



# Staff Report

DATE: February 10, 2025  
TO: MAYOR AND CITY COUNCIL  
FROM: MICHAEL BLAY, CITY MANAGER  
PREPARED BY: CHRIS ALANIS, INTERIM PUBLIC WORKS DIRECTOR  
SUBJECT: CONSIDER ADOPTING A RESOLUTION OPPOSING THE SOUTH COAST AIR QUALITY DISTRICT PROPOSED RULES 1111 AND 1121

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## **RECOMMENDED ACTION:**

It is recommended that the City Council adopt a Resolution Opposing South Coast Air Quality Management District Proposed Rules 1111 (Reduction of NOx Emissions from Natural Gas-Fired Furnaces) and 1121 (Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters) due to potential financial impacts on homeowners, renters, and businesses.

## **GOAL STATEMENT**

The proposed action supports the City's commitment to balancing environmental goals with economic feasibility by ensuring that regulatory changes do not place excessive financial burdens on residents and businesses.

## **BACKGROUND**

The South Coast Air Quality Management District (SCAQMD) has proposed amendments to Rule 1111 and Rule 1121, which aim to transition natural gas-fired furnaces and water heaters to zero-emission alternatives. If implemented, these changes would require the replacement of existing appliances with zero-emission units upon the end of their service life.

## **ISSUES AND ANALYSIS**

SCAQMD's proposal is part of a broader strategy to meet federal air quality standards. However, staff has identified potential cost increases for homeowners, renters, and businesses due to the expense of transitioning to zero-emission appliances. The San Bernardino Council of Governments (SBCOG) has reviewed this matter and recommended opposing these rule changes due to their economic impact.

- **Economic Impact:** Compliance with the proposed rules would require homeowners and businesses to replace natural gas-fired appliances with zero-emission alternatives, which could be significantly more expensive.
- **Regulatory Burden:** The transition to zero-emission appliances would necessitate infrastructure upgrades and increased costs for property owners.
- **Local Opposition:** The SBCOG Board has already taken a position against the proposed rules, and staff recommends that the City of Upland align with SBCOG in opposing these regulations.

## **ENVIRONMENTAL DETERMINATION**

The proposed action is exempt from the California Environmental Quality Act (CEQA) under Section 15378 of the CEQA Guidelines, as it involves policy adoption rather than a physical project.

## **FISCAL IMPACTS**

There is no fiscal impact associated with this action.

## **ALTERNATIVES**

Provide alternative direction – The City Council may request further analysis or propose a modified response to SCAQMD's proposed rules.

**CEQA:** Not a Project.