



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

ADMINISTRATIVE COMMITTEE MEETING

Committee Members

Dr. William A. Burke, Chair
Mayor Pro Tem Ben Benoit, Vice Chair
Mayor Pro Tem Michael Cacciotti

April 9, 2021 ♦ 10:00 a.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the South Coast AQMD Administrative Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop

<https://scaqmd.zoom.us/j/93760468442>

Zoom Webinar ID: 937 6046 8442 (applies to all)

Teleconference Dial In

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+16699006833,93760468442#

Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

- Roll Call

DISCUSSION ITEMS – Items 1 through 8:

1. Board Members’ Concerns (***No Motion Required***)
Any member of the Governing Board, on his or her own initiative may raise a concern to the Administrative Committee regarding any South Coast AQMD items or activities. Dr. William A. Burke
Committee Chair
2. Chairman’s Report of Approved Travel (***No Motion Required***) Dr. Burke
3. Report of Approved Out-of-Country Travel (***No Motion Required***) Wayne Nastri
Executive Officer
4. Review May 7, 2021 Governing Board Agenda Wayne Nastri
5. Update on South Coast AQMD Inclusion, Diversity and Equity Efforts (***No Motion Required***)
Staff will provide an update on current and future efforts for our internal processes and programs, and to improve how we work with communities. Cessa Heard-Johnson
Diversity, Equity and Inclusion Officer
6. Budget and Economic Outlook Update (***No Motion Required***)
Staff will provide an update on economic indicators and key South Coast AQMD metrics. Jill Whynot
Chief Operating Officer
7. Status Report on Major Ongoing and Upcoming Projects for Information Management (***No Motion Required***)
Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. Ron Moskowitz
Chief Information Officer,
Information Management

ACTION ITEMS – Items 8 through 12:

MAY ITEMS

8. Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue an RFQ and Purchase Orders for Air Monitoring Equipment and One Vehicle, and Execute a Contract (***Motion Requested***)
South Coast AQMD is expected to receive grant funds up to \$703,945 from U.S. EPA for the PM2.5 Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. In October 2016, the Board recognized revenue from the U.S. EPA through its Science to Achieve Results (STAR) research grant program to engage, educate and empower California communities on the use and application of low-cost air monitoring sensors. These actions are to recognize revenue and appropriate funds for the PM2.5 and Enhanced Particulate Monitoring Programs, transfer up to \$350,000 between Major Objects in Science & Technology Advancement’s FY 2021-22 Budget to realign expenditures for the Enhanced Particulate Monitoring Program, transfer and/or appropriate up to \$124,792 between Major Objects for the STAR Jason Low
Assistant Deputy
Executive Officer,
Science & Technology
Advancement

program, issue an RFQ and purchase orders for air monitoring equipment and one vehicle, and execute a contract.

9. Authorize purchase of OnBase Software Support (***Motion Requested***) Ron Moskowitz
South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2021. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management’s FY 2020-21 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2021-22 Budget.
10. Adopt Executive Officer’s FY 2021-22 Proposed Goals and Priority Objectives, and Proposed Budget (***Motion Requested***) Sujata Jain
The Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2021-22 have been developed and are recommended for adoption. The Budget and Work Program for FY 2021-22 represents input over the past several months from Board members, staff, and the public. This year’s process included two meetings of the Budget Advisory Committee and two budget workshops, one for the public held on April 6, 2021 and one for the Board held on April 9, 2021. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 4.5 percent reflecting the Consumer Price Index for FY 2020-21 and FY 2021-22. This action is to adopt the Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2021-22.
Chief Financial Officer,
Finance
11. Execute Contract to Upgrade Real-time Public Alerts of Hydrogen Sulfide Events in the Coachella Valley (***Motion Requested***) Jo Kay Ghosh,
In response to odor events related to the Salton Sea, South Coast AQMD began continuous measurements of hydrogen sulfide (H2S) at two Coachella Valley locations in November 2013. In 2017, South Coast AQMD contracted with Sonoma Technology, Inc. (STI) to implement an automated real-time email and text alert system to provide H2S exceedance notifications. To better capture H2S events, up to three additional H2S monitors are planned for the region. This action is to execute a contract with STI to perform technical upgrades, integrate data from additional monitors, and maintain a real-time alert system for H2S in the Coachella Valley at a cost not to exceed \$77,300 from the AES Settlement Projects Fund (35).
Health Effects Officer,
Planning – Rule &
Development Area Sources
12. Establish a List of Prequalified Counsel to Represent and Advise South Coast AQMD on Legal Matters Related to Environmental Law and General Matters (***Motion Requested***) Bayron T. Gilchrist,
On January 8, 2021 the Board approved issuance of an RFP to pre-qualify outside counsel having expertise in the California Environmental Quality Act, South Coast AQMD rulemaking and planning procedures, administrative law, general governmental law, and related issues for the South Coast AQMD. The evaluation of responding firms has been completed. This action is to establish two lists of prequalified counsel—one to represent South Coast AQMD in environmental law matters and one to represent South Coast AQMD in general governmental matters.
General Counsel,
Legal

WRITTEN REPORT:

13. Local Government & Small Business Assistance Advisory Group Minutes for the February 12, 2021 Meeting
(No Motion Required)
Attached for information only are the Local Government & Small Business Assistance Advisory Group minutes for the February 12, 2021 meeting.

Derrick J. Alatorre
DEO, Legislative,
Public Affairs &
Media

OTHER MATTERS:

14. Other Business
Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt Code Section 54954.2)
15. Public Comment
At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.
16. **Next Meeting Date:** May 14, 2021 at 10:00 a.m.

Dr. Burke

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disabilities and language-related accommodations can be requested to allow participation in the Administrative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the District. Please contact Cindy Bustillos at (909) 396-2377 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cbustillos@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Cindy Bustillos at (909) 396-2377, or send the request to cbustillos@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar, and three (3) minutes or **less** for other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

D R A F T A G E N D A

MEETING, MAY 7, 2021

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 A.M.

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**ELECTRONIC PARTICIPATION INFORMATION
(Instructions provided at bottom of the agenda)**

Join Zoom Meeting - from PC, Laptop or Phone

<https://scaqmd.zoom.us/j/93128605044>

Meeting ID: **931 2860 5044** (applies to all)

Teleconference Dial In +1 669 900 6833 or +1 253 215 8782

One tap mobile +16699006833,,97364562763# or +12532158782,,93128605044#

Spanish Language Only Audience (telephone)

Número Telefónico para la Audiencia de Habla Hispana

Teleconference Dial In/Numero para llamar: +1 669 900 6833

One tap mobile: +16699006833,,93209559643#

Meeting ID/Identificación de la reunión: 932 0955 9643

Audience will be allowed to provide public comment through telephone or Zoom connection.

PUBLIC COMMENT WILL STILL BE TAKEN

Phone controls for participants:

The following commands can be used on your phone’s dial pad while in Zoom Webinar meeting:

- *6 - Toggle mute/unmute
- *9 - Raise hand

Questions About an Agenda Item

- The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.
- In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

Meeting Procedures

- The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting at South Coast AQMD’s web page (www.aqmd.gov).

Americans with Disabilities Act and Language Accessibility

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A webcast of the meeting is available for viewing at:

<http://www.aqmd.gov/home/news-events/webcast>

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Swearing in of Chair and Vice Chair for Term May 2021 to January 2022 Burke
- Presentation: Air Pollution Triggers Gene Expression Changes In Transgenic Alzheimer's Mice Brains Dr. Keith Black
- Opening Comments: Ben Benoit, Chair
Other Board Members
Wayne Nastri, Executive Officer

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3) The public may comment on any subject within the South Coast AQMD's authority that **does not** appear on the agenda, during the Public Comment Period. Each speaker addressing non-agenda items may be limited to a total of (3) minutes.

Staff/Phone (909) 396-

CONSENT AND BOARD CALENDAR (Items X through XX)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. XX.

11285. Approve Minutes of April 2, 2021 Board Meeting **Thomas/3268**
11333. Set Public Hearings June 4, 2021 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations **Nastri/3131**
11346. Set Public Hearing June 4, 2021 to Determine That Proposed Amendments to Rule 1100 - Implementation Schedule for NOx Facilities, Are Exempt from CEQA, and Amend Rule 1100 **Nakamura/3105**

Proposed Amended Rule 1100 will clarify implementation provisions for units subject to Rule 1146 or Rule 1146.1 that are shutting down at a RECLAIM or former RECLAIM facility. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 1100 – Implementation Schedule for NOx Facilities, are exempt from the requirements of the California Environmental Quality Act, and 2) Amending Rule 1100 – Implementation Schedule for NOx Facilities. (Review: Stationary Source Committee, May 21, 2021)

11322. **Set Public Hearing June 4, 2021 to Determine That Proposed Amended Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants, Is Exempt from CEQA; and Amend Rule 1466** **Nakamura/3105**

Proposed Amended Rule 1466 will clarify and streamline existing provisions, update monitoring requirements, enhance specific dust control measures, revise alternative provisions, and add additional notification and recordkeeping requirements. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants. (Reviewed: Stationary Source Committee, March 19, 2021)

11337. **Set Public Hearing June 4, 2021 for Certification of Nonattainment New Source Review and Clean Fuels for Boilers Compliance Demonstration for 2015 8-hour Ozone Standard** **Rees/2856**

South Coast Air Basin (Basin) and Coachella Valley are designated as Extreme and Severe nonattainment areas, respectively, for the 2015 8-hour ozone standard. For these nonattainment areas, U.S. EPA requires a submittal of a nonattainment NSR plan or plan revision. South Coast AQMD's existing SIP-approved nonattainment NSR program, which covers both the Basin and Coachella Valley and applies to new major stationary sources or major modifications to existing sources, satisfies this requirement. Therefore, no changes to existing NSR program are needed to comply with the 2015 ozone standard nonattainment NSR requirements. For Extreme ozone nonattainment areas, the Clean Air Act also requires the use of clean fuels or advanced control technologies for electric utility and industrial and commercial boilers that emit more than 25 tons of NOx per year. This requirement is fulfilled through South Coast AQMD's Rule 1146, NOx RECLAIM program (Rule 2002), and Rule 1303 which regulates NOx emissions from existing, new or modified boilers. This action is for Board's certification of nonattainment NSR and clean fuels for boilers compliance demonstration for 2015 8-hour ozone standard for submittal to CARB for its approval and subsequent submittal to U.S. EPA for inclusion in the SIP. (Review: Stationary Source Committee, May 21, 2021)

11342. Set Public Hearing June 4, 2021 to Determine That 2021 PM10 Maintenance Plan for South Coast Air Basin Is Exempt from CEQA and Approve the 2021 PM10 Maintenance Plan for South Coast Air Basin

Ghosh/2582

The South Coast Air Basin was designated as attainment for the 24-hour average PM10 National Ambient Air Quality Standard (NAAQS) by U.S. EPA on July 26, 2013. A PM10 maintenance plan was submitted to U.S. EPA on April 28, 2010, which was approved as part of the redesignation. The Clean Air Act also requires that the State submit a subsequent maintenance plan eight years after an attainment redesignation to provide for maintenance of the NAAQS for a further 10 years after the period covered by the first maintenance plan (2023-2033). This 2021 PM10 Maintenance Plan includes a maintenance demonstration that South Coast Air Basin will continue to attain the standard, verification of continued attainment, a commitment to a future monitoring network, a contingency plan, and provisions for contingency plan implementation. This plan also includes a description of PM10 sources, concentration trends, and emissions controls along with an analysis of past NAAQS exceedances during the first maintenance period. This action is to adopt the Resolution: 1) Determining that the 2021 PM10 Maintenance Plan for the South Coast Air Basin is exempt from the requirements of the California Environmental Quality Act; and 2) Approving the 2021 PM10 Maintenance Plan for the South Coast Air Basin, and directing staff to forward to CARB for approval and submission to U.S. EPA for inclusion in the SIP. (Review: Mobile Source Committee May 21, 2021)

Items X through XX Budget/Fiscal Impact

11325. Transfer Funds, Amend Contracts, and Issue Program Announcement for Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program

Miyasato/3249

Since April 2018, South Coast AQMD has been implementing the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program (L&G Program). Due to the continued high level of participation, funding will be depleted in the near term. Staff is requesting to transfer up to \$3,000,000 from Rule 1111 AQIP Special Revenue Fund (27) into the Advanced Technology, Outreach and Education Fund (17) to continue implementation of the L&G Program and amend existing contracts not to exceed \$3,000,000. This action is also to issue a Program Announcement to solicit proposals from manufacturers or suppliers for replacement of older commercial lawn and garden equipment with zero-emission commercial grade equipment. (Reviewed: Technology Committee, April 16, 2021; Recommended for Approval)

11328. **Amend Contracts to Develop and Demonstrate Zero Emission Drayage Trucks and Add Funds for Administrative Assistance** **Miyasato/3249**

In March 2016, the Board approved execution of contracts for the Zero Emission Drayage Truck (ZEDT) project. CARB and South Coast AQMD staff propose to change scope and redistribute funds between Peterbilt and Volvo to assure project goals are met. This action is to authorize the Executive Officer to add \$1,254,491 to Volvo Technology of America, LLC contract to deploy two Class 8 battery electric trucks and charging infrastructure and reduce \$1,000,000 from Peterbilt Motors contract for the elimination of two Class 8 battery electric drayage trucks and add \$141,255 to a project implementation assistance contract to ensure completion of the ZEDT and Volvo LIGHTS projects, all from the Greenhouse Gas Reduction Projects Special Revenue Fund (67). (Reviewed: Technology Committee, April 16, 2021; Recommend for Approval)

11321. **Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue RFQ and Purchase Orders for Air Monitoring Equipment and One Vehicle, and Execute a Contract** **Low/2269**

South Coast AQMD is expected to receive grant funds up to \$703,945 from U.S. EPA for the PM2.5 Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. In October 2016, the Board recognized revenue from U.S. EPA through its Science to Achieve Results (STAR) research grant program to engage, educate and empower California communities on the use and application of low-cost air monitoring sensors. These actions are to recognize revenue and appropriate funds for the PM2.5 and Enhanced Particulate Monitoring Programs, transfer up to \$350,000 between Major Objects in Science & Technology Advancement's FY 2021-22 Budget to realign expenditures for the Enhanced Particulate Monitoring Program, transfer and/or appropriate up to \$124,792 between Major Objects for the STAR program, issue an RFQ and purchase orders for air monitoring equipment and one vehicle, and execute a contract. (Reviewed: Administrative Committee, April 9, 2021; Recommended for Approval)

11344. **Execute Contract to Upgrade Real-time Public Alerts of Hydrogen Sulfide Events in Coachella Valley** **Ghosh/2582**

