period of not less than three (3) years and shall be made available to the APCO or their designee upon request.

Section 502 - Number of Animals - Exemption Demonstration: This section of the proposed rule is the only section that is applicable to CAF operations that have livestock numbers below the Large CAF definition defined by CARB and the rule. This section requires CAF operations with a livestock count more than 50% of any Large CAF threshold, claiming the exemption provided by Section 103.1, to maintain records demonstrating that the CAF meets the exemption criteria. The section goes on to state that these records shall be maintained at a central place of business for a period of not less than three (3) year and shall be made available to the APCO or their designee upon request. If the public is interested in the number of animals at a CAF, the public may request that the District obtain and provide this information to the interested party.

Section 503 - Monitoring: This section provides monitoring provisions for CAF Permit Holders. Section 503.1 requires the reporting of any deviation from the CAF Permit terms and conditions. The deviation statement shall be submitted within five (5) working days and shall include the information required under the definition of deviation statement provided by the proposed rule. After a deviation statement is submitted, the CAF Permit Holder is required to submit a correction statement, per Section 503.2. The correction statement shall be submitted within five (5) days of the date action was completed to correct the deviation and shall include the information required under the definition of correction statement provided by the proposed rule. Also, Section 503.3 requires the CAF Permit Holder to submit a compliance certification statement to the APCO every twelve (12) months. The compliance certification statement shall include the information required under the definition of compliance certification statement provided by the proposed rule.

## Section 600 Fees

Section 601 - CAF Permit Processing Fee: Similar to the language contained in District Rule 11.1 - Agricultural Operating Permit Program, this section establishes the fee for applications filed in accordance with Sections 401, 402.1, 402.2, and 402.3 of the proposed rule. The application processing fee is based on the actual hours spent by District staff in evaluating the application and processing the CAF Permit. The fee is assessed in accordance with the time and materials labor rate established in section 307.10 of District Rule 4.1, Permit Fees - Stationary Sources. An initial filing fee must be included with the application when submitted to the District. The initial filing fee is equal to two hours at the time and materials labor rate established in Section 307.10 of District Rule 4.1, Permit Fees - Stationary Sources. Once the application filing fee is submitted, the fee cannot be refunded or applied to any other application.

The section establishes the standard processing fee for a CAF Permit. The District plans to fund the CAF Permit Program through permit and application fees associated with the program. These fees are based on actual hours of work done by the District. The initial filing fee ensures that a partial amount for the cost of work done on submitted applications will be covered ahead of time.

As an example, consider a dairy with 2,000 milking cows that submits an application for a CAF Permit. Currently, the time and materials labor rate established in section 307.10 of District Rule 4.1, Permit Fees - Stationary Sources is \$78/hour. Therefore, the initial filing fee would be \$156. If the District were to spend 12 hours during the course of evaluating, noticing, and issuing the CAF Permit, the total fee for this application is \$936.

Section 602 - CAF Permit Transfer Fee: Section 602 establishes the fee required to transfer a CAF Permit. The applicant is charged a fee equal to two hours at the time and materials labor rate to process applications filed in accordance with Section 402.4 of the proposed rule. The applicant must submit the fee at the time of application. At the current time and material labor rate of \$78/hour, the total transfer fee would be \$156.

Section 603 - Annual CAF Permit Fee: Section 603 establishes the annual fee required to maintain a CAF Permit. The CAF Permit holder shall be charged an annual fee in accordance with the requirements of Section 500 of District Rule 3.8, Federal Operating Permit. The annual fee is directly correlated with a facility's actual emissions.

Section 604 - Notification of Fees Due: Section 604 requires the District to notify CAF Permit Holders by mail of any fees due and payable and the date the fees are due. This section states that if any fees are not paid by the specified due date, the District shall assess a penalty to the CAF Permit Holder of not more than 50 percent of the fee due, but in an amount sufficient, in the District's determination, to pay the District's additional expenses incurred by the CAF Permit Holder's non-compliance. This penalty is similar to the penalty established in District Rule 4.1, Permit Fees - Stationary Source, Section 401, Notification of Permit Renewal Fee Due, for other source categories.

### **III. COMPARISON WITH OTHER APPLICABLE REGULATIONS AND REQUIREMENTS**

California Health and Safety Code Section 40727.2 requires that districts prepare a written analysis to identify all existing federal air pollution control requirements, including, but not limited to, emission control standards constituting best available control technology for new or modified equipment, that apply to the same equipment or source type as the rule or regulation proposed for adoption or modification by the District. In addition, the analysis shall identify any other District rule or regulation that applies to the same equipment or source type.

#### Existing BACT Requirements

The District is unaware of any existing federal emission control standards constituting BACT pertaining to CAFs.

#### Other District Rules and Regulations

District Rule 3.8 - Federal Operating Permits applies to major stationary sources, including CAFs that meet the definition of Major Source. Additionally, pursuant to District Rule 3.4, Section 102, sources which are subject to review under U.S. EPA regulations are not exempt from District Rule

3.4 - New Source Review. Therefore, in these cases, District Rule 3.4 would apply to CAFs. Since District Rule 3.4 requires the District to issue an Authority to Construct and Permit to Operate, the agricultural equipment exemption of District Rule 3.2 - Exemptions is not valid. Thus, a "major source" CAF would be subject to District Rule 3.1 - General Permit Requirements.

