

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Attachment 1 to the Governing Board Resolution for Option 3 to the Proposed Amended Rule 1113 - Architectural Coatings:

Statement of Findings and Statement of Overriding Considerations

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SCAQMD No. 060405MK

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ATTACHMENT 1

Introduction

Summary of the Proposed Project

**Significant Adverse Impacts that Cannot Be Reduced
Below A Significant Level**

Statement of Findings

Statement of Overriding Considerations

INTRODUCTION

The proposed amended Rule 1113 - Architectural Coatings is a “project” as defined by the California Environmental Quality Act (CEQA) (Cal. Public Resources Code §§21000 et seq.). The South Coast Air Quality Management District (SCAQMD) is the lead agency for the project and, therefore, has prepared an Environmental Assessment (EA) pursuant to CEQA Guidelines §15252 and SCAQMD Rule 110. The purpose of the EA is to describe the project and to identify, analyze, and evaluate any potentially significant adverse environmental impacts that may result from adopting and implementing the proposed project. The EA was circulated to the public for a 45-day public review and comment period beginning April 5, 2006 and ending May 19, 2006. During the 45-day public review and comment period, the SCAQMD received two comment letters on the Draft EA. The comments were responded to and included in the Final EA. Minor changes were necessary to make the Draft EA into a Final EA. However, these minor modifications and updates do not constitute “significant new information”¹ and, therefore, does not require recirculation of the document pursuant to CEQA Guidelines §15088.5.

SUMMARY OF THE PROPOSED PROJECT

Option 3 to the proposed amendments to Rule 1113 would do the following:

1. Maintain the existing and eliminate the future VOC limits for the following coating categories:
 - (a) Maintain 250 g/l for IM coatings and delay implementation of the 100 g/l VOC limit until July 1, 2007 to allow identification and break out of subcategories requiring VOC limits higher than 100 g/l;
 - (b) Maintain 400 g/l for rust preventative coatings and delay implementation of the 100 g/l VOC limit until July 1, 2007 to allow additional performance testing;
 - (c) Eliminate the future 100 g/l VOC limit for exterior stains;
 - (d) Eliminate the future 100 g/l VOC limit for waterproofing sealers;

¹ “Significant new information” requiring recirculation include, for example, a disclosure showing that:

- (1) A new significant environmental impact would result from the project or from a new mitigation measure proposed to be implemented.
- (2) A substantial increase in the severity of an environmental impact would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.
- (3) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the environmental impacts of the project, but the project's proponents decline to adopt it.
- (4) The draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

- (e) Eliminate the 100 g/l VOC limit for waterproofing concrete/masonry sealers;
 - (f) Reinstate the small container exemption for clear wood finishes (varnishes-clear and semi-transparent, sanding sealers, and lacquers including pigmented lacquers); and
 - (g) Eliminate the 100 g/l VOC limit for specialty primers.
2. Adopt “Interior” and “Exterior” categories for the following coatings, and the following VOC limits, effective July 1, 2006:
- (a) Non-Flat Coatings (Interior 50 g/l, Exterior 150 g/l, High Gloss 150 g/l);
 - (b) Primers, Sealers & Undercoaters (Interior 100 g/l, Exterior 200 g/l);
 - (c) Quick Dry Primers, Sealer & Undercoaters (Interior 100 g/l; Exterior 200 g/l);
 - (d) Quick Dry Enamels (Interior 150 g/l; Exterior 250 g/l);
 - (e) Stains (Interior 250 g/l; Exterior 250 g/l); and
 - (f) Floor Coatings (Interior 50 g/l; Exterior 100 g/l).
3. Adopt “Interior” and “Exterior” categories for the flat coatings with the following VOC limits and effective dates:
- (a) Interior flat coatings 50 g/l effective July 1, 2007 and
 - (b) Exterior flat coatings 100 g/l (no change in the current limit).

The permanently foregone and delay in emission reductions is expected to exceed the SCAQMD’s significance threshold and, thus, generate a significant impact on air quality.

SIGNIFICANT ADVERSE IMPACTS THAT CANNOT BE REDUCED BELOW A SIGNIFICANT LEVEL

One environmental topic area, air quality, was identified as having a temporary significant adverse environmental impact due to the extension of compliance dates for several coating categories, which will delay originally anticipated reductions in VOC emissions.

