

Working Together



2017

ANNUAL
REPORT

40th
anniversary
SCAQMD

SCAQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.





Dear Friends,

The South Coast Air Quality Management District (SCAQMD) is dedicated to protecting public health by reducing air pollution to improve the quality of life for all residents living in the South Coast Air Basin.

In the late 1970's, the mountains were obscured on many days by a haze of smog; and, burning eyes and lungs were not uncommon due to high levels of ozone. This was a shared experience whether you lived in Los Angeles, San Bernardino, Riverside and even Orange County. It was clear that improvements had to be made to protect public health and the quality of life for all of the residents. The rally for transformative change to improve air quality and the ensuing creation of SCAQMD by the state Legislature came from a diverse coalition of interests to change the way we work and live in the region. As a result, the air quality in the South Coast Air Basin has improved dramatically.

Today, the South Coast Air Basin and air quality issues have reached another critical point. While significant progress has been made to clean the air, our residents are still affected by some of the most polluted air in the nation. We also know through science and research, that air pollution has even more far reaching health effects-affecting not only the respiratory system, but also contributing to a range of diseases from cardiovascular to cancer to birth defects and even premature death. Our changing climate also has affected our air quality with prolonged droughts, wildfires and other environmental changes.

SCAQMD recognizes that innovative strategies must be developed and employed through collaboration with residents, businesses, environmental and health organizations, academic institutions and all levels of government to address air pollution issues. More than 80 percent of our air pollution is from mobile sources. Transportation, air quality and Southern California's industrial complexes are now more interlinked than ever before. The lessons learned over the past 40 years must be applied and new concepts created to reach federal health based standards for air quality in all communities in the South Coast Air Basin.

This annual report highlights some of SCAQMD's key 2017 actions and accomplishments.

Sincerely,

Dr. William A. Burke



The AQMP is essentially the roadmap to reach attainment of federal public health standards for clean air.

Road to Clean Air

In March 2017, SCAQMD adopted the landmark 2016 Air Quality Management Plan (AQMP) and Incentive Funding Plan.

The 2016 AQMP and Incentive Funding Plan lay out aggressive strategies to pursue reductions in criteria pollutants, greenhouse gases, and air toxics. The AQMP is essentially the roadmap to reach attainment of federal public health-based standards for clean air. The plan specifically identifies reductions in mobile source emissions as the most effective way to reduce air pollution impacts, especially within disproportionately impacted and environmental justice communities.