#### **IV. IMPACTS OF THE PROPOSED RULE**

CH&SC 40724.6(e) requires that prior to adopting a rule or regulation pursuant to CH&SC 40724.6(b), a district shall, to the extent data are available, perform an assessment of the impact of the rule or regulation. The district shall consider the impact of the rule or regulation in a public hearing and make a good faith effort to minimize any adverse impacts. The assessment shall include all of the following:

1. The category of sources affected, including, but not limited to, the approximate number of affected sources, and the size of those sources;
2. The nature and quantity of emissions from the category, and the significance of those emissions in adversely affecting public health and the environment and in causing or contributing to the violation of a state or federal ambient air quality standard;
3. The emission reduction potential;
4. The impact on employment in, and the economy of, the region affected;
5. The range of probable costs to affected sources and businesses;
6. The availability and cost-effectiveness of alternatives;
7. The technical and practical feasibility;
8. Any additional information on impacts that is submitted to the district board for consideration.

##### CH&SC 40724.6(e)(1) - Source Category Impact

The District has worked, in conjunction with other local agencies (Solano County Resource Management Department, Solano County Agricultural Commissioner's Office, and Yolo County Agricultural Commissioner's Office), to research and identify existing CAF operations within the District. The District estimates that there are less than ten (10) existing CAFs of significant size (livestock count greater than 25% of any Large CAF definition threshold) operating within the District's jurisdiction. Of those, the District estimates that two (2) existing CAF operations (with approximately 2,000-3,000 dairy cows each) will be required to submit a CAF Permit application and two (2) more (approximately 500-1,000 dairy cows each) that will be required to maintain records per Section 502 of proposed Rule 11.2. Any new CAF with a livestock count greater than 50% of any Large CAF definition threshold will be required to maintain records, at a minimum, or obtain a CAF Permit prior to operating.

##### CH&SC 40724.6(e)(2) - Emissions Impact

Depending on the livestock category and equipment operated, a particular CAF operation may emit each criteria air pollutant in varying amounts. Of particular concern are emissions of volatile organic compounds (VOCs) from CAF operations. VOCs can be emitted from several areas of

CAF operations including, but not limited to, animals (i.e. belching and respiration), bedding, excreta, and feed. VOC emissions lead to smog formation and also contribute to the photochemical reactions that create ozone (O<sub>3</sub>). VOCs are a strong irritant and can damage human tissue and plant leaves. Research studies have shown that exposure to ozone damages the alveoli - the air sacs in the lungs where the exchange of oxygen and carbon dioxide between the air and blood takes place. This injury results in lung inflammation and changes in breathing. Repeated injury is thought to lead to permanent lung damage. Exposure to ozone can also cause burning sensations in the chest, throat, and eyes.

CARB maintains an emission inventory which estimates the amount of pollutants emitted from particular source categories each year for the entire state, as well as air basins and counties. The 2004 emission inventory for the Yolo-Solano AQMD shows estimated reactive organic gases (ROG) emissions of 0.22 tons emitted per day from CAF operations averaged over the 2004 calendar year. The CAF operations included in the CARB emission inventory are dairies, layers, swine, sheep, and horse operations.

Another air emission concern of CAF operations is fugitive particulate matter (PM) emissions. Potential fugitive PM emissions are abundant at CAF operations. Possible sources include, but are not limited to, dried manure, bedding material, open soil areas, and feed. Wind can easily pick up these sources of fugitive PM and entrain the PM in the atmosphere.

Ammonia emissions are a concern of CAF operations, as well. Ammonia is produced by the decomposition of the organic nitrogen compounds in manure. Ammonia can be a precursor to PM emissions. If sulfur oxides and nitrogen oxides are present in the air, ammonia will be converted to ammonium sulfate or ammonium nitrate, respectively, forming PM.

The District is classified as a federal and state non-attainment area for ozone (which VOCs contribute to) and a state non-attainment area for PM<sub>10</sub>. Since the source category of CAF operations have historically been exempt from air quality permitting, proposed Rule 11.2 will, at the minimum, help to maintain the air quality attainment status of the District.

#### CH&SC 40724.6(e)(3) - Emission Reduction Potential Impact

Proposed Rule 11.2 requires existing CAFs to implement BARCT measures and new or modified CAFs to implement BACT measures. District staff is unaware of emissions mitigation measures currently employed by CAF operations within the District. The District will evaluate mitigation plans at the time of CAF Permit application to ensure BARCT and BACT requirements are fulfilled. However, the District does expect emission reductions from the use of BARCT and BACT emissions mitigation measures.

#### CH&SC 40724.6(e)(4) - Socioeconomic Impacts

Along with CH&SC 40724.6(e)(4), CH&SC 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. CH&SC 40728.5 goes on to state that 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 300,000 and well below the 500,000 person threshold. Therefore, a socioeconomic analysis for this rule-making is not required. However, CH&SC 40274.6(e)(4) still requires that the District review the impact of the proposed rule on regional economy and employment. The District does not expect any impact on the regional economy or employment due to proposed requirements for existing CAFs. The District believes that the requirement for BACT emissions mitigation measures will become a part of the general business plan for any new or modified CAF. Existing CAF modifications and new CAF constructions should already incorporate the requirements of BACT during the planning stages of the modification or construction. Therefore, the District does not expect any impact on the regional economy or employment due to the proposed requirements for new and modified CAFs.

#### CH&SC 40724.6(e)(5) - Operating Cost Impacts/Cost Effectiveness

In addition to CH&SC 40724.6(e)(5), CH&SC 40703 requires that the District consider and make public its findings relating to the cost effectiveness of implementing an emission control measure.