In response to odor events related to the Salton Sea, South Coast AQMD began continuous measurements of hydrogen sulfide (H2S) at two Coachella Valley locations in November 2013. In 2017, South Coast AQMD contracted with Sonoma Technology, Inc. (STI) to implement an automated real-time email and text alert system to provide H2S exceedance notifications. To better capture H2S events, up to three additional H2S monitors are planned for the region. This action is to execute a contract with STI to perform technical upgrades, integrate data from additional monitors, and maintain a real-time alert system for H2S in the Coachella Valley at a cost not to exceed \$77,300 from the AES Settlement Projects Fund (35). (Reviewed: Administrative Committee, April 9, 2021; Recommended for Approval)

11345. Establish Lists of Prequalified Counsel to Represent and Advise South Coast AQMD on Legal Matters Related to Environmental Law and General Matters **Gilchrist/3459**

On January 8, 2021 the Board approved issuance of an RFP to pre-qualify outside counsel having expertise in the California Environmental Quality Act, South Coast AQMD rulemaking and planning procedures, administrative law, and related issues for South Coast AQMD. The evaluation of responding firms has been completed. This action is to establish two lists of prequalified counsel - one to represent South Coast AQMD in environmental law matters, and one to represent South Coast AQMD in general governmental matters. (Reviewed: Administrative Committee, April 9, 2021; Recommended for Approval)

11326. Authorize Purchase of OnBase Software Support **Moskowitz/3329**

South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2021. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2020-21 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2021-22 Budget. (Reviewed: Administrative Committee, April 9, 2021; Recommended for Approval)

11231. Approve Contract Award and Modifications as Approved by MSRC **McCallon**

Items XX through XX - Information Only/Receive and File

11163. Legislative, Public Affairs and Media Report **Alatorre/3122**

This report highlights the March 2021 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

11258. Hearing Board Report **Prussack/2500**
- This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2021. (No Committee Review)
11185. Civil Filings and Civil Penalties Report **Gilchrist/3459**
- This reports the monthly penalties from March 1, 2021 through March 31, 2021, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2021. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, April 16, 2021)
11133. Lead Agency Projects and Environmental Documents Received **Nakamura/3105**
- This report provides a listing of CEQA documents received by the South Coast AQMD between March 1, 2021 and March 31, 2021, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, April 16, 2021)
11101. Rule and Control Measure Forecast **Rees/2856**
- This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2021. (No Committee Review)
11327. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
- Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This item is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, April 9, 2021)

Item XX - Staff Presentation/Board Discussion

11092. Budget and Economic Outlook Update (*Presentation in Lieu of Board Letter*) **Whynot/3104**
- Staff will provide an update on economic indicators and key South Coast AQMD metrics. (Reviewed: Administrative Committee, April 9, 2021) (Receive & File)

Items XX through XX - Reports for Standing Committees and CARB

11205. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**
11173. Legislative Committee **Chair: Cacciotti Alatorre/3122**
11111. Mobile Source Committee (Receive & File) **Chair: Burke Rees/2856**

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|--------|---|------------------------------|----------------------|
| 11155. | Stationary Source Committee (Receive & File) | Chair: Benoit | Aspell/2491 |
| 11194. | Technology Committee (Receive & File) | Chair: Buscaino | Miyasato/3249 |
| 11272. | Mobile Source Air Pollution Reduction Review Committee (Receive & File) | Board Liaison: Benoit | Miyasato/3249 |
| 11247. | California Air Resources Board Monthly Report (Receive & File) | Board Rep: Kracov | Thomas/2500 |
| XX. | <u>Items Deferred from Consent and Board Calendars</u> | | |

PUBLIC HEARINGS

- | | | |
|--------|--|----------------------|
| 11334. | Adopt Executive Officer's FY 2021-22 Proposed Goals and Priority Objectives, and Proposed Budget. | Jain/2804 |
| | <p>The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2021-22 have been developed and are recommended for adoption. The Budget and Work Program for FY 2021-22 represents input over the past several months from Board members, staff, and the public. This year's process will include meetings of the Budget Advisory Committee and two budget workshops, one for the public on April 6, 2021 and one for the Board on April 9, 2021. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 4.5 percent reflecting the Consumer Price Index from last year and this year. This action is to adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2021-22. (Review: Special Board Meeting/Budget Workshop, April 9, 2021)</p> | |
| 11314. | Determine That Proposed Amendments to Rule 1469.1 – Spraying Operations Using Coatings Containing Chromium, Are Exempt from CEQA, and Amend Rule 1469.1 | Nakamura/3105 |
| | <p>Proposed Amended Rule 1469.1 would further reduce hexavalent chromium emissions from chromate spray coating operations by including requirements for other related activities such as dried coating removal and demasking, enhancing the point source requirements, enhancing parameter monitoring requirements for air pollution controls, and further minimizing the release of fugitive emissions through additional requirements for building enclosure, housekeeping, and best management practices. The proposed amendments would also remove outdated definitions and provisions. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 1469.1 – Spraying Operations Using Coatings Containing Chromium, are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1469.1 – Spraying Operations Using Coatings Containing Chromium. (Reviewed: Stationary Source Committee, March 19, 2021)</p> | |

11315. Certify Final Environmental Assessment and Adopt Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions Program, and Proposed Rule 316 – Fees for Rule 2305, Submit Rule 2305 for Inclusion Into the SIP, and Approve Supporting Budget Actions

Rees/2856

Proposed Rule 2305 will require warehouses greater than 100,000 square feet to directly reduce NOx and diesel PM, or to facilitate emission and exposure reductions of these pollutants. The Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program is a menu-based points system that will require warehouse operators to annually earn a specified number of points by completing actions from a menu. Menu items include acquiring or using: Near Zero Emissions (NZE) and/or Zero Emissions (ZE) on-road trucks, ZE cargo handling equipment, ZE charging/fueling infrastructure, solar panels, or particulate filters for nearby sensitive land uses. Alternatively, warehouse operators could prepare and implement a custom plan specific to their site, or they could pay a mitigation fee. Funds from the mitigation fee would be used through future solicitations and Board actions to incentivize the purchase of NZE or ZE trucks and ZE charging/fueling infrastructure in the communities near warehouses that paid the fee. Warehouse owners and operators would also have reporting and recordkeeping requirements. Proposed Rule 316 would establish fees for warehouse operators to fund South Coast AQMD compliance activities. This action is to: 1) Adopt the Resolution: A) Certifying the Final Environmental Assessment for Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions Program and Proposed Rule 316 – Fees for Rule 2305; B) Adopting Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions Program and Proposed Rule 316 – Fees for Rule 2305; C) Submitting Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions Program for inclusion into the SIP; 2) Establish the Rule 2305 Mitigation Fee Alternate Compliance Fund; and 3) Authorize the Executive Officer to recognize upon receipt mitigation fees paid by warehouse operators into the Rule 2305 Mitigation Fee Alternate Compliance Fund. (Reviewed: Mobile Source Committee, February 19, March 19 and April 16, 2021)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION - (No Written Material)

Gilchrist/3459

ADJOURNMENT

PUBLIC COMMENTS

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the "Raise Hand" at the bottom of the screen, or if participating via Dial-in/Telephone Press *9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD's authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to cob@aqmd.gov, on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AQIP = Air Quality Investment Program	NGV = Natural Gas Vehicle
AQMP = Air Quality Management Plan	NOx = Oxides of Nitrogen
AVR = Average Vehicle Ridership	NSPS = New Source Performance Standards
BACT = Best Available Control Technology	NSR = New Source Review
BARCT = Best Available Retrofit Control Technology	OEHHA = Office of Environmental Health Hazard Assessment
Cal/EPA = California Environmental Protection Agency	PAMS = Photochemical Assessment Monitoring Stations
CARB = California Air Resources Board	PEV = Plug-In Electric Vehicle
CEMS = Continuous Emissions Monitoring Systems	PHEV = Plug-In Hybrid Electric Vehicle
CEC = California Energy Commission	PM10 = Particulate Matter \leq 10 microns
CEQA = California Environmental Quality Act	PM2.5 = Particulate Matter \leq 2.5 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	RECLAIM=Regional Clean Air Incentives Market
CNG = Compressed Natural Gas	RFP = Request for Proposals
CO = Carbon Monoxide	RFQ = Request for Quotations
DOE = Department of Energy	RFQQ=Request for Qualifications and Quotations
EV = Electric Vehicle	SCAG = Southern California Association of Governments
EV/BEV = Electric Vehicle/Battery Electric Vehicle	SIP = State Implementation Plan
FY = Fiscal Year	SOx = Oxides of Sulfur
GHG = Greenhouse Gas	SOON = Surplus Off-Road Opt-In for NOx
HRA = Health Risk Assessment	SULEV = Super Ultra Low Emission Vehicle
LEV = Low Emission Vehicle	TCM = Transportation Control Measure
LNG = Liquefied Natural Gas	ULEV = Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	U.S. EPA = United States Environmental Protection Agency
MOU = Memorandum of Understanding	VOC = Volatile Organic Compound
MSERCs = Mobile Source Emission Reduction Credits	ZEV = Zero Emission Vehicle
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	
NATTS =National Air Toxics Trends Station	

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

For language interpretation:

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Select the language you want to hear (either English or Spanish)

Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla

Seleccione el idioma que desea escuchar (inglés o español)

Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

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Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **"Raise Hand"** button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same.
- The meeting ID number is 932-0955-9643
- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:

- El número de llamada es el mismo (+1 669900 6833 o +1 253215 8782).
- El número de identificación de la reunión es 932-0955-9643
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

BOARD MEETING DATE: May 7, 2021

AGENDA NO.

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, April 9, 2021, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

RMM:MAH:XC:dc

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM’s primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

In light of COVID-19 and the related budget impact, we are evaluating all of our projects and delaying non-critical projects as long as possible.

Summary of Report

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Office 365 Implementation	Acquire and implement Office 365 for South Coast AQMD staff	\$350,000	<ul style="list-style-type: none"> • Pre-assessment evaluation and planning completed • Board approved funding on October 5, 2018 • Developed implementation and migration plan • Acquired Office 365 licenses • Implemented Office 365 email (Exchange) and migrated all users • Trained staff in Office 365 Pro Plus desktop software • Implemented Office 365 Pro Plus, Office Web, and OneDrive for Business • Implemented Microsoft Teams 	<ul style="list-style-type: none"> • Implement Office 365 internal website (SharePoint) and migrate existing content
Cybersecurity Assessment	Perform a cybersecurity risk assessment that will identify any potential cybersecurity risks and recommend changes to align with industry standards and peer organizations.	\$100,000	<ul style="list-style-type: none"> • RFP released March 5, 2021 	<ul style="list-style-type: none"> • Recommend Contract Award June 4, 2021 • Complete Cybersecurity Assessment September 30, 2021
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year	\$140,000 (included in proposed FY 2021-22 budget)		<ul style="list-style-type: none"> • Request Board approval May 7, 2021 • Execute contract July 15, 2021

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for internal South Coast AQMD users	\$525,000	<ul style="list-style-type: none"> • Board approved initial Phase 2 funding December 2017 • Board approved remaining Phase 2 funding October 5, 2018 • Completed report outlining recommendations for automation of Permitting Workflow • Developed application submittals and form filing for first nine of 32 400-E forms • Completed application submittals and form filing for 23 types of equipment under Rule 222 ready for User Testing • Deployed to production top three most frequently used Rule 222 forms: Negative Air Machines, Small Boilers, and Charbroilers • Completed requirements gathering for Phase II of the project (an additional 10 400-E-XX forms) • User Acceptance Testing and Deployment to production of Emergency IC Engines Form (EICE-RE) completed • Development of Phase II additional 12 400-E-XX forms completed 	<ul style="list-style-type: none"> • Complete User Acceptance Testing and Deployment to Production of first ten (10) 400-E-XX forms • Complete User Acceptance Testing and Deployment to Production of remaining 22 Rule 222 forms • Complete User Acceptance Testing and Deployment to Production of Phase II additional twelve (12) 400-E-XX forms
Phone System Upgrade	Upgrade components of the agency Cisco Unified Communications System that are past end of support.	\$190,000 (not included in FY 2020-21 Budget)		<ul style="list-style-type: none"> • Request Board Approval to Release RFQ June 4, 2021 • Recommend Award September 3, 2021 • Complete upgrade December 30, 2021

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
South Coast AQMD Mobile Application Enhancements	Enhancement of Mobile application to incorporate FIND	\$60,000	<ul style="list-style-type: none"> • Vision and scope completed 	<ul style="list-style-type: none"> • Task Order issuance
AQ-SPEC Cloud Platform Phase II	Integrate separate data systems into the AQ-SPEC cloud-based platform to manage data and build interactive data visualizations and data dashboards for web-based viewing	\$313,350	<ul style="list-style-type: none"> • Project charter released • Task order issued, evaluated and awarded • Project kickoff completed 	<ul style="list-style-type: none"> • Requirement gathering
PeopleSoft Electronic Requisition	This will allow submittal of requisitions online, tracking multiple levels of approval, electronic archival, pre-encumbrance of budget, and streamlined workflow	\$75,800	<ul style="list-style-type: none"> • Project charter released • Task order issued, evaluated and awarded • Requirement gathering and system design completed • System setup and code development and user testing for Information Management completed • System setup and code development and User Acceptance Testing completed for Administrative and Human Resources completed • System setup for Technology Advancement Office completed 	<ul style="list-style-type: none"> • Deploy to IM and AHR Divisions • Training and Integrated User Testing for other divisions

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Proposition 1B	Development of an online Grant Management System (GMS) portal for the Proposition 1B Program - Goods Movement Emission Reduction Program – Heavy-Duty Trucks	\$75,200	<ul style="list-style-type: none"> • Draft Charter Document issued • Project Initiation completed • Task order issued • Deployed Phase I to production – applicant/third party registration and application submission • Developed additional forms and customized GMS look and feel • User Acceptance Testing for additional forms completed 	<ul style="list-style-type: none"> • Develop AQMD staff evaluation module
Source Test Tracking System	Online Source Test Tracking System will keep track of timelines and quantify the number of test protocols and reports received. System will provide an external online portal to submit source testing protocols and reports, track the review process, and provide integration to all other business units. It will also provide an external dashboard to review the status of a submittal	\$250,000	<ul style="list-style-type: none"> • Project Charter approved • Project Initiation completed • Task Order issued • Project Kick-off completed • User requirements gathering for internal users Developed Full Business Process Model • Developed screens mock-ups • Reviewed proposed automation with EQUATE group completed • Proposal for system development approved • Completed development of Sprint 1 of the Source Test Protocol and Report Tracking System • Completed development of Sprints 2, 3, 4, and 5 	<ul style="list-style-type: none"> • Develop Sprints 6, 7, and 8

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
VW Environmental Mitigation Action Plan Project	CARB has assigned South Coast AQMD to develop web applications for: Zero-Emission Class 8 Freight and Port Drayage Truck Project and Combustion Freight and Marine Project. The agency is also responsible for maintaining a database that will be queried for reporting	\$355,000	<ul style="list-style-type: none"> • Draft Charter Document issued • Project Initiation completed • Task order issued • Deployed Phase I to production • Phase II to production – Messaging, Evaluation, and Administration • Developed evaluation module and calculation module completed • Phase III - ZE Class 8 Application deployed to production • Developed Phase III – Ranking 	<ul style="list-style-type: none"> • User Acceptance Testing for Phase III – Ranking, Contracting, and Inspection
Lower-Emission School Bus Program	Development of an online Grant Management System (GMS) portal for the Lower-Emission School Bus Incentive Program	\$110,500	<ul style="list-style-type: none"> • Draft Charter Document issued • Project Initiation completed • Task order issued • Phase I deployed to production – applicant/third party registration and application submission • Customize GMS look and feel • Phase II AQMD staff can create new application on-line for applications received by mail 	<ul style="list-style-type: none"> • Develop staff evaluation module • Phase II Calculation, Ranking, Messaging, and Contracting

Projects that have been completed within the last 12 months are shown below.