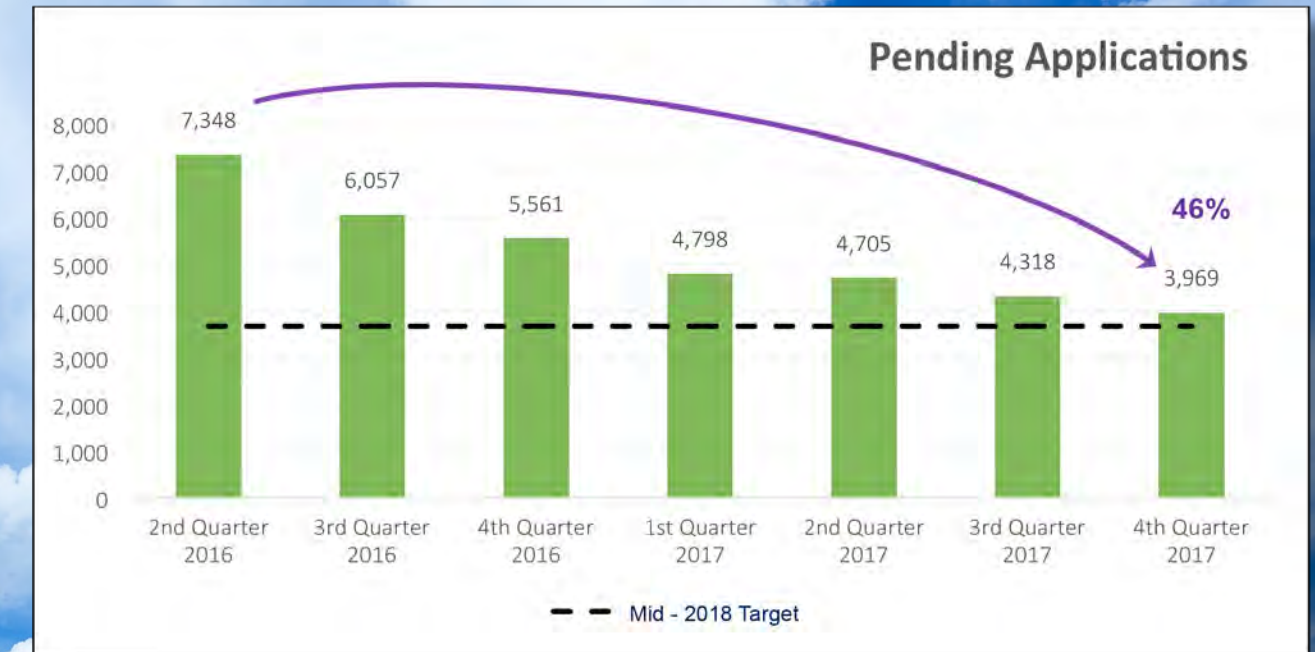


Permitting Milestones

SCAQMD is working to provide efficient and effective services to entities and businesses seeking air quality permits. In July 2016, SCAQMD initiated a major effort to improve, streamline and modernize its permitting process with the goal of reducing its pending application backlog by 50 percent by mid-year 2018. SCAQMD made significant progress over the past year towards meeting its goals. Productivity in the number of applications processed and Permits to Construct issued improved by over 25 percent over previously set goals and the pending application inventory was reduced by more than 46 percent from the July 2016 starting point, reaching historic lows for the agency. More specifically, in Calendar Year 2017:

- Processed more than 8,900 permit applications;
- Issued more than 2,200 Permits to Construct; and
- Reduced pending applications inventory to less than 4,000

As part of its permit processing modernization efforts, SCAQMD made significant inroads in 2017 towards developing online permit processing tools. This will dramatically reduce the permit processing time and improve customer service and satisfaction. SCAQMD issued its first online permit for dry cleaning equipment in the fourth quarter 2017.



Planning and Rules Milestones

Planning, Rule Development, and Area Sources has a variety of responsibilities. One of the most substantial tasks is the development of the Air Quality Management Plan which includes control measures that are designed to reduce specific air pollutants to achieve state and federal air quality standards. This division is also responsible for developing rules and regulations for stationary and indirect sources, developing the Multiple Air Toxics Exposure Study (MATES), implementing the Toxics Hot Spots Program, and enforcing the agencies area source program for paints and coatings, residential water heaters, and residential furnaces. In addition, Planning, Rule Development and Area Sources is also responsible for various aspects of implementing AB 617.

Of particular note, SCAQMD initiated the phase out of RECLAIM (Regional Clean Air Incentives Market) program. RECLAIM was originally created to incentivize facilities to reduce their emissions through a market-based credit trading system. The program is being phased out and transitioning to “command and control” rules to further reduce air pollution in the basin.

Additionally, more than 1,000 California Environmental Quality Act (CEQA) Analyses for Rules and Intergovernmental Review were conducted to analyze air quality impacts. CEQA analyses are an important step in every SCAQMD rulemaking proceeding and are an opportunity to provide outside agencies input on a wide range of projects in the region.

Key Rules

Rule 1430

Control of Emissions from Metal Grinding Operations at Metal Forging Operations

Rule 1118

Control of Emissions from Refinery Flares

Rule 415

Odors from Rendering Facilities

Rule 1180

Refinery Fenceline and Community Air Monitoring

Rule 1420

Emissions Standard for Lead

Rule 1466

Control of Particulate Emissions from Soils with Toxic Air Contaminants

Rule 2202

\$20 million in subvention funds and reviewed more than 1,350 Rideshare plans



Moving Forward

The 2016 AQMP included a series of Facility-Based Mobile Source Measures to reduce air pollution from sources such as airports, ports, rail yards, new and redevelopment projects and warehouses. In Spring 2017, meetings among interested parties were held to explore options to reduce air pollution. Discussions have included SCAQMD's sister agencies, the California Air Resources Board (CARB) and U.S. Environmental Protection Agency (U.S. EPA), as they have the primary responsibility for regulating mobile sources.

SCAQMD implemented many programs from incentives to research, development and demonstration to move further along the road to clean air.

| Program | Awards (In millions) | Emission Tons/Yr |
|-------------------------------------|-------------------------|---------------------|
| Lower Emission School Bus | 10 | 5 |
| Carl Moyer | 28 | 237 |
| Proposition 1B | 63 | 315 |
| Enhanced Fleet Modernization (EFMP) | 10 | 571 |



SCAQMD executed 16 demonstration projects amounting to \$17 million with almost an additional \$5 million in cost leveraging. In addition, 43 projects were concluded in 2017.