Proposed Rule 11.2 establishes an operating permit program for confined animal facilities. The rule does not establish specific emission control measures for CAF operations. However, the proposed rule does require all existing CAF operations above the Large CAF definition threshold to use BARCT emissions control measures. New and modified CAF operations are required by the proposed rule to install BACT emissions control measures. BARCT and BACT are emissions unit specific and require a thorough analysis before the District can require their use. Base costs to sources affected by the proposed rule are District fees for application processing, CAF Permit transfers, and annual CAF Permit fees.

The San Joaquin Valley Air Pollution Control District has calculated the annual cost of control to dairies within their district based on what they consider as a dairy's typical baseline mitigation measures (mitigation measures found at typical existing dairies within their region) and the cost of mitigation measures they may require as BARCT. According to their analysis, the overall annual cost to a dairy implementing BARCT emissions mitigation measures is \$65 per head per year. The cost effectiveness for a 1,000 head milking cow dairy was calculated, based on emission factors developed by their staff, to be \$17,800 per ton VOC reduced per year.

The cost to the District for maintaining the new confined animal facilities permit program is expected to be offset by the permit program fees established in Section 600, Fees, of proposed Rule 11.2.

#### CH&SC 40724.6(e)(6) - Availability and Cost Effectiveness of Alternatives

The requirements of BARCT and BACT in proposed Rule 11.2 does not limit CAF operations to specific mitigation measures. A CAF operation submitting an application for a CAF Permit will propose the BARCT/BACT mitigation measures that best suit their particular operation in their required mitigation plan. Therefore, an evaluation of alternative emissions mitigation measures is not possible.

In addition to CH&SC 40724.6(e)(6), CH&SC 40920.6 requires an assessment of the incremental

cost-effectiveness for proposed regulations relative to ozone, CO, SO<sub>x</sub>, NO<sub>x</sub>, 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. Again, the requirements of BARCT and BACT in proposed Rule 11.2 does not limit CAF operations to specific mitigation measures. A CAF operation submitting an application for a CAF Permit will propose the BARCT/BACT mitigation measures that best suit their particular operation in their required mitigation plan. Therefore, an evaluation of incremental cost-effectiveness is not possible. However, the District expects that there are a multitude of mitigation measures that can be implemented by CAF operations resulting in similar emission reductions, as shown by the San Joaquin Valley APCD.

#### CH&SC 40724.6(e)(7) - Technical and Practical Feasibility

As part of a BARCT or BACT determination, the District will assess the technological feasibility of emissions mitigation measures. The District views all portions of the rule to be practical and achievable by affected CAF operations.

#### CH&SC 40724.6(e)(8) - Additional Impacts

No additional impacts have been presented to the District.

## **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 for the proposed adoption of Rule 11.2:

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

Table 3 lists all reasonably foreseeable compliance methods, the environmental impacts of those methods, and measures that could be used to mitigate the environmental impacts.

### **TABLE 3. Environmental Impacts, Mitigation Measures, and Alternatives**

Compliance Methods	Reasonably Foreseeable Environmental Impacts	Reasonably Foreseeable Mitigation Measures
1. Obtain a permit and apply BARCT/BACT	Air Quality Impacts: Applying BARCT/BACT may decrease emissions from CAF operations. This will have a beneficial impact on air quality.	No mitigation necessary
	Water Impacts: No impact.	No mitigation necessary
2. Reduce livestock count (so as to avoiding permitting and BARCT/BACT requirements).	Human Health Impacts: Applying BARCT/BACT may decrease emissions from CAF operations. This will have a beneficial impact on human health.	No mitigation necessary
	Solid Waste Disposal Impacts: No impact.	No mitigation necessary
	Noise Impacts: No impact.	No mitigation necessary

This analysis demonstrates that the adoption of proposed Rule 11.2 will not have a significant effect on the environment or humans due to unusual circumstances. In addition, proposed Rule 11.2 may prompt CAF owners/operators to lower their livestock count so as to avoid the permitting requirements of the proposed rule. 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 (CH&SC) requires that prior to adopting or amending a rule or regulation, an air district's board make findings of necessity, authority, clarity, consistency, non-duplication, and reference. The findings must be based on the following:

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

The required findings are:

Necessity: The proposed rule is necessary in order to meet the requirements of Section 40724.6 of the California Health and Safety Code. (CH&SC Section 40727(b)(1)).

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

Clarity: District staff has reviewed the proposed rule and determined that it can be easily understood by the affected industry. In addition, the record contains no evidence that the persons directly affected by the rule cannot understand the rule. (CH&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. (CH&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. (CH&SC Section 40727(b)(5)).

Reference: This rule incorporates provisions of the California Health and Safety Code. (CH&SC Section 40727(b)(6)).

## **VII. PUBLIC COMMENTS AND STAFF RESPONSES**

In August, 2004, District staff formed the Agricultural Permitting Advisory Committee (APAC). The original intent of APAC was to bring together the local agricultural community, agricultural officials, the environmental community, and other interested parties, to share their expertise and comments with the District regarding SB700 implementation and District Rule 11.1 - Agricultural Operating Permit Program. In November, 2005, the District modified APAC to focus on SB700 CAF requirements and rule development. Draft versions of proposed Rule 11.2 were distributed for review to APAC members. The draft versions of proposed Rule 11.2 continued to evolve over several months as APAC members commented on the rule language.