Completed Projects

Project	Date Completed
Renewal of HP Server Maintenance & Support	April 30, 2021
Replace Your Ride Fund Management and Finance Integration	March 20, 2021
AER enhancements for reporting year 2020	December 30, 2020
South Coast AQMD Mobile Application Enhancements – Gridded AQI	December 9, 2020
Lower Emission School Bus Online Application Filing and Grant Management	December 9, 2020
Rule 1180 Fence Line Monitoring Web Site Enhancements II	November 6, 2020
Proposition 1B Online Application Filing and Grant Management Portal	November 6, 2020
CLASS Database Software Licensing	October 16, 2020
Flare Event Notification – Rule 1118 Phase II	October 14, 2020
Volkswagen Environmental Mitigation Administration Zero Emission Class 8	August 18, 2020
Ingres Actian X database migration	August 17, 2020
Rule 1403 Enhancement	July 1, 2020
Legal Office System	June 17, 2020
Document Conversion Services	June 30, 2020
Oracle PeopleSoft Software Support	June 5, 2020
Renewal of OnBase Software Support	May 1, 2020
Public Facing Permit Application Status Dashboard	May 1, 2020
Mobile Application Enhancement – Hourly Forecast	April 29, 2020
Renewal of HP Server Maintenance & Support	April 30, 2020
Rule 1180 Fence Line Monitoring Web Site Enhancements	April 3, 2020

BOARD MEETING DATE: May 7, 2021

AGENDA NO.

PROPOSAL: Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue an RFQ and Purchase Orders for Air Monitoring Equipment and One Vehicle, and Execute a Contract

SYNOPSIS: South Coast AQMD is expected to receive grant funds up to \$703,945 from U.S. EPA for the PM2.5 Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. In October 2016, the Board recognized revenue from the U.S. EPA through its Science to Achieve Results (STAR) research grant program to engage, educate and empower California communities on the use and application of low-cost air monitoring sensors. These actions are to recognize revenue and appropriate funds for the PM2.5 and Enhanced Particulate Monitoring Programs, transfer up to \$350,000 between Major Objects in Science & Technology Advancement's FY 2021-22 Budget to realign expenditures for the Enhanced Particulate Monitoring Program, transfer and/or appropriate up to \$124,792 between Major Objects for the STAR program, issue an RFQ and purchase orders for air monitoring equipment and one vehicle, and execute a contract.

COMMITTEE: Administrative, April 9, 2021; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue in the General Fund up to \$2,803,945 and appropriate funds up to \$703,539, upon receipt, into the FYs 2020-21 and/or 2021-22 Budgets as set forth in Attachment 1 and further detailed in Attachments 2 and 3;
2. Transfer up to \$350,000 between Science & Technology Advancement's FY 2021-22 Budget, Salaries and Employee Benefits Major Object (Org 44), and Services & Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures, as needed, for the FY 2021-22 Enhanced Particulate Monitoring Program;
3. Transfer up to \$124,792 from the Services & Supplies Major Object to the Capital Outlays Major Object in Science & Technology Advancement's FYs 2020-21 Budget (Org 43) and/or appropriate up to \$124,792 to the Capital Outlays Major

Object in Science & Technology Advancement's FY 2021-22 Budget (Org 43) to purchase air monitoring equipment and execute a contract for the U.S. EPA STAR program;

4. Authorize the Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue sole source purchase orders with Met One Instruments, Inc. for the following equipment as listed in Table 2:
 - a. Up to four Met One PM2.5 FEM Monitors not to exceed \$84,000; and
 - b. Up to four Met One E-BAM PLUS Portable Environmental PM Monitors not to exceed \$46,714.
5. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a purchase order, based on a solicitation process, "Prior Bid, Last Price" or cooperative agreement for one BEV or PHEV (vehicle) in an amount not to exceed \$50,000 as listed in Table 1; and
6. Authorize the Executive Officer to execute a sole source contract with Mazama Science in an amount up to \$78,078 to enhance the capabilities of open-source tools to support data access, data analysis and data visualization of air quality information by communities and citizen scientists.

Wayne Natri
Executive Officer

MMM:JCL:RMB:AP:ld

Background

Enhanced Particulate Monitoring Program

South Coast AQMD has been providing enhanced particulate monitoring support as part of a national monitoring program since 2003. Sample collection began in February 2003 and will continue for the foreseeable future. South Coast AQMD is expected to receive up to \$2,100,000 from the U.S. Government for the annually funded Enhanced Particulate Monitoring Program.

PM2.5 Program

Since 1998, U.S. EPA has provided funds under Section 103 for a comprehensive PM2.5 Air Monitoring Program. To date, there are 19 ambient monitoring stations in the South Coast Air Basin (Basin) operating 22 Federal Reference Method (FRM) PM2.5 monitors under U.S. EPA funding and 15 other PM2.5 continuous monitors including Federal Equivalent Method (FEM) and Non-FEM monitors. In addition, U.S. EPA has supported the expansion of the network to collect ongoing PM2.5 mass and chemical speciation at several sites within the Basin. The chemical speciation of fine particulate matter supports the characterization of PM2.5 sources, air quality conditions

and health impacts. South Coast AQMD is expected to receive up to \$703,945 from U.S. EPA for the annually funded PM2.5 Program.

Science to Achieve Results (STAR) Program

On June 9, 2014, U.S. EPA, as part of its STAR Program, solicited applications proposing research on empowering communities and individuals to take action to avoid air pollution exposure, using low-cost portable air pollution sensors. South Coast AQMD's proposal to provide California communities with the knowledge necessary to appropriately select, use and maintain sensors and interpret sensor data was awarded one of these research grants. On October 7, 2016, the Board recognized and appropriated \$749,820 from the U.S. EPA for this study. As part of this program, low-cost sensors were deployed for PM2.5 measurements in 14 California communities, calibration procedures were developed to improve the quality of the collected sensor data, and a contract was issued to Mazama Science to develop a suite of open-source tools to support data access, data analysis and data visualization of air quality information by communities and citizen scientists.

Proposal

The federal revenue to be recognized and FYs 2020-21 and/or 2021-22 appropriations are summarized in Attachment 1 and further described in Attachments 2 and 3.

Enhanced Particulate Monitoring Program (FYs 2020-21 and/or 2021-22)

South Coast AQMD is expected to receive funding from the U.S. Government for the ongoing Enhanced Particulate Monitoring Program through April 30, 2022 in an amount up to \$2,100,000. This action is to recognize revenue up to \$460,594 into the FYs 2020-21 and/or 2021-22 Budgets (\$1,639,406 for Salaries, Benefits, and indirect costs was already included in the FYs 2020-21 and/or 2021-22 Budgets) and appropriate up to \$460,594 into Science & Technology Advancement's FYs 2020-21 and/or 2021-22 Budgets, Services & Supplies and Capital Outlays Major Objects, as set forth in Attachment 2.

PM2.5 Program (FYs 2020-21 and/or 2021-22)

U.S. EPA is expected to provide Section 103 Grant funding in an amount up to \$703,945 for the continuation of the PM2.5 Program through March 31, 2022. Revenue for this grant in the amount of \$461,000 for Salaries and Benefits has already been included in the budget. This action is to recognize the remaining revenue up to \$242,945 into the FYs 2020-21 and 2021-22 Budgets and appropriate up to \$242,945 into Science & Technology Advancement's FYs 2020-21 and/or 2021-22 Budgets, as set forth in Attachment 3.

STAR Program

This action is to transfer up to \$124,792 from the General Fund Services & Supplies Major Object to the Capital Outlays Major Object in Science & Technology Advancement's FYs 2020-21 Budget (43) and/or appropriate up to \$124,792 to the Capital Outlays Major Object in Science & Technology Advancement's FY 2021-22 Budget (Org 43) to purchase air monitoring equipment and execute a contract for the U.S. EPA STAR program. As part of this project, staff has been working to develop calibration procedures to improve the reliability of the data from this and other sensor networks. Staff is proposing to purchase up to four Met One E-BAM PLUS Portable Environmental PM Monitors in an amount not to exceed \$46,714 for collocated measurements at selected sensor locations. These will be used to improve the algorithms and overall calibration methodology for the sensor networks staff has developed.

Staff is proposing to execute a contract with Mazama Science in an amount up to \$78,078 to enhance the capabilities of open-source tools to support data access, data analysis and visualization of air quality information by communities and citizen scientists.

Proposed Purchases through a Solicitation Process, "Prior Bid, Last Price" or Cooperative Agreement

BEV or PHEV (Vehicle)

At the outset of the Enhanced Particulate Monitoring Program over 15 years ago, several dedicated vehicles were purchased to meet the mileage intensive needs of the program. Several of these original vehicles have more than 150,000 miles and one vehicle was recently involved in a collision and expected to be surplus. The U.S. Department of Homeland Security, which is the funding agency for this program, concurs that replacing one of these vehicles is appropriate. Staff proposes replacement of one vehicle with a BEV or PHEV at an estimated cost of \$50,000 through an RFQ process, "Prior Bid, Last Price," or a cooperative purchasing agreement. Low emission vehicles are available from vendors through cooperative purchasing under the State of California, Department of General Services, Procurement Division, and Alternative Fueled Vehicles Contract 1-18-23-23A-H. The cost of the vehicle will not exceed \$50,000 (see Table 1).

Proposed Purchases through Sole Source Purchase Orders

Met One PM2.5 Continuous FEM Monitor

The U.S. EPA Section 103 PM2.5 Grant award includes one-time funding for the purchase of up to four Met One PM2.5 FEM monitors. The Met One PM2.5 FEM monitor is the only commercially available FEM monitor that would allow South Coast AQMD to satisfy the U.S. EPA collocation requirement, which specifies that new FEM monitors added to the network must use the same monitor/method code as those already

in operation within the network. The cost of the monitors will not exceed \$84,000 (see Table 1).

Met One E-BAM PLUS Portable Environmental PM Monitor

Over the past few years, staff has been developing calibration procedures to facilitate the management of low-cost sensor networks and improve the overall reliability of the collected data. These procedures are largely based on collocation measurements conducted at specific locations where a subset of sensors is operated alongside more reliable monitors to compare their performance. This information is then used to develop calibration algorithms for the entire sensor network. To continue this important work, staff proposes to use \$46,714 to purchase up to four Met One E-BAM PLUS Portable Environmental PM Monitors for additional collocation measurements with PM sensors.

Mazama Science Contract

The proposed contract with Mazama Science would expand the capabilities of existing data analysis and visualization tools by making them sensor model/type- and pollutants-agnostic, adding further QA/QC functionality for individual sensors and sensor networks. All resulting products will be open source which makes them ideal for use by STAR Grant and other communities and organizations interested in working with sensors and sensor data.

Sole Source Justification

Sole Source Justification Section VIII.B.3 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award funded, in whole or in part with federal funds, may be justified. Specifically, this request for sole source award is made under the provision B.3.a.: the item is available only from a single source. Met One, Inc. is the only manufacturer of real-time and continuous environmental PM_{2.5} FEM mass monitors that employ a unique “in-situ” sampling technique that would allow South Coast AQMD to satisfy U.S. EPA collocation requirements, which include that new FEM monitors added to the network must use the same sampler and method as those that are already in operation within the network. Met One, Inc’s E-BAM Plus is the only commercial portable, rugged, and battery-operated real-time PM instrument which has EPA approval (FEM certification) for PM₁₀ particulate measurements and can also be used for PM_{2.5} monitoring.

Section VIII.B.3 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award funded, in whole or in part with federal funds, may be justified. Specifically, this request for sole source award is made under the provision B.3.a.: The item is available only from a single source. Mazama Science has unique resources to automatically process large volumes of monitoring sensor data, produce web-based sensor data visualization tools, and generate sensor data summary reports. The Mazama Science platform uses statistical programming code they have

developed to provide community members participating in the EPA STAR Grant with a highly customizable data interface which is ideal for this community project. The project involves the use of proprietary technology and the Contractor has ownership of key assets required for project performance.

Resource Impacts

U.S. EPA Section 103 Grant funding will support the continuation of the PM2.5 Monitoring Program, including equipment and services, along with supplies necessary to meet the objectives of the PM2.5 Monitoring Program.

U.S. Government funding will support the continuation of the Enhanced Particulate Monitoring Program.

Funding from U.S. EPA will support the STAR program implementation.

**Table 1
Proposed Purchase through an RFQ Process, ‘Prior Bid, Last Price,’ or
Cooperative Agreement Purchase Order**

Description	Qty	Funding Source	Estimated Amount
BEV or PHEV Vehicle	1	U.S. Government FY 2021-22	\$50,000
Total			\$50,000

**Table 2
Proposed Purchases through Sole Source Purchase Orders**

Description	Qty	Funding Source	Estimated Amount
Met One PM2.5 FEM Monitor	Up to 4	PM2.5 FYs 2020-21 and/or 2021-22	\$84,000
Met One E-BAM PLUS Portable Environmental PM Monitor	Up to 4	U.S. EPA STAR Grant FYs 2020-21 and/or 2021-2022	\$46,714
Total			\$130,714

Attachments:

1. Proposed Federal Revenues and Expenditures for FYs 2020-21 and/or 2021-22
2. Proposed Enhanced Particulate Monitoring Expenditures for FYs 2020-21 and/or 2021-22
3. Proposed PM2.5 Expenditures for FYs 2020-21 and/or 2021-22

Attachment 1
Proposed Federal Revenues and Expenditures for FYs 2020-21 and/or 2021-22

Funding Agency	Program Name	Proposed Revenues	Proposed Expenditures	Detailed Appropriations
U.S. Govt.	Enhanced Particulate Monitoring*	\$2,100,000	\$460,594	Attachment 2
EPA-Section 103	PM2.5 Program*	\$703,945	\$242,945	Attachment 3
		\$2,803,945	\$703,539	

*The difference between the proposed revenue and expenditure amounts is due to Salaries, Benefits, and indirect costs already included in the FYs 2020-21 and 2021-22 Budgets.