Community Based Initiatives

SCAQMD led the way for multiple community based programs to assist neighborhoods most impacted by sources of air pollution.

On-going SCAQMD efforts in Paramount and Compton set new standards for community based air toxic investigations in terms of intergovernmental coordination, innovative air monitoring technologies never used before in the nation, community engagement, rulemaking, compliance and legal actions.

In 2017, SCAQMD's Air Quality Sensor Performance Evaluation Center (AQ-SPEC) program made measurable progress in implementing the U.S. EPA STAR Grant to "Engage, Educate, and Empower California Communities on the Use and Applications of Low-Cost Air Monitoring Sensors." Community sensors were installed to monitor and measure criteria pollutants in west Los Angeles, Alhambra and Seal Beach. In addition, a network of sensors measuring ozone, nitrogen dioxide, and particulate matter were installed predominantly in the Inland Empire and Imperial Valley. The lessons learned from these community based monitoring efforts will be shared with the general public in a series of outreach activities after the projects are completed.



Engaging with the Community

SCAQMD participates in or hosts meetings, events, and forums throughout the South Coast Air Basin which includes the urban portions of Los Angeles, San Bernardino, Riverside, including desert portions of Riverside - part of the Salton Sea Air Basin (the Coachella Valley), part of the Mojave Desert Air Basin in east Riverside County and all of Orange County. There are more than 16 million residents living in the basin covering more than 10,743 square miles. SCAQMD is constantly seeking opportunities to provide information and to receive information from members of the community and businesses. The SCAQMD participated in or hosted 79 events and meetings in 2017. SCAQMD also provided 34 presentations and/or tours through the Visiting Dignitaries and Speaker's Bureau program.

Media played a critical role in community engagement through more than 1,749 press interactions, 45 news releases, and 53 Smoke Advisories, Odor Advisories, and No-burn Alerts. A strong complement to the Media communications program was SCAQMD's increased use of social media to share information such as "Check Before You Burn" alerts or critical wildfire information.



SCAQMD participates in or hosts meetings, events, and forums throughout the South Coast Air Basin

Environmental Justice

SCAQMD's definition of Environmental Justice is equitable environmental policymaking and enforcement to protect the health of all residents, regardless of age, culture, ethnicity, gender, race, socioeconomic status, or geographic location, from the health effects of air pollution.

The history of SCAQMD's EJ program began in 1997. The programs and initiatives have been continually reviewed to keep the EJ movement growing. One important component of that review process was the formation of the Environmental Justice Advisory Group (EJAG), which serves as an advisory group to the SCAQMD Governing Board. The mission of EJAG is to advise and assist SCAQMD in protecting and improving public health in SCAQMD's most impacted communities through the reduction and prevention of air pollution. As the environmental justice movement evolved, SCAQMD also formed the Environmental Justice Community Partnership (EJCP). The EJCP is designed to strengthen relationships and build alliances with community members and organizations with the goal of achieving clean air and healthy sustainable communities for everyone.

The EJCP continued to evolve and grow in 2017 culminating in the 3rd Annual "A Conversation on Environmental Justice" forum attended by more than 300 guests and the creation of the new Young Leaders Advisory Council initiative. The EJCP program also sought to build bridges between governmental entities via the Inter-Agency Summit which focused on understanding how agencies can work cooperatively to address environmental complaints.