Staff held a public workshop on May 5, 2006, to discuss the proposed adoption of Rule 11.2. The notice for the public workshop regarding proposed Rule 11.2 was mailed to parties listed on a District mailing list which included CAF advocacy groups, environmental groups, local government agencies, and local CAF operations. In addition, the notice was sent to neighboring districts, published in the Vacaville Reporter, River News Herald (Rio Vista area), Dixon Tribune, Daily Democrat (Woodland area), and Davis Enterprise newspapers, and provided to all libraries within the District's jurisdiction. Also, a copy of the notice, the draft staff report, and draft rule language were placed on the District's webpage.

### **A. Public Workshop**

Below, District staff will attempt to paraphrase formal verbal comments discussed during the public

workshop and respond to each comment. Also addressed are written comments submitted to the District and the response to those comments.

Comment 1. Brent Newell, representing the Sierra Club, commented that CH&SC 40724.6(b), requires that the District adopt, implement, and submit for inclusion in the state implementation plan (SIP), a rule or regulation that permits large CAFs. As a rule that will be included into the SIP, the rule must be enforceable by the public. The monitoring and record-keeping requirements of Draft Rule 11.2 only requires that the number of animals at the facility be monitored. There is no requirement to certify that mitigation measures have been installed and implemented within the allowed time-frame, and so on. Rule compliance should be made enforceable by citizens by requiring records and certification to show compliance with each CAF Permit condition.

Response 1. The District will add reporting requirements. Specifically, Rule 11.2 will contain requirements for CAF operations to submit deviation and correction statements in addition to a compliance statement every 12 months. CAF Permit Holders will be required to report any deviations from the terms and conditions of their CAF Permit through a deviation report submitted to the District. A correction statement will be required from the CAF Permit Holder once action is taken to correct the deviation. The compliance certification statement will require the CAF Permit Holder to review each CAF Permit condition and summarize the means of determining compliance. The District feels these additional requirements will enable rule enforceability by the public. Please see Sections 205, 208, 209, and 503 for the additional definitions and monitoring requirements added to the proposed version of Rule 11.2.

Comment 2. Brent Newell, representing the Sierra Club, commented that CH&SC 40724.6(b) requires that the District adopt a rule requiring the owner or operator of a large CAF to obtain a permit from the District to reduce, to the extent feasible, emissions of air contaminants from the facility. Draft Rule 11.2 limits the scope of reducing emissions to those that contribute to the nonattainment of any ambient air quality standard. Although BARCT is required, by CH&SC 40724.6(d)(1)(B) and Draft Rule 11.2, to reduce emissions of pollutants that contribute to the nonattainment of any ambient air quality standard, CH&SC 40724.6(b) states that the rule should reduce emissions of air contaminants, in general. The District should make sure that the rule, and permits issued pursuant to the rule, look at all air contaminants, especially hydrogen sulfide.

Response 2. The District does not concur that Senate Bill 700 (SB700) requires Districts to evaluate all air contaminants. CH&SC 40724.6(b) was added by SB700 as a mandate for ozone non-attainment areas. Therefore, the District believes that the rule or regulation required by CH&SC 40724.6(b) is intended to reduce ozone and ozone precursors emitted from large CAF operations.

CH&SC 40724.6(d)(1)(B) goes on to require BARCT emission control measures in

“severe and extreme nonattainment areas, to reduce emissions of pollutants that contribute to the nonattainment of any ambient air quality standard.” Therefore, the District will evaluate CAF compliance with BARCT requirements for ozone and ozone precursors since the District is severe nonattainment for ozone based on the federal standard.

Although Rule 11.2 is focused on the reduction of ozone and ozone precursors, as mandated by SB700, the District understands that PM10 is a pollutant of concern emitted from CAF operations. The District is classified as nonattainment for PM10 based on the state standard, although there are no specific levels such as “severe” or “moderate” nonattainment. As such, the District will continue to evaluate the need for emission control measures pertaining to PM10.

In accordance with the District’s Risk Management Plan and Risk Assessment Guidelines, hazardous air pollutants, such as hydrogen sulfide, will be evaluated during CAF application review. As a note, the District is currently unclassified for the state ambient air quality standard for hydrogen sulfide.

Comment 3. Brent Newell, representing the Sierra Club, commented that Draft Rule 11.2, Section 201 defines “air contaminant”, but excludes odor. The District should remove the odor exemption. The exemption for odor in the CH&SC is for nuisance, only.

Response 3. As there are no other standards for odors other than nuisance (i.e. no ambient air quality standard, no thresholds), the District believes it is appropriate to exclude odor from the definition. However, if a compound was odorous in nature and was made up of gases for which there are standards (e.g. VOCs), those emissions would be regulated under this rule through the VOC provisions.

Comment 4. Stephen Sikes, a resident of Dixon, CA, asked the District to explain why didn’t the District look to lower the Large CAF threshold for horses?

Response 4. The Large CAF threshold for horses was defined by the California Air Resources Board (ARB) and was set at 2,500 horses. The District is required by the CH&SC to adopt a rule that requires Large CAFs to obtain a permit. Given the time frame required to meet this mandate, the District did not pursue the necessary findings and public hearing to require permits for CAFs below the ARB defined Large CAF thresholds. As the District goes forward and new research reveals additional information regarding the potential emission reductions associated with changing any Large CAF threshold, the District may decide to revisit the issue.

## **B. Written Comments**

No written comments were submitted to the District.

### **VIII. REFERENCES**

1. State of California. California Air Resources Board, 2004 Emission Inventory.
2. San Joaquin Valley Air Pollution Control District. Draft Staff Report, Rule 4570, Confined Animal Facilities (March 2006).
3. California State Senator Flores. Senate Bill 700 (September 2003).
4. California Air Pollution Control Officer's Association (CAPCOA). Senate Bill 700 (Flores): Agriculture & Air Quality - Summary and Implementation (April 2004).
5. San Joaquin Valley Air Pollution Control District. Draft Best Available Control Technology - Dairy Operations (April 2004).