Attachment 2
Proposed Enhanced Particulate Monitoring Expenditures for
FYs 2020-21 and/or 2021-22

Account Description	Account Number	Program Code	Estimated Expenditures*
Salaries & Employee Benefits Major Object:			
Overtime	52000	47505	\$41,000
Total Salaries & Employee Benefits Major Object:			\$41,000
Services & Supplies Major Object:			
Temporary Agency Services	67460	47505	\$270,994
Maintenance of Equipment	67600	47505	1,000
Building Maintenance Operation	67650	47505	400
Auto Mileage	67700	47505	94,000
Clothing and Safety Equipment	68000	47505	2,000
Office Expense	68100	47505	200
Small Tools, Instruments, Equipment	68300	47505	1,000
Total Services & Supplies:			\$369,594
Capital Outlays Major Object:			
Vehicle (1)	77000	47505	\$50,000
Total Capital Outlays:			\$50,000
Total Appropriations:			\$460,594

Note: Salaries, Benefits and Indirect Costs (excluding overtime) are included in the FYs 2020-21 and/or 2021-22 Budgets.

*Funds not expended by June 30, 2021 will be carried over to the FY 2021-22 Budget.

Attachment 3
Proposed PM2.5 Expenditures for FYs 2020-21 and/or 2021-22

Account Description	Account Number	Program Code	Estimated Expenditures*
Services & Supplies Major Object:			
Rents and Leases Structure	67350	47500	\$10,000
Maintenance of Equipment	67600	47500	63,500
Building Maintenance Operation	67650	47500	10,000
Laboratory Supplies	68050	47500	62,500
Office Expense	68100	47500	2,945
Small Tools, Instruments, Equipment	68300	47500	10,000
Total Services & Supplies Major Object:			\$158,945
Capital Outlays Major Object:			
MET One PM2.5 FEM Monitor (up to 4)	77000	47500	84,000
Total Capital Outlays Major Object:			\$84,000
Total Appropriations:			\$242,945

Note: Salaries and Benefits are already included in the FYs 2020-21 and 2021-22 Budgets.

*Funds not expended by June 30, 2021 will be carried over to the FY 2021-22 Budget.

BOARD MEETING DATE: May 7, 2021

AGENDA NO.

PROPOSAL: Authorize Purchase of OnBase Software Support

SYNOPSIS South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2021. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2020-21 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2021-22 Budget.

COMMITTEE: Administrative, April 9, 2021; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Procurement Manager to purchase OnBase software subscription and support for one year from Hyland Software at a cost not to exceed \$140,000 contingent on approval of this funding in Information Management's Proposed FY 2021-22 Budget, Services and Supplies Major Object, Professional and Special Services Account.

Wayne Natri
Executive Officer

RMM:MH;hlp

Background

South Coast AQMD uses OnBase software as its electronic document management system, which has maintained South Coast AQMD documents and other critical records since 1990. Total storage to date is over three million multi-page documents. OnBase is used by many of South Coast AQMD's mission critical web applications including Online Application Filing, Asbestos Notifications, and Oil and Gas Well Electronic Notification and Reporting. OnBase is a Windows-based, menu-driven, document

management system designed to store and retrieve critical documents in electronic format. The system provides concurrent information to multiple workstations simultaneously. It has a flexible compound document structure where black-and-white or color images co-exist with text and data within a single document. It stores various types of documents such as Microsoft Word documents, Outlook emails, PDFs, videos and data files.

The system includes document routing and ad-hoc, scheduled point-to-point, and broadcast distribution of documents. It contains a complete set of markup and annotation tools that allow users to add notes, comments and drawings to pages without compromising the original document's integrity. The system has full network support so information can be distributed rapidly within an organization regardless of architecture. Finally, the system has an extensive number of features to allow the secure display of documents on South Coast AQMD's internal and external websites and on iPhone, iPad and Android mobile applications. OnBase software subscription and support expires on July 31, 2021.

Proposal

Hyland Software is the sole manufacturer and provider of OnBase software and is, therefore, the only source for its maintenance support licensing agreements. Staff recommends the purchase of OnBase software subscription and support for one year from Hyland Software at a cost of \$140,000.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.c.(2) and (3). The products and services are available from only the sole source; involve the use of proprietary technology; and use key contractor-owned assets for project performance. The cost of these support services reflects General Services Administration pricing.

Resource Impacts

Sufficient funds are included in Information Management's Proposed FY 2021-22 Budget within the Services and Supplies Major Object Professional and Special Services Account.

BOARD MEETING DATE: May 7, 2021

AGENDA NO.

PROPOSAL: Adopt Executive Officer’s FY 2021-22 Proposed Goals and Priority Objectives, and Proposed Budget.

SYNOPSIS: The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2021-22 have been developed and are recommended for adoption. The Budget and Work Program for FY 2021-22 represents input over the past several months from Board members, staff, and the public. This year’s process included two meetings of the Budget Advisory Committee and two budget workshops, one for the public held on April 6, 2021 and one for the Board held on April 9, 2021. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 4.5 percent reflecting the Consumer Price Index for FY 2020-21 and FY 2021-22. This action is to adopt the Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2021-22.

COMMITTEE: Special Governing Board Meeting/Budget Study Session, April 9, 2021, Reviewed

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2020-21 Budget.

2. Approve appropriations in the Major Objects for FY 2021-22 of:

Salary and Employee Benefits	\$146,228,481
Services and Supplies	30,963,569
Capital Outlays	1,850,000
Transfers Out	<u>841,353</u>
Total	<u>\$179,883,403</u>

3. Approve revenues for FY 2021-22 of \$179,883,403.

4. Approve the addition of eight net authorized/funded positions as detailed in the FY 2021-22 Budget.
5. Approve the Executive Officer's FY 2021-22 Goals and Priority Objectives.
6. Approve a projected June 30, 2022 Fund Balance of the following:

Classification¹	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$13,200,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$19,429,673
Unassigned	Undesignated Fund Balance	\$62,096,338

7. Instruct staff to actively review and assess fiscal changes and report monthly to the Administrative Committee and to the Board.

Wayne Natri
Executive Officer

SJ:JK

Background

Budget

The period covered by the FY 2021-22 budget is from July 1, 2021 to June 30, 2022. The General Fund budget is the agency's operating budget and is structured by office and account code. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed

¹ The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

for each Work Program which identifies performance goals, measurable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs.

The Executive Officer's Budget and Work Program for FY 2021-22 represents the input over the past several months from Board members, the public, executive management, and staff. This year's process included two meetings with the Budget Advisory Committee, one public consultation meeting held on April 6, 2021 and one Governing Board workshop held on April 9, 2021.

Regulation III – Fees establishes the fee rates and schedules to recover South Coast AQMD's reasonable costs of regulating and providing services to the regulated community, primarily permitted sources. The Permitted Source Program is principally supported by three types of fees permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emissions-based annual operating fees, all of which are contained in Rule 301. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, including, but not limited to, Transportation Programs fees and Area Source fees (architectural coatings). The above referenced fees comprise approximately 59.9% of South Coast AQMD's revenue.

The South Coast AQMD continues to implement cost recovery initiatives and cost reduction efforts, including limited increases in Services and Supplies expenditures, maintaining the FY 2020-21 vacancy rate, the implementation of the California Public Employees' Pension Reform Act (PEPRA) for new employees, and the early payoff of the Diamond Bar Headquarters. In the upcoming years, the South Coast AQMD will continue to face a number of fiscal challenges and uncertainties, including global economic impacts and continued uncertainty related to the COVID-19 pandemic and resulting fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability, potential changes in federal and state grant funding levels, the need for major information technology and building infrastructure improvement projects, and annual variations in penalties and settlement revenue. South Coast AQMD staff will monitor funding sources, the retirement plan, and actual financial results on a continuous basis and are prepared to make timely resource allocation adjustments as warranted.

South Coast AQMD staff reports monthly to the Administrative Committee and the Board, providing the current fiscal year compared to the prior three year average of the General Fund Revenue and Expenditures, vacancy rates, current number of FTEs and permit, compliance and other relevant program-related metrics.

Proposal

Budget

The proposed budget for FY 2021-22 is a balanced budget with expenditures and revenues of \$179,883,403. Necessary one-time capital expenses are proposed in a separate Board action to use \$1.5M from special revenue funds to help balance this budget. The proposed FY 2021-22 budget represents an increase of \$6,894,422 (4.0%) in total expenditures from the budget adopted by the Board in May 2020, primarily due to an increase in staffing, services and supplies, and capital outlays. The proposed budget includes the net addition of eight positions for FY 2021-22. In Services and Supplies, the proposal for FY 2021-22 reflects an increase of \$492,583 (1.6%) compared to the FY 2020-21 adopted budget primarily due to an increase in professional and special services expenditures. Capital Outlays are increasing by \$924,000 (99.8%) compared to the FY 2020-21 adopted budget primarily due to system enhancements and upgrades and equipment purchases.

The proposed FY 2021-22 budget represents an increase of \$6,894,422 (4.0%) in total revenue from the budget adopted by the Board in May 2020. As part of this budget package, specific fees in Regulation III – Fees will be automatically adjusted by the California Consumer Price Index (CPI) as provided for under South Coast AQMD Rule 320. The proposed budget includes a 1.7% CPI fee increase and a restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.

The proposed FY 2021-22 budget assumes a 1.7% fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 to allow for an increase of fees based on the change in the California CPI. The proposed budget also adds back the CPI increase from the previous year for a total increase of 4.5%.

Public Process

The Budget and Work Program for FY 2021-22 represents input over the past several months from Board members, staff, and the public. This year's process included two meetings of the Budget Advisory Committee and two budget workshops, one for the public held on April 6, 2021 and one for the Board held on April 9, 2021. In accordance with Rule 320, the Draft Socioeconomic Impact Assessment for the automatic CPI-based fee increase was made available to the public on March 15, 2021.

Copies of the FY 2021-22 Proposed Budget Abstract have been transmitted to the Board and the document is also available via South Coast AQMD's web site at <http://www.aqmd.gov/nav/about/finance#Budgets>.

Attachments

- A. FY 2021-22 Proposed Budget Abstract and Proposed Goals and Priority Objectives
- B. Board Meeting Presentation



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

May 7, 2021

South Coast Air Quality Management District Board and Stakeholders

Transmittal of the Executive Officer's Fiscal Year 2021-22 Budget and Work Program

This document represents South Coast Air Quality Management District's (South Coast AQMD) proposed General Fund Budget and Work Program for FY 2021-22. The budget was developed in accordance with statutory requirements and in consultation with South Coast AQMD's executive and program staff.

The greatest uncertainties facing South Coast AQMD's budgetary outlook stem from the continued major economic disruption due to the COVID-19 global pandemic. In these challenging times, we recognize the hardships that many are experiencing. We are making accommodations in many program areas and remain committed to protecting public health and helping business. South Coast AQMD staff will monitor the financial impacts and, in the event, that there are major changes in the economic landscape, we would make adjustments to the FY 2021-22 budget being proposed.

This budget includes a multi-year financial summary of all revenues, expenditures and staffing used by each of South Coast AQMD's programs in the delivery of essential services to clean the air and to protect the health of all residents in the South Coast Air District through practical and innovative strategies. The proposed budget for FY 2021-22 is a balanced budget with expenditures and revenues of \$179.9 million and 957 positions.

The proposed FY 2021-22 level of expenditures, up four percent from the FY 2020-21 adopted budget, includes increased costs for retirement, salaries associated with new positions, expenditures for professional and special services, and capital outlay projects. There is a net increase of 11 FTEs from the FY 2020-21 adopted budget. This includes the previously approved FY 2020-21 mid-year actions adding two positions in the

Executive Office, two positions in the Legislative and Public Affairs/Media Office and deleting one position in the Science and Technology Advancement Office.

The FY 2021-22 proposed revenue budget of \$179.9 million, up four percent from the FY 2020-21 adopted budget, includes steady progress on South Coast AQMD's implementation of the Volkswagen Mitigation Action, AB 617 programs, and AB 134 programs. At \$100.1 million or 55.7 percent of the projected revenue budget, stationary source revenues account for the largest source of revenue, and in light of the continued COVID-19 impact, could be precarious. Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions-based fees) collected from stationary sources has increased by about 45.2 percent from \$66.8 million in FY 1991-92 to \$97 million (estimated) in FY 2020-21. When adjusted for inflation however, stationary source revenues have decreased by 13 percent over this same period.

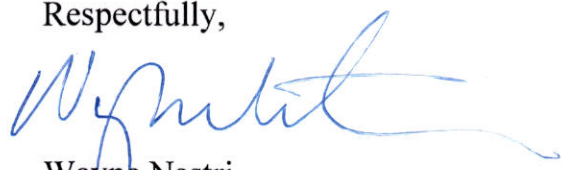
While significant efforts are put forth to develop a detailed budget for the next fiscal year, including a five-year projection, uncertain political and economic issues create challenges. These challenges include global economic impacts and uncertainty sparked by the COVID-19 outbreak and resulting fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability; changes in federal and state grant revenue funding levels; increased infrastructure costs due to an aging headquarters building; and Penalties and Settlement revenue that varies annually. South Coast AQMD staff will monitor funding sources, our retirement plan, and actual financial results on a continuous basis and is prepared to make timely resource allocation adjustments as warranted. Additionally, the proposed budget includes an assigned/unassigned general fund balance of 38 percent of FY 2021-22 revenues to provide a reasonable financial safety net.

The public and the business community have multiple opportunities to participate in the budget development process. This includes meetings of the Budget Advisory Committee which is made up of representatives from the business and environmental communities, a public consultation meeting to discuss the proposed budget and work program, and two meetings of the Governing Board. The public consultation meeting and Governing Board meetings are noticed to the public through direct mail and emails to permitted facilities and other stakeholders, print media, and through the South Coast AQMD website.

In summary, I am proposing a balanced budget for FY 2021-22 that allows South Coast AQMD programs to operate efficiently, transparently, and in a manner sensitive to public agencies, businesses and the public, while providing continued emission reductions and health benefit improvements. The proposed FY 2021-22 Budget and Work Program serves to ensure the continued strength and stability of the South Coast

AQMD as we make progress toward attaining the federal and state clean air mandates and further protect public health.