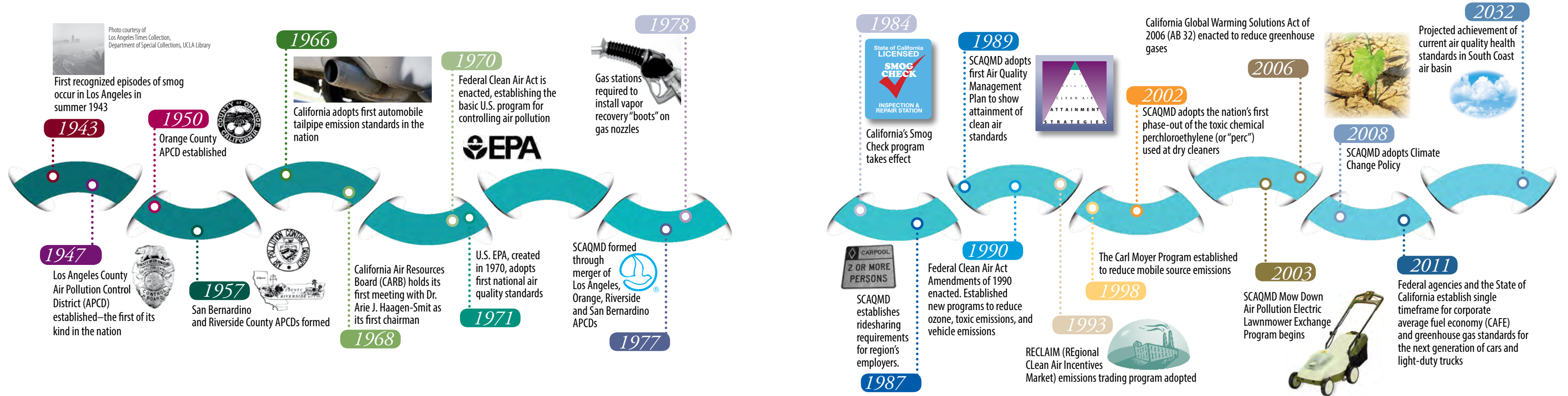
Making Sense of Sensors

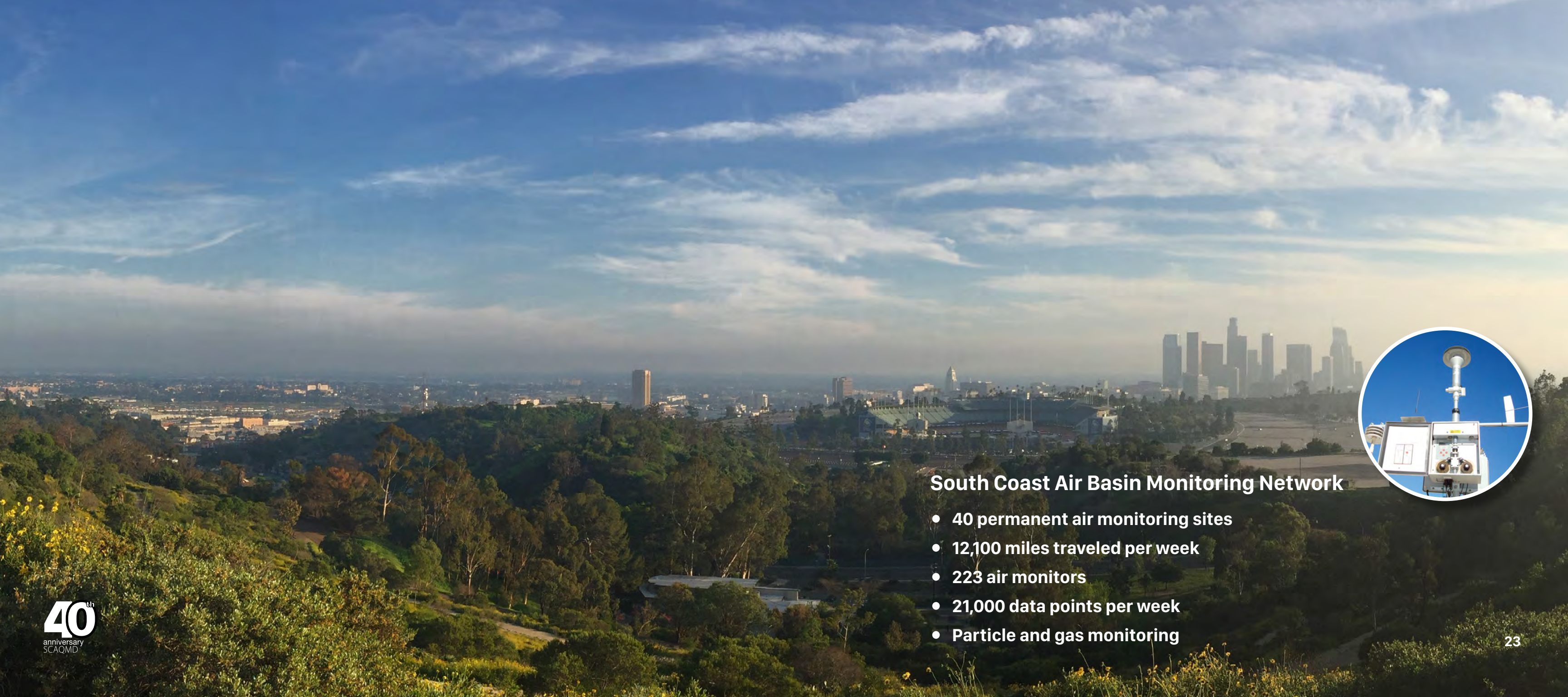
In fall 2017, the "Making Sense of Sensors" Conference was held at SCAQMD's headquarters and was an international event with 9 countries and 22 U.S. states represented amongst the more than 350 participants. Additionally, webcast participation over the two days included 15 countries. The Conference brought together experts from government, academia, environmental and research organizations, community groups, and the sensor industry. Technical sessions covered the history of air quality sensors, recent advances in sensor technology, data interpretation and mapping, the integration of satellite and low-cost sensor data, and the use and application of this emerging technology by environmental justice communities. The Conference included more than 40 speakers with keynote lectures from Weather Underground and Microsoft, 22 exhibitors displaying sensor technology, data management tools, data visualization software, and networking solutions.