**ATTACHMENT A**

**PROPOSED RULE 11.2**

**CONFINED ANIMAL FACILITIES PERMIT PROGRAM**

**RULE 11.2 CONFINED ANIMAL FACILITIES PERMIT PROGRAM**

**ADOPTED (MONTH, DATE, YEAR)**

**INDEX**

**100 GENERAL**

- 101 PURPOSE
- 102 APPLICABILITY
- 103 EXEMPTIONS

**200 DEFINITIONS**

- 201 AIR CONTAMINANT
- 202 AIR POLLUTION CONTROL OFFICER (APCO)
- 203 BEST AVAILABLE CONTROL TECHNOLOGY (BACT)
- 204 BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY (BARCT)
- 205 COMPLIANCE CERTIFICATION STATEMENT
- 206 CONFINED ANIMAL FACILITY (CAF)
- 207 CONFINED ANIMAL FACILITY (CAF) PERMIT
- 208 CORRECTION STATEMENT
- 209 DEVIATION STATEMENT
- 210 EXISTING CONFINED ANIMAL FACILITY
- 211 LARGE CONFINED ANIMAL FACILITY
- 212 MODIFIED CONFINED ANIMAL FACILITY
- 213 NEW CONFINED ANIMAL FACILITY

**300 STANDARDS**

- 301 CAF PERMIT
- 302 CAF MODIFICATION
- 303 STANDARDS FOR GRANTING APPLICATIONS
- 304 CAF PERMIT TRANSFER
- 305 EXISTING CAF
- 306 BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY
- 307 BEST AVAILABLE CONTROL TECHNOLOGY
- 308 MITIGATION PLAN
- 309 OPERATION ACCORDING TO THE CAF PERMIT CONDITIONS

**400 ADMINISTRATIVE REQUIREMENTS**

- 401 CAF PERMIT APPLICATIONS
- 402 APPLICATION REQUIREMENTS
- 403 INFORMATION
- 404 COMPLETENESS REVIEW
- 405 APPLICATION PROCESSING
- 406 PUBLIC NOTIFICATION
- 407 CONDITIONAL APPROVAL
- 408 PERMIT REOPENING
- 409 DENIAL OF APPLICATIONS

Yolo-Solano AQMD

Adopted (Month, Date, Year)

(Proposed May 10, 2006)

<u>410</u>	<u>APPEALS</u>
<u>411</u>	<u>RIGHT OF ENTRY</u>
<u>412</u>	<u>TERM OF CAF PERMIT</u>
<u>413</u>	<u>CAF PERMIT RENEWAL</u>

**500 MONITORING AND RECORDS**

<u>501</u>	<u>NUMBER OF ANIMALS</u>
<u>502</u>	<u>NUMBER OF ANIMALS - EXEMPTION DEMONSTRATION</u>
<u>503</u>	<u>REPORTING</u>

**600 FEES**

<u>601</u>	<u>CAF PERMIT PROCESSING FEE</u>
<u>602</u>	<u>CAF PERMIT TRANSFER FEE</u>
<u>603</u>	<u>ANNUAL CAF PERMIT FEE</u>
<u>604</u>	<u>NOTIFICATION OF FEES DUE</u>

**100 GENERAL**

101 **PURPOSE:** The purpose of this Rule is to implement the requirements of Section 40724.6 of the California Health and Safety Code.

102 **APPLICABILITY:** The provisions of this Rule shall apply to any Confined Animal Facility (CAF).

103 **EXEMPTIONS:**

103.1 Except for the requirements of Section 502 of this Rule, the provisions of this Rule shall not apply to a Confined Animal Facility which does not meet the definition of a Large Confined Animal Facility as defined in Section 211 of this Rule.

103.2 The provisions of this Rule shall not apply to a Confined Animal Facility subject to the requirements of District Rule 3.8 - FEDERAL OPERATING PERMITS.

**200 DEFINITIONS**

201 **AIR CONTAMINANT:** As defined in District Rule 1.1, excluding odors.

202 **AIR POLLUTION CONTROL OFFICER (APCO):** The Air Pollution Control Officer of the Yolo-Solano Air Quality Management District, or his or her designee.

203 **BEST AVAILABLE CONTROL TECHNOLOGY (BACT):** As defined in District Rule 3.4.

204 **BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY (BARCT):** An emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts.

205 **COMPLIANCE CERTIFICATION STATEMENT:** A statement which includes the following:

a. A list of each CAF Permit term or condition (e.g., mitigation measure, emission limitation, standard, or work practice);

b. The compliance status for each CAF Permit term or condition, which includes whether compliance was continuous or intermittent, and method(s) used to