Respectfully,



Wayne Natri,
Executive Officer

SJ:JK

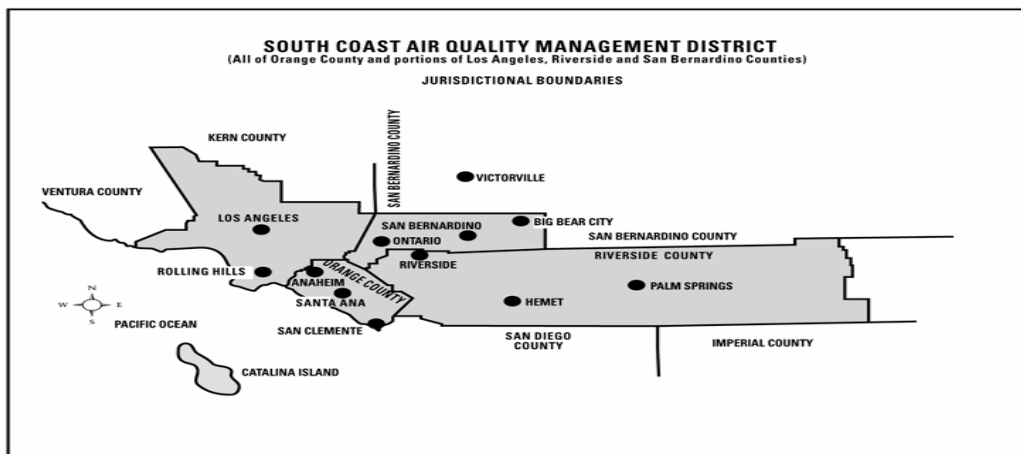
FY 2021-22 BUDGET ABSTRACT

Preface

This document represents the proposed FY 2021-22 Budget and Work Program of the South Coast Air Quality Management District (South Coast AQMD). The proposed budget is available for public review and comment during the month of April. A public consultation meeting is scheduled to discuss the proposed budget and proposed fees changes on April 6, 2021. In addition, a workshop for the Governing Board is scheduled on April 9, 2021. A final Proposed Budget and Work Program, which may include changes based on input from the public and Board, will be presented for adoption at a public hearing on May 7, 2021.

Introduction

The South Coast Air Quality Management District (South Coast AQMD) began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. The South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties. It succeeded the Southern California Air Pollution Control District (APCD) and its predecessor four county APCDs, of which the Los Angeles County APCD was the oldest in the nation, having been formed in 1947. The South Coast AQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in the South Coast AQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside, and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions and one member representing the City of Los Angeles.



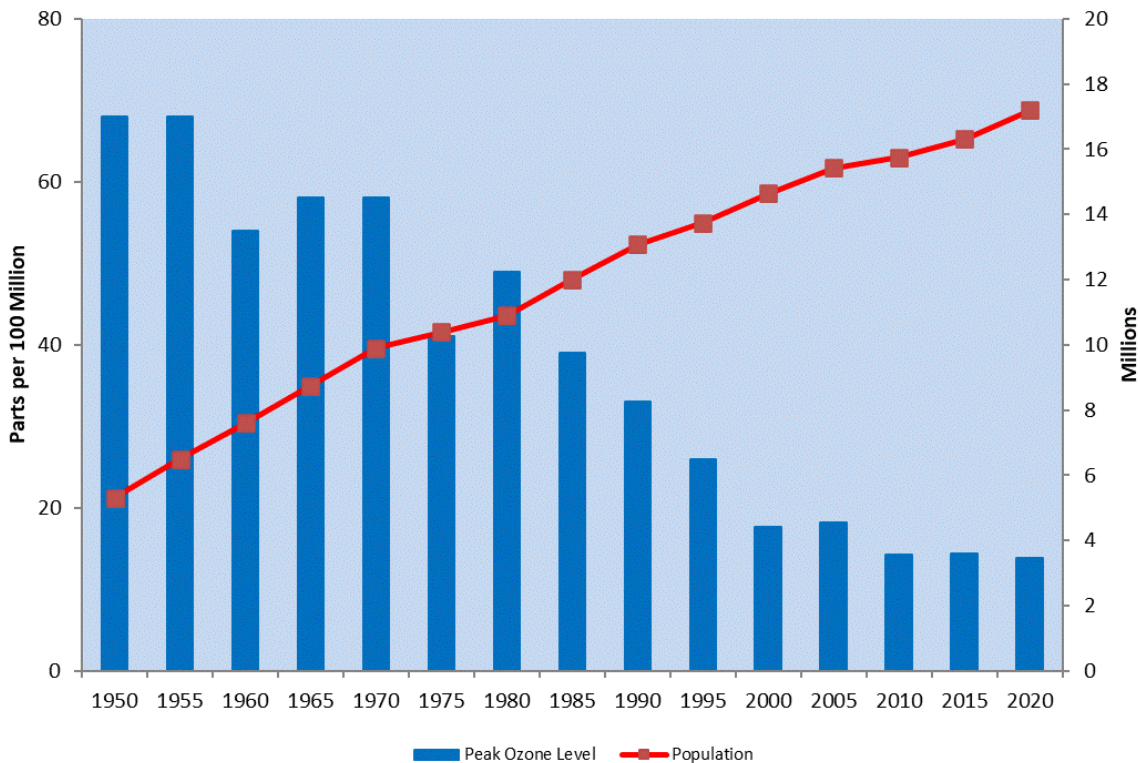
Air Quality History

The South Coast Air Basin (Basin) has suffered unhealthy air since its rapid population growth and industrialization during World War II. While air quality has improved, the residents of the Basin still breathe some of the most polluted air in the nation.

The 70-year history of the region's air pollution control efforts is, in many ways, one of the world's key environmental success stories. Peak ozone levels have been cut by almost three-fourths since air monitoring began in the 1950s. Population exposure was cut in half during the 1980s alone.

Since the late 1940s, when the war on smog began, to 2020, the region's population has more than tripled from 4.8 million to 17.2 million; the number of motor vehicles has increased more than six-fold from 2.3 million to 14.1 million; and the area has grown into one of the most prosperous regions of the world. This phenomenal economic growth illustrates that pollution control and strong economic growth can coincide.

70 Years of Progress in Reducing Ozone Levels



Mission

South Coast AQMD'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. This mission is pursued through a

comprehensive program of planning, regulation, education, enforcement, compliance incentives, technical innovation and promoting public understanding of air quality issues. The South Coast AQMD has implemented a policy of working with regulated businesses to ensure their participation in making the rules which will impact them. This cooperative approach has resulted in greater business support of rulemaking efforts for air that is more healthful to breathe.

To carry out its mission, South Coast AQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented as part of the budget proposal. The following proposed goals have been identified as being critical to meeting South Coast AQMD's Mission for FY 2021-22:

- I. Achieve Clean Air Standards.
- II. Enhance Public Education and Equitable Treatment for All Communities.
- III. Operate Efficiently and Transparently.

These goals are the foundation for South Coast AQMD's Work Program categories. Each goal is supported by multiple activities, which target specific areas of program performance.

Air Quality

Overview

South Coast AQMD has jurisdiction over an area that includes the majority of Los Angeles, Riverside, San Bernardino, and Orange counties. There are three air basins within this region: the South Coast Air Basin, the Riverside County portion of the Salton Sea Air Basin (Coachella Valley), and the Riverside County portion of the Mojave Desert Air Basin. The South Coast Air Basin (Basin) and the Coachella Valley has some of the highest air pollution levels in the United States. The federal government has designated seven pollutants that are pervasive enough to warrant federal health standards, called National Ambient Air Quality Standards (NAAQS). Known as "criteria pollutants," these are: ozone (O₃); nitrogen dioxide (NO₂); particulates (PM₁₀); fine particulates (PM_{2.5}); carbon monoxide (CO); lead (Pb); and sulfur dioxide (SO₂).

In addition, the State of California sets ambient air quality standards for these same pollutants through the California Air Resources Board (CARB). California's standards are in some cases tighter than the U.S. Environmental Protection Agency's (U.S. EPA) standards, which strengthens the public health protection. Toxic compounds also are a potential problem. More toxic pollution is emitted into the air in the Basin than in any other region in California. The Basin's large number of motor vehicles and minor sources, including small businesses and households using ozone-forming consumer products and paints, compound the problem.

Air Quality Trends

While our air quality continues to improve, the Basin remains one of the most unhealthful areas in the nation in terms of air quality. Ozone levels have fallen by more than three-quarters since peaks in the mid-1950s. U.S. EPA revised and strengthened the 8-hour ozone NAAQS, effective December 28, 2015, from concentrations exceeding 75 parts-per-billion (ppb) to concentrations

exceeding 70 ppb. In 2020, the 2015 8-hour ozone NAAQS was exceeded in the Basin on 161 days and the former 1997 ozone NAAQS was exceeded on 102 days. The 2015 ozone NAAQS was exceeded in the Basin on 128 days in 2019 and 141 days in 2018. Note that all the air quality values for 2020 in this report are preliminary values that are subject to change during the validation process. Though the trend in ozone exceedance days has been decreasing over the past few decades, year-to-year variability can mask the underlying trends when focusing on short time periods. Year-to-year variability can be caused by enhanced photochemical ozone formation due to persistent weather patterns that limit vertical mixing and warm the lower atmosphere. Changes in the relative emissions of volatile organic compounds (VOCs) or oxides of nitrogen (NO_x) can also affect the chemistry of ozone formation and lead to marginal short-term increases in ozone concentrations as NO_x is reduced. While the ozone control strategy continued to reduce precursor emissions from man-made sources in the Basin, emissions of natural ozone precursors are not controllable. Ozone-forming emissions transported from frequent summer wildfires throughout California and year-to-year changes in the VOC emissions from vegetation resulting from dry and wet rainy-seasons affect ozone concentrations. The maximum observed ozone levels also show some year-to-year variability but have generally decreased up until the last decade where ozone concentrations have generally remained constant. The highest 8-hour ozone level in the 2020 data was 139 ppb, compared to 117 ppb in 2019 and 125 ppb in 2018. 2020 ozone was elevated due to persistent and intense heat waves, stagnant weather conditions, emissions from the most intense wildfire season on record in the State, and possibly the influence of shifting NO_x and VOC emissions from the COVID-19 pandemic.

PM_{2.5} levels have decreased dramatically in the Basin since 1999. Effective March 18, 2013, U.S. EPA strengthened the annual average PM_{2.5} standard from 15.0 µg/m³ to 12.0 µg/m³, while retaining the 24-hour PM_{2.5} NAAQS of 35 µg/m³. In 2019, the 24-hour PM_{2.5} NAAQS was exceeded on 9 days in the South Coast Air Basin. In 2020, there were 34 exceedance days, based on preliminary continuous PM_{2.5} measurements. Because the highest PM_{2.5} concentrations typically occur during the rainy-season, design values are heavily dependent on the frequency of wintertime storm systems, which increase ventilation and remove PM when rainfall is present. PM_{2.5} concentrations are also significantly influenced by wildfire smoke, which can be transported across wide distances. Smoke from historically large wildfires throughout California in the summer and fall of 2020 contributed to the majority of the exceedances of the 24-hour standard all throughout the South Coast Air Basin. When removing the influence of events that are likely to be considered exceptional by U.S. EPA and with preliminary 2020 data, the 2017-2020 24-hour design value of 35 µg/m³, measured at the Mira Loma station, meets the federal standard for the first time. The Basin's peak annual average PM_{2.5} level in 2020, 14.4 µg/m³ (preliminary data) at the Ontario-60 near road site was higher than the 2019 value, 12.8 µg/m³, which occurred at the same site. It is likely that an increased background PM_{2.5} from fires in the Western United States enhanced the annual average in 2020. Events with only a small influence on PM_{2.5} concentrations are difficult to identify and remove as small changes from these events cannot be separated from the effects of meteorology, which typically drives day to day changes in air quality.

In 2006, the U.S. EPA rescinded the annual federal standard for PM₁₀ but retained the 24-hour standard. The U.S. EPA re-designated the Basin as attainment of the health-based standard for

PM10, effective July 26, 2013. Apart from a handful of dust events caused by high winds, ambient levels of PM10 in the Basin have continued to meet the federal 24-hour PM10 NAAQS through 2020 based on preliminary data.

In November 2008, the U.S. EPA revised the lead NAAQS from a 1.5 µg/m³ quarterly average to a rolling 3-month average of 0.15 µg/m³ and added new near-source monitoring requirements. The Basin has been designated non-attainment for lead due to monitored concentrations near one facility in Los Angeles County prior to the 2012-2014 3-year design value period. However, starting with the 2012-2014 design value, the entire Basin has met the lead standard through 2019. 2020 concentrations are yet not available at the time of publication. A re-designation request to the U.S. EPA is pending.

Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels have improved in the Basin and are in full attainment of the NAAQS. In 2007, the U.S. EPA formally re-designated the Basin to attainment of the carbon monoxide NAAQS. Maximum levels of carbon monoxide in the Basin have been consistently less than one-third of the federal standards since 2004. In 2010, the U.S. EPA revised the NO₂ 1-hour standard to a level of 100 ppb and the SO₂ 1-hour standard to a level of 75 ppb. In 2020, the NO₂ 1-hour standard was exceeded at two near-road sites, those by the 710 and the 60, with a maximum value of 103 ppb. However, since the 1-hour standard is based on the 98th percentile daily maximum value, the Basin still attains the standard based on preliminary data. All sites in the Basin remained in attainment of the SO₂ standard based on preliminary data.

Mandates

South Coast AQMD is governed and directed by a comprehensive federal law (Federal Clean Air Act) and several state laws that provide the regulatory framework for air quality management in the Basin. These laws require South Coast AQMD to take prescribed steps to improve air quality.

South Coast AQMD is responsible for stationary sources such as factories. CARB and U.S. EPA are primarily responsible for motor vehicles. South Coast AQMD and CARB share responsibilities with respect to area sources. South Coast AQMD and the Southern California Association of Governments (SCAG) share some responsibilities with CARB regarding certain aspects of mobile source emissions related to transportation and land use. Control of emissions from sources such as airports, harbors, and trains are shared by U.S. EPA, CARB and South Coast AQMD. Without adequate efforts by CARB and U.S. EPA to control emission sources under their sole authority, it is impossible for the region to reach federal clean air standards.

The following is a more specific summary of the laws governing South Coast AQMD.

Federal Law:

Federal Clean Air Act (CAA): The CAA requires attainment of National Ambient Air Quality Standards (NAAQS) for criteria air pollutants, i.e. pollutants causing human health impacts due to their release from numerous sources. The following criteria pollutants have been identified: ozone, particulate matter (PM10), carbon monoxide, lead, nitrogen dioxide, and sulfur dioxide. Current deadlines vary by pollutant and severity of pollution in the region.