Air Quality

Option 3 is expected to result in VOC emissions permanently forgone of 9,400 pounds per day (4.7 tons per day) and a delay of 4,060 pounds per day (2.03 tons per day) for one year.

STATEMENT OF FINDINGS

Public Resources Code §21081 and CEQA Guidelines §15091(a) state that “No public agency shall approve or carry out a project for which an EIR has been completed which identifies one or more significant adverse environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding.” Additionally, the findings must be supported by substantial evidence in the record (CEQA Guidelines §15091(b)). As identified in the Final EA and summarized above, the proposed project has the potential to create significant adverse air quality impacts. The SCAQMD Governing Board, therefore, makes the following findings regarding the proposed project. The findings are supported by substantial evidence in the record as explained in each finding. This Statement of Findings will be included in the record of project approval and will also be noted in the Notice of Determination.

1. Permanently forgone emission reductions and delay in VOC emission reductions would exceed SCAQMD daily VOC significance thresholds.

Finding and Explanation: Option 3 is expected to result in VOC emissions permanently forgone of 9,400 pounds per day (4.7 tons per day) and a delay of 4,060 pounds per day (2.03 tons per day) for one year.

No feasible mitigation measures are available to lessen the significant adverse impact to air quality from the proposed delayed compliance. CEQA defines "feasible" mitigation measures as those that are "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors" (Public Resources Code §21061.1). No program for reporting or monitoring changes was required in the proposed project or made a condition of approval pursuant to CEQA Guidelines §15091(d). Therefore, a mitigation monitoring plan, per Public Resources Code §21081.6 and CEQA Guidelines §15097, has not been prepared.

The Governing Board finds further that aside from the No Project Alternative, which is not feasible to comply with, the Final EA considered alternatives pursuant to CEQA Guidelines §15126.6, but no project alternatives would reduce to insignificant levels the significant air quality impacts identified for the proposed project.

The record of approval for this project may be found in the SCAQMD's Clerk of the Board's Office located at SCAQMD Headquarters in Diamond Bar, California.

STATEMENT OF OVERRIDING CONSIDERATIONS

If significant adverse impacts of a proposed project remain after incorporating mitigation measures, or no measures or alternatives to mitigate the adverse impacts are identified, the lead agency must make a determination that the benefits of the project outweigh the unavoidable adverse environmental effects if it is to approve the project. CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project (CEQA Guidelines §15093 (a)). If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable” (CEQA Guidelines §15093 (a)). Accordingly, a Statement of Overriding Considerations regarding potentially significant adverse air quality impacts resulting from the proposed project has been prepared. This Statement of Overriding Considerations is included as part of the record of the project approval for the proposed project. Pursuant to CEQA Guidelines §15093(c), the Statement of Overriding Considerations will also be noted in the Notice of Determination for the proposed project.

Despite the inability to incorporate changes into the project that will mitigate potentially significant adverse air quality impacts to a level of insignificance, the SCAQMD's Governing Board finds that the following benefits and considerations outweigh the significant unavoidable adverse environmental impacts:

1. Provide permanent ease to manufacturers from having to reformulate and test coatings at lower VOC content limits.
2. Contractors would be allowed to continue to use familiar higher VOC content limit coating products and avoid training in the usage of the new lower VOC content limit product.
3. The analysis of potential adverse environmental impacts incorporates a “worst-case” approach. This entails the premise that whenever the analysis requires that assumptions be made, those assumptions that result in the greatest adverse impacts are typically chosen. This method likely overestimates the actual emission reductions temporarily foregone from the proposed project.
4. Cumulative air quality impacts from the proposed amendments, previous amendments and all other AQMP control measures considered together are not expected to be significant because implementation of all AQMP control measures is expected to result in net emission reductions and overall air quality improvement. This determination is consistent with the conclusion in the 2003 AQMP EIR that cumulative air quality impacts from all AQMP control measures

are not expected to be significant (SCAQMD, 2003). Indeed, air quality modeling performed for the 2003 AQMP indicated that the Basin would achieve all federal ambient air quality standards by the year 2010 (SCAQMD, 1997). Future VOC control measures will assist in achieving the goal of ozone attainment by 2010.

The SCAQMD's Governing Board finds that the above-described considerations outweigh the unavoidable significant effects to the environment as a result of the proposed project.