- determine compliance for the current time period and over the entire reporting period;
- c. A statement by the CAF Permit Holder that the information provided in the compliance certification statement is true, accurate, and complete;
- d. The CAF owner or operator's printed name and signature.
- 206 **CONFINED ANIMAL FACILITY (CAF):** A facility where animals are corralled, penned, or otherwise caused to remain in restricted areas for commercial purposes and primarily fed by means other than grazing.
- 207 **CONFINED ANIMAL FACILITY (CAF) PERMIT:** Permit issued to a CAF pursuant to the provisions of this Rule.
- 208 **CORRECTION STATEMENT:** A statement which includes the following:
- a. Description of the action taken to correct the deviation;
- b. The date the corrective action was completed;
- c. A statement by the CAF Permit Holder that the information provided in the correction statement is true, accurate, and complete;
- d. The CAF owner or operator's printed name and signature.
- 209 **DEVIATION STATEMENT:** A statement which includes the following:
- a. Description of the deviation from the CAF Permit terms and conditions;
- b. The date the deviation occurred;
- c. The probable cause of the deviation;
- d. A compliance schedule to outline the course of action to be taken by the CAF Permit Holder to correct the deviation, including an estimated time-frame to complete the corrective action;
- e. A statement by the CAF Permit Holder that the information provided in the deviation statement is true, accurate, and complete;
- f. The CAF owner or operator's printed name and signature.
- 210 **EXISTING CONFINED ANIMAL FACILITY:** A CAF which is subject to the requirements of this Rule upon Rule adoption.
- 211 **LARGE CONFINED ANIMAL FACILITY:** A CAF which exceeds any

threshold listed in the table below:

<u>Livestock Category</u>	<u>Threshold</u>
<u>Dairy</u>	<u>1,000 milking cows</u>
<u>Beef Cattle</u>	<u>3,500 beef cattle</u>
<u>Other Cattle</u>	<u>7,500 calves, heifers, or other cattle</u>
<u>Turkeys</u>	<u>100,000 head</u>
<u>Chickens</u>	<u>650,000 head</u>
<u>Swine</u>	<u>3,000 head</u>
<u>Sheep, lambs, or goats</u>	<u>15,000 head of sheep, lamb, goats, or any combination of the three</u>
<u>Horses</u>	<u>2,500 head</u>
<u>Ducks</u>	<u>650,000 head</u>
<u>Any other livestock not listed above</u>	<u>30,000 head</u>

212 **MODIFIED CONFINED ANIMAL FACILITY:** A CAF that changes the design, capacity, process, or arrangement of the CAF which will increase or affect the kind or amount of air contaminants emitted from the CAF.

213 **NEW CONFINED ANIMAL FACILITY:** A CAF which becomes subject to the requirements of this Rule after the date of Rule adoption.

### 300 STANDARDS

301 **CAF PERMIT:** No person shall operate a CAF without first obtaining a CAF Permit from the APCO.

302 **CAF MODIFICATION:** No person shall alter a CAF without following the application procedures outlined in Section 402.2 of this Rule.

303 **STANDARDS FOR GRANTING APPLICATIONS:**

---

303.1 The APCO shall deny any application for a CAF Permit if the applicant does not show that the CAF is so designed, controlled, equipped, or operated with such air pollution control equipment, that it may be shown to operate without emitting or without causing to be emitted any air contaminant in violation of these Rules and Regulations, or any state or federal statutes or regulations that may be enforceable by the APCO.

---

303.2 The APCO shall determine that an applicant has complied with the applicable requirements of Health and Safety Code Section 42301.6, preparation and distribution of public notice, prior to approving an application for a CAF Permit.

---

304 **CAF PERMIT TRANSFER**

---

304.1 A CAF Permit shall not be transferable, by operation of law or otherwise, from one location to another.

---

304.2 A CAF Permit may be transferred from the CAF Permit Holder to another entity provided that an application for such transfer is submitted in accordance with Section 402.4 of this Rule. It shall be the transferee's responsibility to inform the District on assumption of ownership or operating control of the CAF.

---

305 **EXISTING CAF:** An existing CAF that complies with the application procedures outlined in Section 402.1 of this Rule, and for which the District grants a CAF Permit, shall implement all emission control measures required by the CAF Permit within one (1) year of the date the CAF Permit is issued to the existing CAF.

---

306 **BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY:** The APCO shall require the use of Best Available Retrofit Control Technology to reduce emissions from pollutants that contribute to the nonattainment of any ambient air quality standard, within the regulatory authority of the APCO, for any CAF.

---

307 **BEST AVAILABLE CONTROL TECHNOLOGY:** The APCO shall require the use of Best Available Control Technology to reduce

emissions from pollutants that contribute to the nonattainment of any ambient air quality standard, within the regulatory authority of the APCO, for any new CAF or modified CAF.

308 **MITIGATION PLAN:** All applications submitted pursuant to this Rule shall include an emissions mitigation plan. The emissions mitigation plan shall demonstrate that the facility will comply with Section 306 or Section 307 of this Rule, as applicable.

309 **OPERATION ACCORDING TO THE CAF PERMIT CONDITIONS:** No person shall operate a CAF contrary to the terms and conditions specified on the CAF Permit issued in accordance with the provisions of this Rule.

#### **400 ADMINISTRATIVE REQUIREMENTS**

401 **CAF PERMIT APPLICATIONS:** Requests for a CAF Permit shall be initiated by filing a standard CAF Permit application with the APCO together with the initial filing fee required by Section 601 of this Rule.

#### 402 **APPLICATION REQUIREMENTS:**

402.1 **EXISTING CAF:** The owner or operator of an existing CAF shall submit a standard CAF Permit application no later than six (6) months after the date of rule adoption.

402.2 **MODIFICATION TO CAF PERMIT:** Applications for modification to a CAF Permit shall be submitted prior to altering the CAF. The CAF shall not be operated contrary to the terms and conditions specified in the existing CAF Permit prior to APCO issuance of the new CAF Permit.

402.3 **CAF PERMIT RENEWAL:** For renewal of a CAF Permit, granted pursuant to this Rule, the CAF Permit Holder shall submit a standard CAF Permit application no earlier than twelve (12) months and no later than six (6) months before the expiration date of the current CAF Permit.