State Implementation Plans: The CAA requires each state to develop a State Implementation Plan (SIP) to attain the NAAQS by the applicable attainment deadlines. SIPs must be approved by U.S. EPA as containing sufficient measures to timely attain NAAQS and meet other requirements described below. SIPs must contain air pollution measures in adopted, "regulatory" form within one year after approval by U.S. EPA. Upon approval by U.S. EPA, SIP requirements can be enforced against regulated sources by U.S. EPA and by any citizen. South Coast AQMD must develop and submit to CARB for review, followed by submittal to U.S. EPA, an element of the SIP referred to as the South Coast AQMD Air Quality Management Plan (AQMP) demonstrating how the Basin will achieve the NAAQS.

Among the numerous other CAA requirements are: a mandate that the region achieve a three percent annual reduction in emissions of ozone precursors (VOC and NOx); a requirement that new sources over 10 tons per year of VOC or NOx, and modifications to such sources, achieve lowest achievable emission rate and offset their emission increases by equal reductions elsewhere in the region and transportation control measures to reduce vehicle trips.

To date, the South Coast AQMD's Governing Board has adopted AQMPs in 1989, 1991, 1994, 1997, 1999 (amendments to the plan adopted in 1997), 2003, 2007, 2012 and 2017. The 2016 AQMP was approved in March 2017.

Sanctions, Federal Implementation Plans, and Conformity Findings: The CAA mandates that sanctions be imposed on an area if a suitable SIP is not adopted and approved by U.S. EPA. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for South Coast AQMD's AQMP include stringent requirements plus Lowest Achievable Emission Rate (LAER) and offsets for major new sources. Federal law also requires an operating permit program for major stationary sources, known as Title V, which must be supported by permit fees. In addition, air toxics regulations adopted by U.S. EPA pursuant to Title III must be implemented by South Coast AQMD.

Motor Vehicle Emission Controls: The CAA initially required U.S. EPA to adopt emission limitations for motor vehicles. The 1990 Amendments require U.S. EPA to adopt regulations to achieve further reductions in emissions from motor vehicles, as well as from other mobile sources such as locomotives. States are preempted from adopting emission limitations for motor vehicles and certain other mobile sources. Exception: California can adopt motor vehicle standards, and standards for some --but not all-- other mobile sources, and other states can adopt the California standards.

Hazardous Air Pollutants: In addition to criteria pollutants, the CAA regulates "hazardous air pollutants," i.e., those which can cause cancer or other severe localized health effects due to emissions from a single facility. U.S. EPA is required to adopt regulations mandating that new and existing sources emitting 10 tons per year or more of such pollutants employ Maximum Achievable Control Technology (MACT) according to specified schedules. U.S. EPA is to consider further reductions in the future to eliminate any remaining unacceptable residual risk.

California Law:

The California Clean Air Act (CCAA): The CCAA establishes numerous requirements for Air District air quality plans to attain state ambient air quality standards for criteria air contaminants. For example, a plan must contain measures adequate to achieve five percent per year emission reductions or must contain all feasible measures and an expeditious adoption schedule. For Air Districts with serious air pollution, its attainment plan should include the following: no net increase in emissions from new and modified stationary sources; and best available retrofit technology for existing sources.

Toxic Air Contaminants: The Air Toxic Hot Spots Act (Health & Safety Code §§ 44300, et seq.) requires facilities emitting specified quantities of pollutants to conduct risk assessments describing the health impacts to neighboring communities created by their emissions of numerous specified hazardous compounds. If an Air District determines the health impact to be significant, neighbors must be notified. In addition, state law requires the facility to develop and implement a plan to reduce the health impacts to below significance, generally within five years. Additional control requirements for hazardous emissions from specific industries are established by the state and enforced by Air Districts.

AB 617: A requirement for Air Districts to conduct air monitoring and adopt a Community Emissions Reduction Plan for communities designated by CARB under the AB 617 statewide program.

State law also includes the following measures:

- Tanner Air Toxics Process (AB 1807) which requires CARB to adopt air toxic control measures to limit emissions of toxic air contaminants from classes of industrial facilities. Local Air Districts are required to enforce these regulations or adopt equally or more stringent regulations of their own;
- Health & Safety Code §42705.5 which requires Air Districts to deploy a community air monitoring system in selected locations and Section 42706.5 which requires Air Districts to design, develop, install, operate and maintain refinery-related community air monitoring systems;
- Authority for South Coast AQMD to adopt a command-and-control regulatory structure requiring Best Available Retrofit Control Technology (BARCT);
- A requirement for South Coast AQMD to establish an expedited schedule for implementing BARCT at pre-determined greenhouse cap and trade facilities;
- A requirement for South Coast AQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels; and
- A requirement for South Coast AQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

Air Quality Control

Developing solutions to the air quality problem involve highly technical processes and a variety of resources and efforts to meet the legal requirements of California and federal laws.

Monitoring: The first step in air quality control is to determine the smog problem by measuring air pollution levels. South Coast AQMD currently operates 43 monitoring stations in the South Coast Air Basin and a portion of the Salton Sea Air Basin in Coachella Valley. These range from fully equipped stations that measure levels of all criteria pollutants, as well as some air toxic pollutant levels, to those which measure a specific pollutant in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and the data for planning and compliance efforts to address the problem.

Pollution Sources: South Coast AQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a portion of the emissions and must be considered. In general, South Coast AQMD estimates stationary and natural sources of emissions, SCAG develops the information necessary to estimate population and traffic, and CARB develops the information necessary to estimate mobile and area source emissions using the SCAG traffic data. This data is then consolidated in South Coast AQMD's AQMP for use in developing the necessary control strategies.

Air Quality Modeling: Using air quality, meteorological and emissions models, South Coast AQMD planners simulate air pollution to demonstrate attainment of the air quality standards and the impacts of sources to local and regional air quality. Due to the nature of air pollution, air quality models can be very complex. Some pollutants are not emitted directly into the air but are products of photochemical reactions in the atmosphere. For example, VOCs mix with nitrogen dioxide (NO₂) and react in sunlight to form ozone; similarly, nitrogen oxide gases from tailpipes and smokestacks can be transformed into nitrates or particulates (PM_{2.5} and PM₁₀). The planners thus must consider transport, land use characteristics and chemical reactions of emissions in the atmosphere to evaluate air quality impacts. Using model output, planners can look at different control scenarios to determine the best strategies to reduce air pollution for the lowest cost.

The considerable data required for these analyses is collected on an ongoing basis by South Coast AQMD staff. Modeling data is prepared and delivered using a geographic information system (GIS). GIS capability is used to prepare and produce data and spatial analysis maps for various needs by South Coast AQMD including rulemaking and California Environmental Quality Act (CEQA) document development.

Planning: With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. South Coast AQMD focuses most of its effort on stationary source controls. As mentioned earlier, strategies to reduce vehicle miles traveled (VMT) are developed primarily by SCAG, while mobile source standards and control programs are developed primarily by CARB and EPA. South Coast AQMD also has limited authority over mobile sources (e.g. public fleets, indirect sources).

Once a plan of emission controls to achieve the NAAQS is outlined, South Coast AQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. South Coast AQMD also conducts a socioeconomic analysis of the strategies. South Coast

AQMD maintains an ongoing and independent advisory group of outside experts for both its air quality modeling and socioeconomic assessment methodologies.

To meet federal air quality standards, the AQMPs and SIP submittals, including the 2016 AQMP, called for significant emissions reductions from projected baseline emissions in order to meet the NAAQS by the federal attainment deadlines (2019 for the 2006 24-hour PM_{2.5} NAAQS, 2025 for the 2012 annual PM_{2.5} NAAQS, 2023 for the 1979 1-hour ozone NAAQS, 2024 for the 1997 8-hour ozone NAAQS, and 2032 for the 2008 8-hour ozone NAAQS). These combined reductions, while meeting most NAAQS, will still not result in attainment of all California State ambient air quality standards or the revised 2015 8-hour ozone NAAQS. The 2012 AQMP addressed the 24-hour PM_{2.5} NAAQS. The 2016 AQMP addresses the 2008 8-hour ozone NAAQS and the 2012 annual PM_{2.5} NAAQS and demonstrates compliance with the requirements for being a “serious” non-attainment area for the 24-hour PM_{2.5} NAAQS requirements. The next AQMP will address the 2015 8-hour ozone NAAQS, with an anticipated adoption in the 2022 timeframe. Five working groups have been established to support the development of control strategies for the 2022 AQMP. South Coast AQMD will continue to improve the emissions inventories and modeling techniques for the 2022 AQMP.

Rulemaking: The regulatory process, known as rulemaking, takes the concepts of control measures outlined in the AQMP and turns them into proposed rule language. This process involves the following: extensive research on technology; site inspections of affected industries to determine feasibility; typically, a year or more of public task force and workshop meetings; in-depth analyses of environmental, social and economic impacts; and thorough review with appropriate Governing Board Committees.

This extensive process of public and policymaker participation encourages consensus in development of rule requirements so that affected sources have an opportunity for input into the rules that will regulate their operations. Once the requirements are developed, the proposed rule, along with an Environmental Assessment and a socioeconomic report, is presented to South Coast AQMD’s Governing Board at a public hearing. Public testimony is presented and considered by the Board before any rule is adopted. The adopted or amended rules are then submitted to CARB and U.S. EPA for their approval. It is not uncommon for rulemaking to include follow-up implementation studies. These studies may extend one or more years past rule adoption/amendment and prior to rule implementation. Such studies are typically submitted to the Governing Board or appropriate Governing Board Committee.

Enforcement and Education: South Coast AQMD issues permits to construct and operate equipment to companies to ensure equipment is operated in compliance with adopted rules. Follow-up inspections are made to ensure that equipment is being operated under permit conditions.

Technical Innovation: In the late 1980s, South Coast AQMD recognized that technological innovation, as well as rule enforcement, would be necessary to achieve clean air standards. Thus, the Technology Advancement Office was created to look for and encourage technical innovation to reduce emissions. The California State Legislature supported this effort by providing a \$1

surcharge on every DMV registration fee paid within the Basin. These funds have been matched at a ratio of approximately three-to-one with funds from the private sector to develop new technologies such as near-zero and zero emission vehicles, low-NO_x burners for boilers and water heaters, zero-pollution paints and solvents, fuel cells and other innovations.

An additional \$4 vehicle registration fee was authorized by the state legislature in 1990. These fees are administered through South Coast AQMD with \$1.20 going to South Coast AQMD for mobile source emissions reductions, \$1.60 subvended directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Air Pollution Reduction Review Committee (MSRC). The MSRC is an outside panel established by state law whose function is to make the decisions on the actual projects to be funded from that portion of the revenue.

Public Education: South Coast AQMD's efforts to clean up the air will be successful only to the extent that the public understands air quality issues and supports and participates in cleanup effort. Thus, South Coast AQMD strives to involve and inform the public through the Legislative and Public Affairs/Media Office, public meetings, publications, the press, public service announcements, and social media.

Budget Synopsis

South Coast AQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30. The period covered by the FY 2021-2022 budget is from July 1, 2021 to June 30, 2022. The General Fund budget is the agency's operating budget and is structured by Office and account. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program containing nine program categories which estimate staff resources and expenditures along program and activity lines. Each category consists of a number of Work Programs, or activities. A Work Program Output Justification form is completed for each Work Program, which identifies performance goals, quantifiable outputs, legal mandates, activity changes, and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by South Coast AQMD's Governing Board. They are submitted to the Governing Board for approval at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure. Budget amendments resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

South Coast AQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. All transactions in Special Revenue Funds are approved

by the Governing Board on an as-needed basis. South Coast AQMD's Comprehensive Annual Financial Report includes the General Fund and Special Revenue Funds.

Budget Process

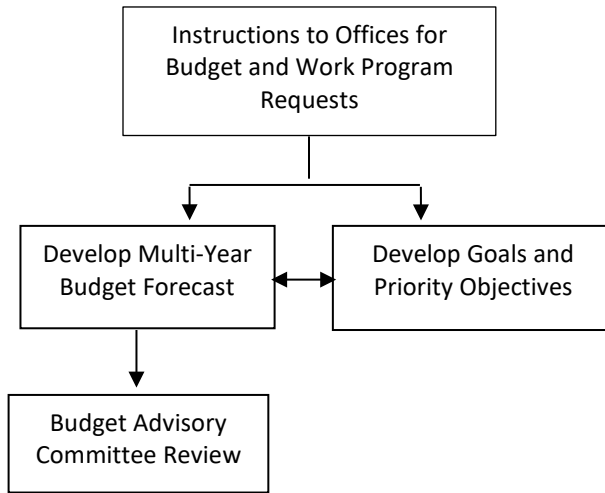
The South Coast AQMD budget process begins with the Chief Financial Officer issuing instructions and guidelines to the Offices. Under the guidance of the Executive Officer, the Chief Operating Officer, and the Chief Financial Officer, the Offices also begin establishing Goals and Priority Objectives for the fiscal year. The proposed annual budget and multi-year forecast is then developed by the Offices, Finance, Executive Council, the Chief Operating Officer, and the Executive Officer, based on the Goals and Priority Objectives as well as guidelines issued by the Executive Officer. Each Office submits requests for staffing, select Salary accounts, Services and Supplies accounts, and Capital Outlay accounts. The remaining salary and benefit costs are developed by Finance. Capital expenditure requests are reviewed by an in-house committee who prioritizes the requests. Revenue projections are developed by Finance based on input received from the appropriate Offices and incorporate any proposed changes to Regulation III - Fees. This information is integrated into an initial budget request, including a multi-year forecast, and then fine-tuned under the direction of the Chief Operating Officer and the Executive Officer to arrive at a proposed budget. The public, business community, and other stakeholders have several opportunities to participate in the budget process, up to and at the budget adoption hearing by the Governing Board, including:

- Two meetings of the Budget Advisory Committee whose members include various stakeholder representatives.
- One public consultation meeting to discuss the automatic CPI increase
- A public hearing on the Proposed Budget and Work Program