International event with 9 countries and 22 U.S. states represented amongst the more than 350 participants




Air Quality Historical Timeline





South Coast Air Basin Monitoring Network

- 40 permanent air monitoring sites
- 12,100 miles traveled per week
- 223 air monitors
- 21,000 data points per week
- Particle and gas monitoring



There are more than 27,000 businesses in the South Coast Air Basin with SCAQMD permits.

Protecting Public Health

SCAQMD's focused inspection programs are one way the agency ensures businesses are complying with air quality rules and regulations. There are more than 27,000 permitted businesses in the South Coast Air Basin.

| Number | Compliance Activity Description |
|--------|--|
| 373 | Title V inspections completed |
| 264 | RECLAIM audits completed |
| 6200 | Other stationary source inspections completed |
| 3500 | Portable Equipment Registration Program (PERP) inspections completed |
| 11,000 | Complaints investigated |
| 820 | Breakdowns investigated |
| 1428 | Notices of Violation issued |
| 3130 | Notices to Comply issued |



2018 CARL MOYER PROGRAM

The Carl Moyer Program is named after Dr. Carl Moyer in recognition of his work in improving public health by reducing vehicle emissions.

In September 2017, the Governor approved AB 134 as an amendment to the Budget Act of 2017. Under AB 134, SCAQMD was allocated \$107.5 million to implement projects pursuant to the Carl Moyer Program.



Clean Air Policy

SCAQMD actively participates in local, state and federal policy discussions to promote clean air, public health and a green economy.

At the state and federal level, there was strong support for clean air, resulting in increased appropriations:

- Increase in Diesel Emissions Reduction Act from \$50 million to \$60 million nationwide to expedite fleet turn-over to cleaner engines.
- Increase in funding for Targeted Airshed Grants from \$20 million to \$30 million for projects to reduce air pollution in specified nonattainment areas including the South Coast Air Basin.
- \$107.5 million for the Carl Moyer program.
- \$27 million to assist with new duties and responsibilities created by AB 617 to reduce exposure to air pollution in the most affected communities throughout the state.

SCAQMD also successfully sponsored two (2) state bills which were signed into law. **AB 1132** grants the Executive Officer the ability to authorize a temporary shut down of business operations if the operations are causing an imminent and substantial endangerment to the public health, welfare, or the environment. **AB 1274** defers a smog check by 2 years, from the end of model year six to eight. The \$50 in average smog check costs that the vehicle owner would have paid is redirected in the form of annual smog abatement fees to the Carl Moyer Program to reduce diesel particulate matter and nitrogen oxide emissions from heavy-duty vehicles.



Transparency and Public Accessibility

As a public agency, SCAQMD is committed to working in a transparent environment and to providing the public access to information.

The Agency upgraded its website to improve the user experience as well as enhancing public access to information. For example, improved maps for air quality were added to allow for better visualization of pollutants and additional information on key topics of interest (e.g., AB 617 implementation as well as on-going efforts in Paramount and Compton) were added at community member request. Board and Committee meetings continue to be webcast and printed materials are available for review in advance of these, and other meetings.

There is a robust public process for SCAQMD goals and objectives, budget, and rule development, including working groups, community meetings, and surveys. Information for and from these events and processes are displayed on the web quickly for public review and additional feedback in an on-going effort to continuously improve the Agency's outreach. Importantly, materials are translated into multiple languages, as needed, and translation is provided for many meetings. Grant opportunities, public meetings schedules, agendas and locations, as well as monitoring data from ongoing SCAQMD projects (e.g., MATES V) and many other topics have also been made available on the website.