402.4 **TRANSFER OF OWNERSHIP:** Applications to transfer a CAF Permit shall be submitted within thirty (30) days of the ownership

change occurring. Operation of the CAF by the new owner shall be under the terms and conditions of the CAF Permit issued to the previous owner until the new CAF Permit is issued.

---

**403 INFORMATION:**

---

403.1 The application for a CAF Permit shall contain all information necessary to enable the APCO to prepare an emissions inventory of all regulated air pollutants emitted from the CAF.

---

403.2 The application for a CAF Permit shall contain all information necessary to enable the APCO to make a determination as required by Section 303 of this Rule.

---

403.3 The APCO may at any time require from an applicant for, holder of, or one required to hold, a CAF Permit such information, analysis, plans, or specifications as will disclose the nature, extent, quantity, or degree of air contaminants which are or may be discharged into the atmosphere.

---

**404 COMPLETENESS REVIEW:** The APCO shall determine if an application for a CAF Permit, submitted pursuant to Sections 401, 402.1, 402.2, and 402.3 of this Rule, is complete and shall notify the applicant of the determination not later than thirty (30) days of receiving the application, or after such longer time as both the applicant and APCO have agreed upon in writing. If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision, specifying the information required. Upon receipt of any re-submittal of the application, a new thirty (30) day period to determine completeness shall begin.

---

**405 APPLICATION PROCESSING:** The APCO shall act upon an application for a CAF Permit, submitted pursuant to Sections 401, 402.1, 402.2, and 402.3 of this Rule, no later than six (6) months after acceptance of an application as complete.

---

**406 PUBLIC NOTIFICATION:**

- 406.1 Within the applicable time-frame specified in Section 405 of this Rule, the APCO shall provide at least 30 days for the notice of, and opportunity to review and comment on, any proposed decision to issue a CAF Permit pursuant to this Rule, except CAF Permit Transfers.
- 406.2 The APCO shall provide written notice, the proposed CAF Permit, and, upon request, copies of the District analysis to interested persons and agencies. Interested persons or agencies shall include persons who have requested in writing to be notified of proposed decisions pursuant to this Rule.
- 407 **CONDITIONAL APPROVAL:** The APCO may include written conditions on any CAF Permit to ensure compliance with these Rules and Regulations.
- 408 **PERMIT REOPENING:** The APCO may reopen and revise a CAF Permit under the following circumstances:
- 408.1 To correct a material mistake or an inaccurate statement; or
- 408.2 To incorporate any new, revised, or additional applicable requirements.
- 409 **DENIAL OF APPLICATIONS:** In the event of denial of an application submitted pursuant to this Rule, the APCO shall notify the applicant in writing of the basis for denial.
- 410 **APPEALS:** Within thirty (30) days after notice by the APCO of denial or approval of an application submitted pursuant to this Rule, the applicant may petition the Hearing Board, in accordance with District Rule 5.1, for a public hearing. The Hearing Board, after notice and a public hearing, may sustain or reverse the action of the APCO; such order may be made subject to specified conditions.
- 411 **RIGHT OF ENTRY:** In order to ascertain that a CAF is operating under the requirements of its CAF Permit, the APCO may at any time, without notice, inspect the operations and any pertinent records.

412 **TERM OF CAF PERMIT:** The term of a CAF Permit shall not exceed three (3) years from the date of issuance.

413 **CAF PERMIT RENEWAL:**

413.1 Each CAF Permit shall be renewable at the end of the CAF Permit term provided that the CAF Permit Holder complies with the application procedures outlined in Section 402.3 of this Rule.

413.2 The APCO shall review every CAF Permit upon renewal to determine the feasibility of mitigation measures and that permit conditions are adequate to ensure compliance with, and the enforceability of, District Rules and Regulations applicable to the CAF for which the permit was issued. Applicable District Rules and Regulations shall include those which were in effect at the time when the CAF Permit was issued or modified, or which have been subsequently adopted and made retroactively applicable to a CAF by the District Board of Directors. The APCO shall revise the conditions, if such conditions are not consistent, in accordance with all applicable Rules and Regulations.

**500 MONITORING AND RECORDS**

501 **NUMBER OF ANIMALS:** The owner or operator of a CAF shall keep records that specify the number of animals maintained daily. Such records shall be maintained at a central place of business for a period of not less than three (3) years and shall be made available to the APCO or their designee upon request.

502 **NUMBER OF ANIMALS - EXEMPTION DEMONSTRATION:** For any CAF which exceeds 50 percent of any Large CAF threshold listed in Section 211 of this Rule claiming an exemption pursuant to Section 103.1 of this Rule, the owner or operator shall maintain records demonstrating that the CAF meets the exemption criteria of this Rule. Such records shall be maintained at a central place of business for a period of not less than three (3) years and shall be made available to the APCO or their designee upon request.

---

**503 REPORTING:**

---

**503.1 DEVIATION STATEMENT:** The CAF Permit Holder shall report any deviation from the CAF Permit terms and conditions through a deviation statement. A deviation statement shall be submitted to the APCO within five (5) days of deviation occurrence.

---

**503.2 CORRECTION STATEMENT:** The CAF Permit Holder shall submit to the APCO a correction statement within five (5) days of the date action was completed to correct the deviation for which a deviation report was submitted pursuant to Section 503.1 of this Rule.