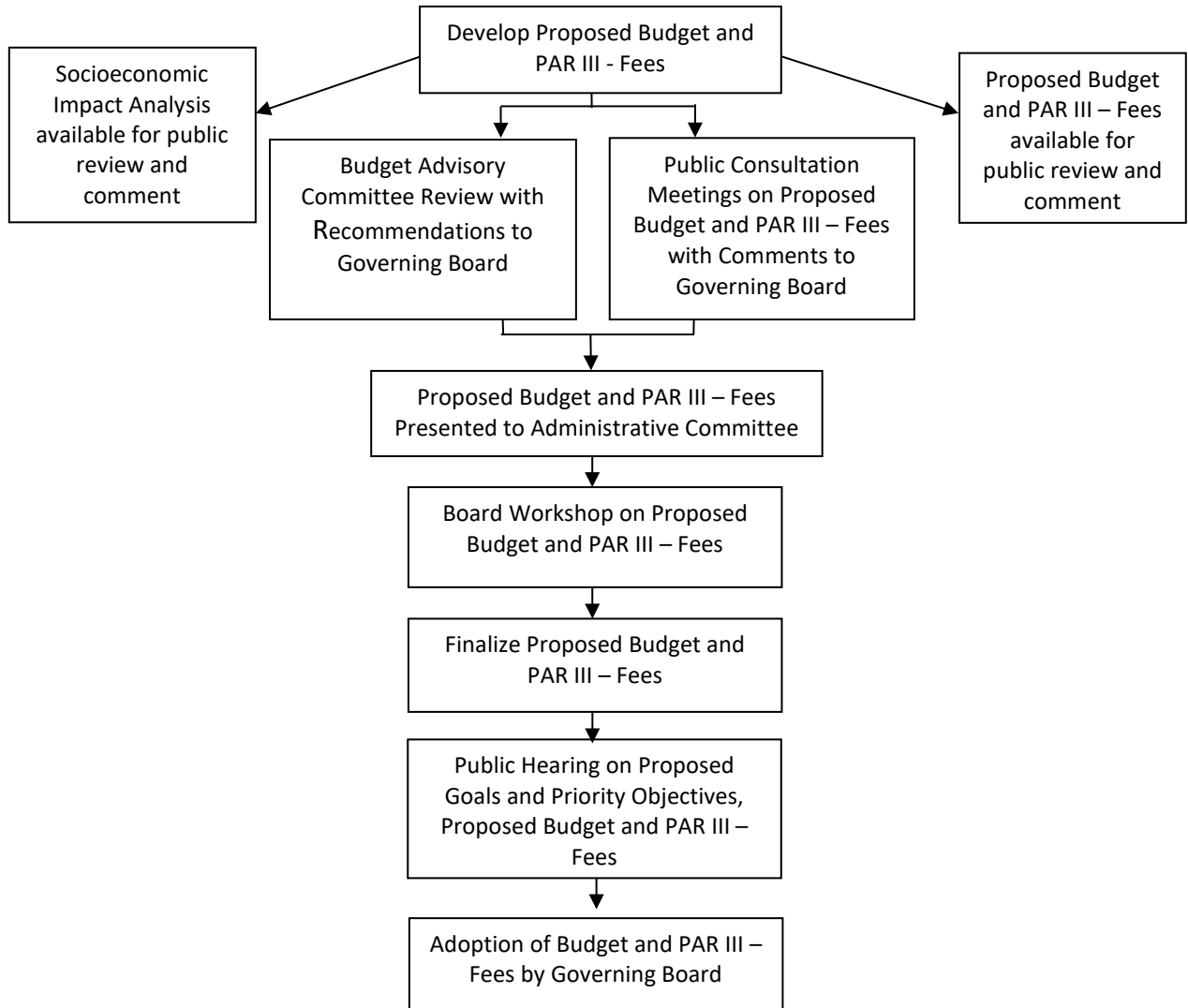
The proposed budget is presented to South Coast AQMD's Governing Board at a budget workshop and to South Coast AQMD's Administrative Committee. Any public comments and Budget Advisory Committee recommendations are submitted to the Governing Board by April 15 of each year. The proposed budget is adopted by the Governing Board and is in place on July 1 for the start of the new fiscal year.

The following flow charts represent the typical major milestones and budget processes that take place in developing South Coast AQMD's annual budget.

Preliminary Budget Process



Annual Budget Process



FY 2022 Budget Timeline	
Budget submissions received from Offices	Jan 15, 2021
Budget Advisory Committee meeting	Jan 15, 2021
Proposed budget available for public review	April 1, 2021
Budget Advisory Committee meeting on proposed budget	April 2, 2021
Public Workshop on proposed budget	April 6, 2021
Proposed budget presented to Administrative Committee	April 9, 2021
Governing Board Special Meeting	April 9, 2021
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April 15, 2021
Public Hearing & Governing Board adoption of budget	May 7, 2021

Proposed Budget & Work Program

Budget Overview

The proposed budget for FY 2021-22 is a balanced budget with revenues/transfers in and expenditures/transfers out of \$179.9 million. To compare against prior years, the following table shows South Coast AQMD's amended budget and actual expenditures for FY 2019-20, adopted and amended budgets for FY 2020-21 and proposed budget for FY 2021-22.

Description	FY 2019-20 Amended	FY 2019-20 Actual	FY 2020-21 Adopted	FY 2020-21 Amended¹	FY 2021-22 Proposed
Staffing	946	-	946	949	957
Revenue/Transfers In	\$186.0	\$188.9	\$173.0	\$176.2	\$179.9
Expenditures/Transfers Out	\$192.6	\$176.7	\$173.0	\$178.2	\$179.9

¹ Includes Board approved changes through February 2021

The FY 2021-22 proposed budget reflects an increase of \$1.7 million in expenditures/transfers out from the FY 2020-21 amended budget and an increase of \$6.9 million in expenditures/transfers out from the FY 2020-21 adopted budget. The increase in expenditures/transfers out from the FY 2020-21 adopted budget can be attributed to increases in staffing, retirement costs, Services and Supplies, and Capital Outlays. The FY 2021-22 proposed budget of 957 positions has a net increase of eight positions over the FY 2020-21 amended budget.

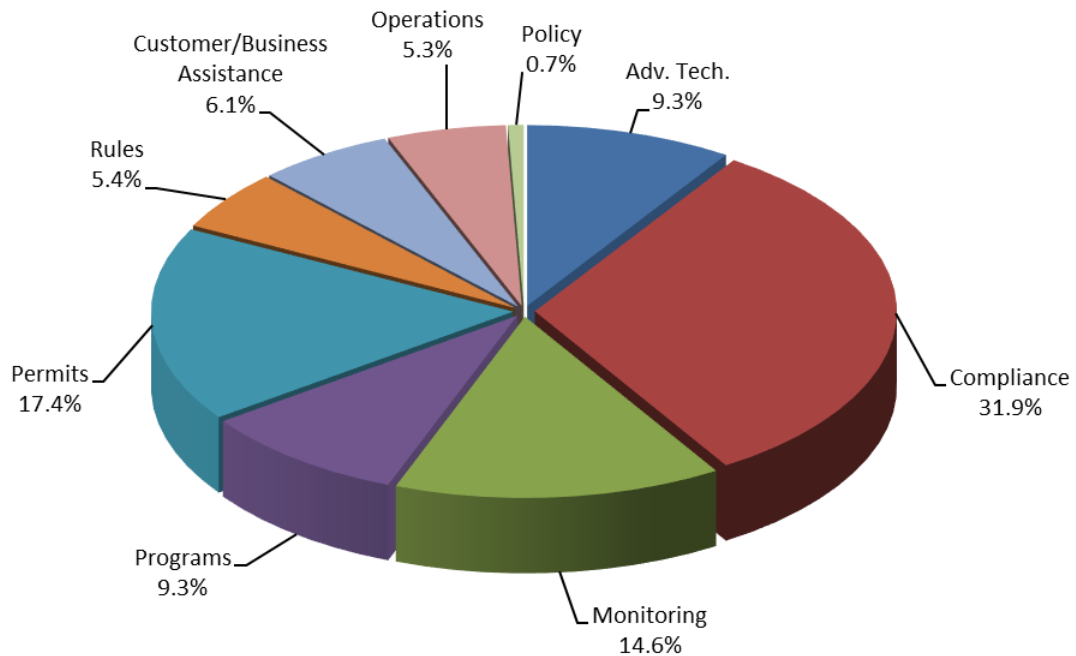
Expenditures

Work Program

South Coast AQMD expenditures are organized into nine Work Program Categories: Advance Clean Air Technology; Ensure Compliance with Clean Air Rules; Customer Service and Business Assistance; Develop Programs to Achieve Clean Air; Develop Rules to Achieve Clean Air; Monitoring Air Quality; Operational Support; Timely Review of Permits; and Policy Support. Each category consists of Work Programs, or activities, which are classified according to the nature of the activity being performed.

Each Work Program ties to the goals and objectives of the agency and identifies resources, performance measures/outputs, and legal mandates. A complete description of each program category along with a detailed work program sorted by program is included in the Goals and Priority Objectives and Work Program section. The following pie chart represents the budgeted expenditures by Program Category for FY 2021-22.

Work Program Category Expenditures



The following table compares South Coast AQMD Work Program expenditures by category for the FY 2020-21 adopted budget and FY 2021-22 proposed budget.

Work Program Categories	FY 2020-21 Adopted Budget	FY 2021-22 Proposed Budget
Advance Clean Air Technology	\$14,581,483	\$16,662,843
Customer Service and Business Assistance	12,035,187	10,903,032
Develop Programs to Achieve Clean Air	13,561,091	16,722,332
Develop Rules to Achieve Clean Air	9,871,502	9,713,071
Ensure Compliance with Clean Air Rules	56,299,951	57,377,234
Monitoring Air Quality	25,853,696	26,336,839
Operational Support	9,037,236	9,569,399
Policy Support	1,174,207	1,259,631
Timely Review of Permits	30,574,628	31,339,022
Total	\$172,988,981	\$179,883,403

Note: Fully burdened expenditures based on the Cost Allocation Schedule

Account Categories

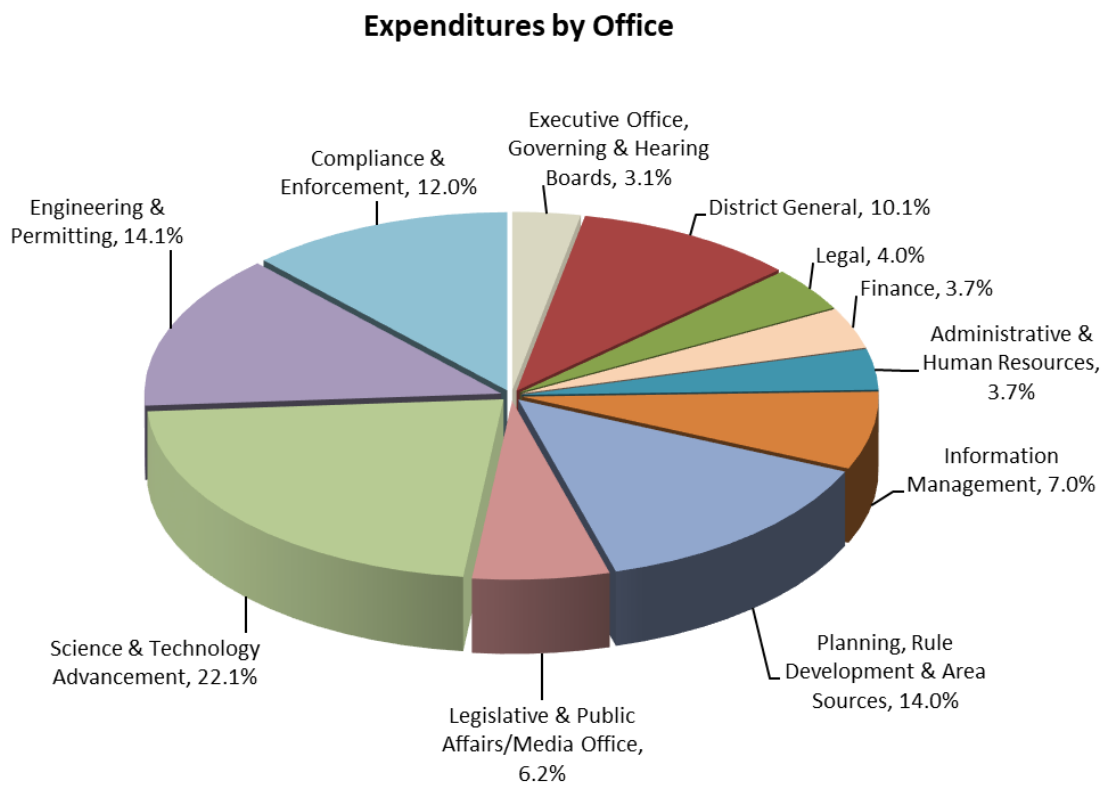
The following table compares the FY 2020-21 adopted budget and the FY 2020-21 amended budget to the proposed budget for FY 2021-22 by account category. The FY 2020-21 amended budget includes the Board-approved mid-year adjustments through February 2021.

Account Description	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget¹	FY 2021-22 Proposed Budget
Salaries/Benefits	\$140,750,642	\$140,763,607	\$146,228,481
Insurance	1,449,140	1,474,140	1,449,140
Rents	805,123	1,088,640	804,123
Supplies	3,265,442	3,746,065	3,302,458
Contracts and Services	10,656,863	13,150,445	11,145,047
Maintenance	1,813,343	2,270,010	1,837,949
Travel/Auto Expense	945,323	1,107,325	916,823
Utilities	1,989,620	1,869,630	1,967,620
Communications	907,800	949,865	898,884
Capital Outlays	926,000	1,702,487	1,850,000
Other	1,444,783	1,586,319	1,448,283
Debt Service	7,193,549	7,193,549	7,193,242
Transfers Out	841,353	1,276,989	841,353
Total	\$172,988,981	\$178,179,071	\$179,883,403

¹ Includes Board approved changes through February 2021

As mentioned previously, the proposed budget for FY 2021-22 represents an approximately \$1.7 million increase in expenditures from the FY 2020-21 amended budget. The FY 2020-21 amended budget includes mid-year increases associated with the following: monitoring equipment and vehicles for the implementation of the Rule 1180 Community and Enhanced Monitoring Program, legal counsel for specialized, environmental, and other litigation, outreach efforts for the elementary school education program, staff, services and supplies and capital outlays for critical projects and programs, and grant-related expenditures offset by revenue.

The following pie chart represents budgeted expenditures by Office for FY 2021-22.