SCAQMD makes every effort to make its staff available for speaking requests as well as attending and participating in community events to inform residents and businesses about the impacts of air quality on public health. Agency personnel responded to over 3,500 public records requests in 2017 and continue to ensure that the Agency's efforts are done in an efficient and transparent manner.

The agency completed over 3,500 public records requests.

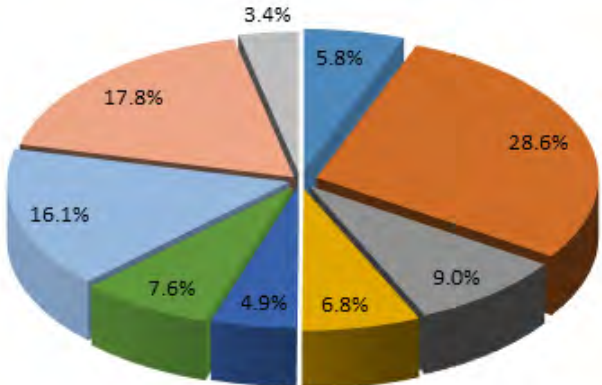


SCAQMD Budget

SCAQMD’s annual budget adopted for Fiscal Year 2017-18 was \$149.9 million with anticipated revenues of \$147 million supplemented by prior year revenue.

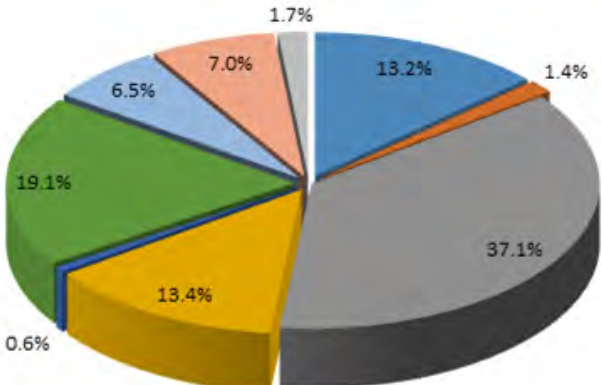
SCAQMD is focused on sound fiscal management. The Agency received the Government Finance Officer’s Association’s (GFOA) awards for the Annual Budget, Comprehensive Annual Financial Report (CAFR), and Popular Annual Financial Report (PAFR) in 2017.

Expenditures by Major Category



- Advance Technology
- Compliance
- Customer/Business Assistance
- Programs
- Rules
- Monitoring
- Permits
- Operations
- Policy

Revenues by Major Category



- Emission Fees
- Area Sources
- Annual Operating
- Permit Processing Fees
- Transportation Fees
- Mobile Sources
- Other
- Grant/Subvention
- Toxic Hot Spots





Members of the Governing Board:

Chairman
Dr. William A. Burke
 Speaker of the Assembly Appointee

Vice Chairman
Dr. Clark E. Parker, Sr.
 Senate Rules Committee Appointee

Marion Ashley
 Supervisor, Fifth District
 County of Riverside

Ben Benoit
 Mayor, Wildomar
 Cities of Riverside County

Joe Buscaino
 Council Member, 15th District
 City of Los Angeles Representative

Michael A. Cacciotti
 Council Member, South Pasadena
 Cities of Los Angeles County/
 Eastern Region

Dr. Joseph K. Lyou
 Governor's Appointee

Larry McCallon
 Mayor, Highland
 Cities of San Bernardino County

Judith Mitchell
 Mayor Pro Tem, Rolling Hills Estates
 Cities of Los Angeles County/
 Western Region

Shawn Nelson
 Supervisor, Fourth District
 County of Orange

Dwight Robinson
 Council Member, Lake Forest
 Cities of Orange County

Janice Rutherford
 Supervisor, Second District
 County of San Bernardino

Hilda L. Solis
 Supervisor, First District
 County of Los Angeles

KEY PHONE NUMBERS OTHER CONTACT INFORMATION



SCAQMD Headquarters

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 Diamond Bar, CA 91765

| | |
|---------------------------|--|
| Website | www.aqmd.gov |
| Main Phone Number | (909) 396-2000 |
| Air Quality Complaints | (800) CUT-SMOG |
| Air Quality Forecasts | (800) CUT-SMOG |
| Clerk of the Board | (909) 396-2500 |
| Public Advisor | (909) 396-2432 |
| Public Information Center | (909) 396-2001 |
| Small Business Assistance | (800) 388-2121 |
| Clean Air Connections | (800) 4-CLNAIR (800-425-6247) |



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