---

**503.3 COMPLIANCE CERTIFICATION STATEMENT:** The CAF Permit Holder shall submit a compliance certification statement to the APCO every twelve (12) months.

---

**600 FEES**

---

**601 CAF PERMIT PROCESSING FEE:** The fee for applications filed in accordance with Sections 401, 402.1, 402.2, and 402.3 of this Rule shall be based on the actual hours spent by District staff in evaluating the application and processing the CAF Permit. The fee shall be assessed in accordance with the time and materials labor rate established in Section 307.10 of District Rule 4.1. All applications filed in accordance with Sections 401, 402.1, 402.2, and 402.3 shall be submitted with an initial filing fee. The initial filing fee shall be equal to two (2) hours at the time and materials labor rate established in Section 307.10 of District Rule 4.1. Application filing fees cannot be refunded or applied to any other application.

---

**602 CAF PERMIT TRANSFER FEE:** A fee equal to two (2) hours at the time and materials labor rate, established in Section 307.10 of District Rule 4.1, shall be charged to process applications filed in accordance with Section 402.4 of this Rule. The fee shall be submitted at the time of application.

---

**603 ANNUAL CAF PERMIT FEE:** An annual fee shall be charged to CAF Permit Holders in accordance with the requirements of Section 500 of District Rule 3.8.

604 **NOTIFICATION OF FEES DUE:** The CAF Permit Holder will be notified by mail of fees due and payable and the date the fees are due. If the fees are not paid by the specified due date, the District shall assess a penalty of not more than 50 percent of the fees due, but in an amount sufficient, in the District's determination, to pay the District's additional expenses incurred by the CAF Permit Holder's non-compliance. If the fees or penalty are not paid within thirty (30) days after notice, the CAF Permit will be cancelled and the CAF Permit Holder will be notified by mail.

**ATTACHMENT B**

**NOTICE OF EXEMPTION FROM CEQA GUIDELINES**

**Notice of Exemption**

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

   County Clerk  
          Solano County  
          675 Texas Street, Suite 1900  
          Fairfield, CA 94533

**From:**           Yolo-Solano Air Quality Management District  
          1947 Galileo Court, Suite 103  
          Davis, CA 95616

**Project Title:**           Adoption of Rule 11.2 - Large Confined Animal Facilities Permit Program

**Project Location:**       Yolo-Solano Air Quality Management District

**Project Description:**    Rule 11.2 will add new air quality requirements for confined animal facilities - including application-filing, permit, and record-keeping requirements. The purpose of Rule 11.2 is to comply with the requirements of Section 40724.6 of the California Health and Safety Code.

**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

**Reasons Why Project is Exempt:**           The adoption of Rule 11.2 is an action taken to 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:**           Mat Ehrhardt, P.E., Air Pollution Control Officer  
**Telephone Number:**                       (530) 757-3650

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Title:** \_\_\_\_\_



**Notice of Exemption**

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

    County Clerk  
          Solano County  
          675 Texas Street, Suite 1900  
          Fairfield, CA 94533

**From:**         Yolo-Solano Air Quality Management District  
          1947 Galileo Court, Suite 103  
          Davis, CA 95616

**Project Title:**             Adoption of Rule 11.2 - Confined Animal Facilities Permit Program

**Project Location:**        Yolo-Solano Air Quality Management District

**Project Description:**    Rule 11.2 will add new air quality requirements for confined animal facilities - including application-filing, permit, and record-keeping requirements. The purpose of Rule 11.2 is to comply with the requirements of Section 40724.6 of the California Health and Safety Code.

**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

**Reasons Why Project is Exempt:**         The adoption of Rule 11.2 is an action taken to 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:**             Mat Ehrhardt, P.E., Air Pollution Control Officer  
**Telephone Number:**                         (530) 757-3650

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**ATTACHMENT C**  
**RESOLUTION NO. 06-04**

**RESOLUTION NO. 06-04**

**RESOLUTION ADOPTING YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT RULE 11.2, CONFINED ANIMAL FACILITIES PERMIT PROGRAM**

**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**, air pollution is a major public health concern in California, and can result in significant economic costs and negative impacts on our quality of life; and

**WHEREAS**, air pollution emissions from confined animal facilities pose a significant health risk to the public; and

**WHEREAS**, the purpose of adopting District Rule 11.2 is to meet the requirements of the California Health and Safety Code, Section 40724.6.

**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 11.2;
  - b. Authority: Health and Safety Code section 40702 permits the District to adopt District Rule 11.2;

- c. Clarity: District Rule 11.2 as proposed is written so that its meaning can be easily understood by the persons directly affected by it;
  - d. Consistency: District Rule 11.2 as proposed 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 11.2 as proposed does not impose the same requirements as an existing state or federal regulation;
  - f. Reference: By adopting District Rule 11.2, the District meets the requirements of Health and Safety Code Section 40724.6.
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 11.2 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 11.2, **CONFINED ANIMAL FACILITIES PERMIT PROGRAM**, as set forth in Exhibit 1 (Attachment A of the Staff Report), which is attached and incorporated by reference. The adoption is effective June 14, 2006.

**PASSED AND ADOPTED** by the Board of Directors of the Yolo-Solano Air Quality Management District this 14th day of June, 2006, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

---

Mary Ann Courville, Chair  
Board of Directors  
Yolo-Solano Air Quality Management District

Attest:

Approved as to Form:

---

Kay Mahorney, Clerk  
Board of Directors

---

Hope Welton, District Counsel

**ATTACHMENT D**  
**WRITTEN COMMENTS RECEIVED**

No Written Comments Submitted to District.