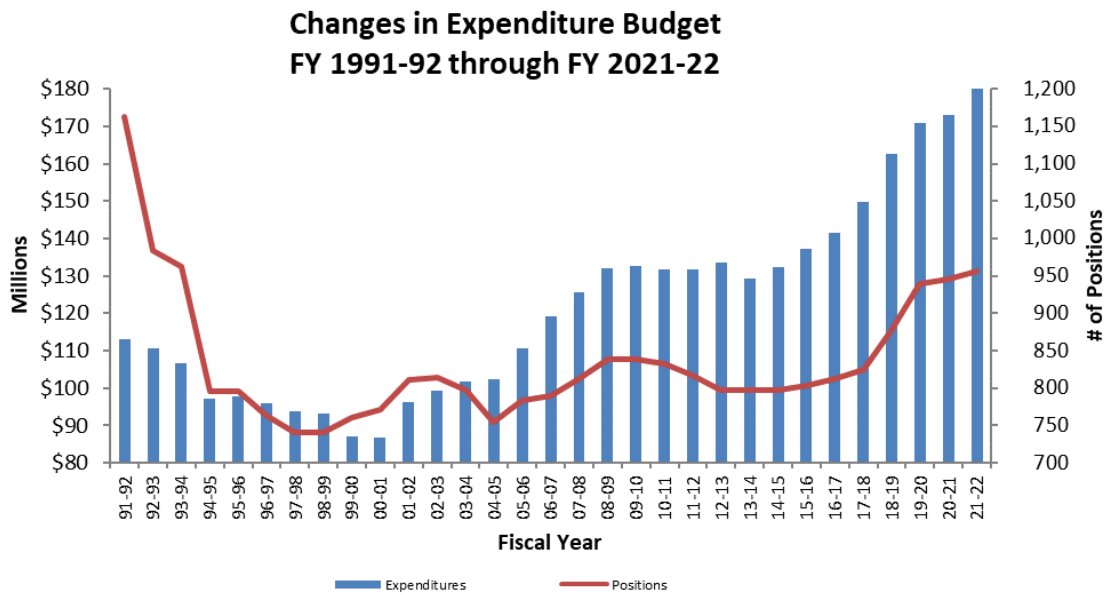


Budget Strategy

Over the years, South Coast AQMD has focused on streamlining many of its operations while still meeting its program commitments despite new federal and state mandates and increased workload complexity. The focus has been, and continues to be, on reducing or maintaining expenditure levels in the Major Object of Services and Supplies and maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted, or be unfunded whenever possible. In FY 2017-18, South Coast AQMD began to receive funding from the California Air Resources Board under AB 617 to reduce exposure in neighborhoods most impacted by air pollution as well as funding under the AB 134 Community Air Protection Fund. In FY 2019-20, South Coast AQMD began receiving funding through the California Air Resources Board under the Volkswagen Mitigation Settlement Agreement. These new programs, resulting

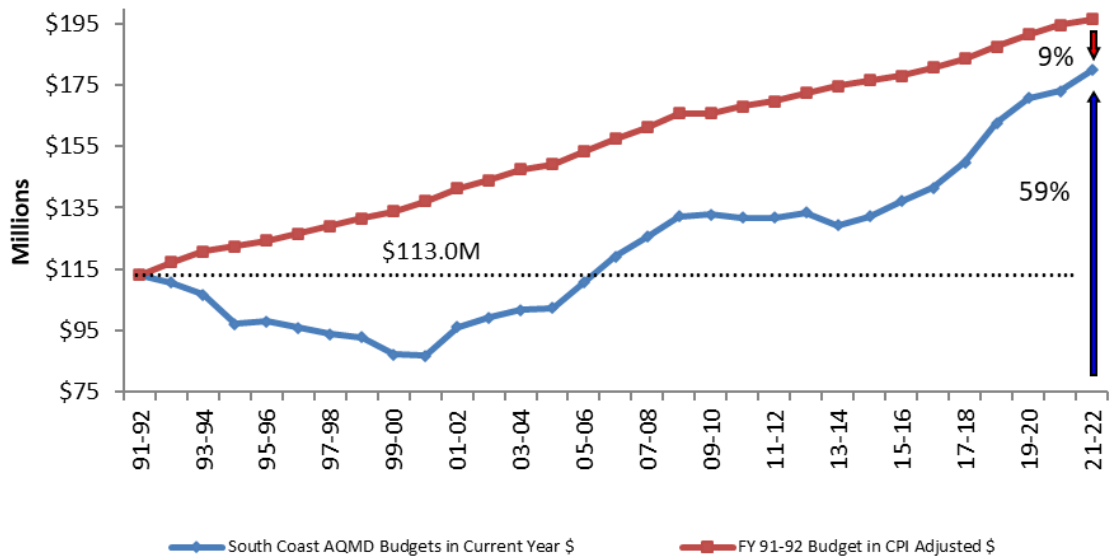
in additional funding sources, has increased South Coast AQMD’s workload substantially. Nonetheless, South Coast AQMD continues to focus on the efficient use of its resources. South Coast AQMD performs an on-going review of revenues, expenditures, and staffing levels and regularly presents results to the Board. The proposed vacancy rate for FY 2021-22 is 13%, which remains the same as the rate for the FY 2020-21 amended budget.

The following charts show South Coast AQMD’s staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2021-22 reflects a staffing level of 957 FTEs. This staffing level is 18% (206 FTEs) below the FY 1991-92 level.



The FY 2021-22 proposed budget is 59% higher when compared to the FY 1991-92 adopted budget of \$113 million. However, after adjusting the FY 1991-92 adopted budget for CPI over the last 29 years, the FY 2021-22 proposal is 9% lower.

Inflation Impact on South Coast AQMD Budgets FY 1991-92 through FY 2021-22



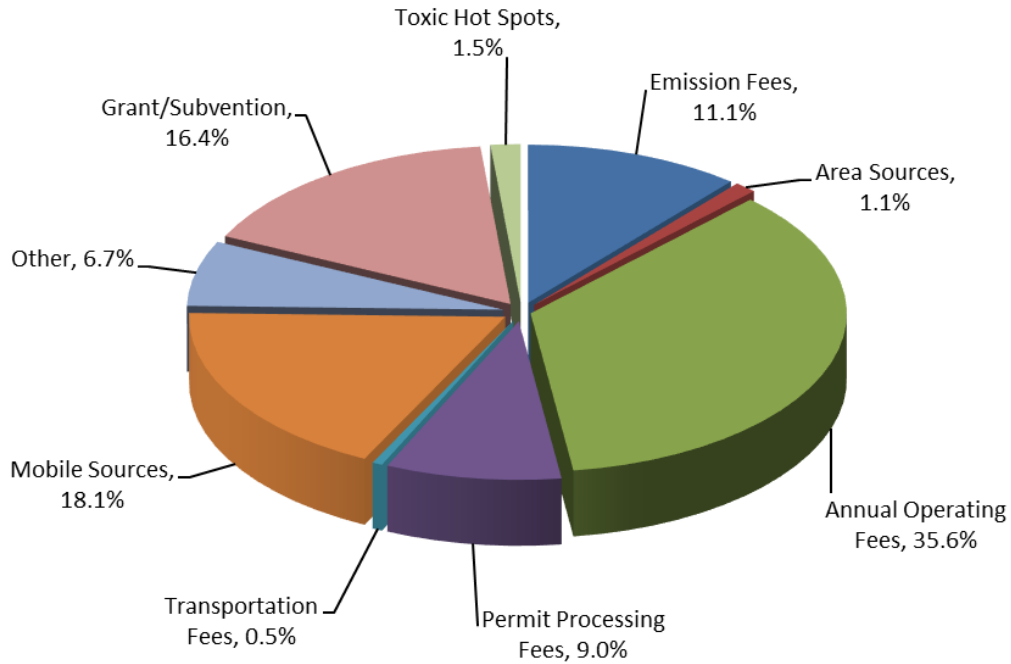
Note: CPI adjustment based on California Consumer Price Index for the preceding Calendar Year

Revenues

Revenue Categories

Each year, in order to meet its financial needs, the South Coast AQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, permit processing fees, toxic “Hot Spots” fees, area sources fees, source test/analysis fees, and transportation plan fees. In FY 2021-22, these fees are projected to generate approximately \$106.5 million or 59% of South Coast AQMD revenues; of this \$106.5 million, \$100.1 million or 56% of South Coast AQMD’s projected revenues are from stationary sources. Other sources, which include penalties/settlements, Hearing Board fees, interest, and miscellaneous income, are projected to generate approximately 6% of total revenues in FY 2021-22. The remaining 35% of revenue is projected to be received in the form of federal and state grants, California Air Resources Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning in Fiscal Year 1978-79, the South Coast AQMD became a fee supported agency no longer receiving financial support from property taxes. The following pie chart represents revenues by Major Category for the proposed FY 2021-22 budget.

Revenues by Major Category



The following table compares the FY 2020-21 adopted revenue budget and the FY 2020-21 amended revenue budget to the proposed revenue budget for FY 2021-22. The FY 2020-21 amended revenue budget includes Board-approved mid-year changes through February 2021.

Revenue Description	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget ¹	FY 2021-22 Proposed Budget
Annual Operating Emission Fees	\$ 20,300,062	\$ 20,300,062	\$ 19,955,890
Annual Operating Permit Renewal Fees	60,881,370	60,881,370	64,041,550
Permit Processing Fees	19,744,260	19,744,260	16,141,800
Portable Equipment Registration Program	1,000,000	1,000,000	1,000,000
Area Sources	2,000,000	2,000,000	2,056,000
Grants/Subvention	24,706,150	26,549,604	29,534,960
Mobile Sources	29,489,697	29,489,697	32,470,096
Transportation Programs	950,500	950,500	934,900
Toxic Hot Spots	2,891,580	2,891,580	2,750,170
Other ²	7,847,962	7,847,962	6,790,637
Transfers In	3,177,400	4,528,400	4,207,400
Total	\$172,988,981	\$176,183,435	\$179,883,403

¹ Includes Board approved changes through February 2021

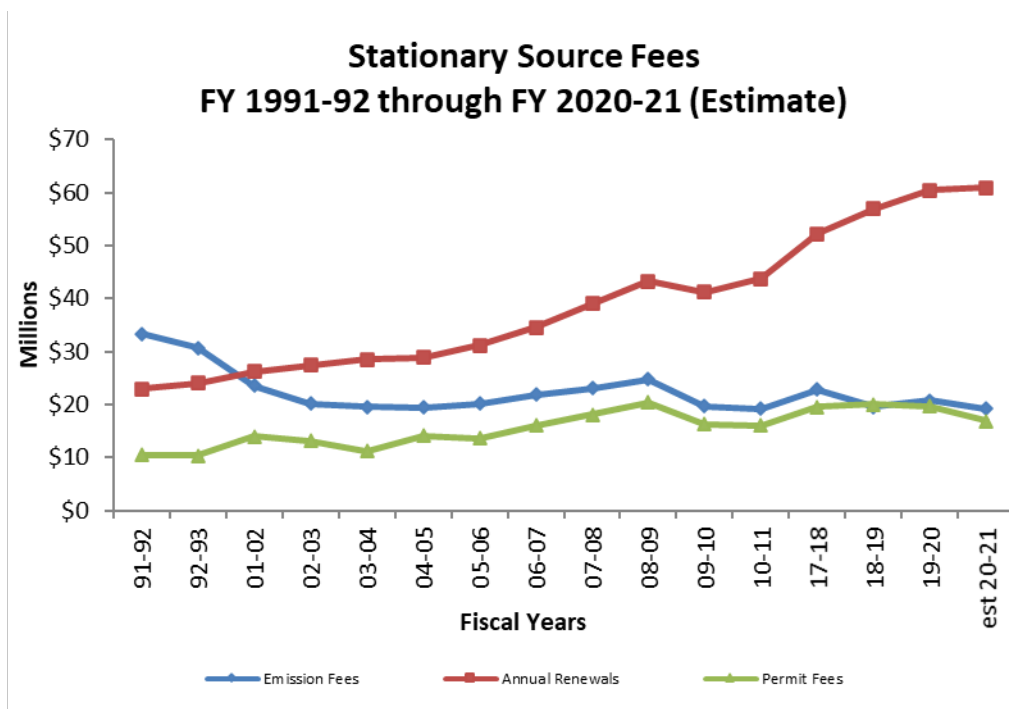
² Includes revenues from Interest, Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Subscriptions, and Other

Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions-based fees) collected from stationary sources has increased by about 45% from \$66.8 million in FY 1991-92 to \$97.0 million (estimated) in FY 2020-21. When adjusted for inflation however, stationary source revenues have decreased by 13% over this same period.

Mobile source revenues that are subvended to the South Coast AQMD by the Department of Motor Vehicles (DMV) are projected to increase from the FY 2020-21 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects reimbursements of incentive programs (Clean Fuels, Carl Moyer, Prop 1B, VW Mitigation and AB 134) whose contract activities and revenues are recorded in special revenue funds (outside the General Fund). These incentive program costs incurred by the General Fund are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected under the Mobile Source revenue category.

Revenues from the federal government (Environmental Protection Agency, Department of Homeland Security, and Department of Energy) are projected to increase in FY 2021-22 from FY 2020-21 budgeted levels reflecting the anticipated level of federal funding from one-time and on-going grants in support of air quality efforts. State Subvention funding is expected to remain at the current level for FY 2020-21. Finally, the AB 617 Community Air Protection Program implementation funding from CARB is budgeted at a higher level than the FY 2020-21 budget.

The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on South Coast AQMD fee authority) to estimated revenues for FY 2020-21.



Debt Structure

Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the South Coast AQMD in December 1995. In June 2004 the South Coast AQMD went out separately and issued pension obligation bonds to refinance its respective obligation to the San Bernardino County Employee's Retirement Association (SBCERA) for certain amounts arising as a result of retirement benefits accruing to members of the Association.

The annual payment requirements under these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2022	4,006,881	3,186,361	7,193,242
2023	3,780,000	348,736	4,128,736
2024	4,010,000	118,897	4,128,897
Total	\$11,796,881	\$3,653,994	\$15,450,875

Fund Balance

South Coast AQMD is projecting an Unreserved (Unassigned) Fund Balance for June 30, 2022 of \$62,096,338 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2021-22.

Classification	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$ 13,200,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	234,159
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$ 19,429,673

Reserves are portions of the fund balance set aside for future use and are therefore not available for appropriation. These funds are made-up of encumbrances which represent the estimated amount of current and prior years' purchase orders and contract commitments at year-end and inventory which represents the value at cost of office, computer, cleaning and laboratory supplies on hand at year-end.

Unreserved Designations in the fund balance indicate plans for use of financial resources in future years. The Designation for Enhanced Compliance Activities provides funding for inspection/compliance efforts. The Designation for Other Post Employment Benefit Obligations (OPEB) provides funding to cover the current actuarial valuation of the inherited OPEB obligation for long-term healthcare costs from the County of Los Angeles resulting from the consolidation of the four county Air Pollution Control Districts (APCDs). The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. South Coast AQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment.

Long-Term Projection

South Coast AQMD continues to face a number of challenges in the upcoming years, including the economic impact from the COVID-19 pandemic, continued higher operating costs, the need for major information technology and building infrastructure improvement projects with the aging of our headquarters building, and growing program commitments while meeting air quality goals and permit processing targets. Recruiting, training and retaining the high level of technical staffing expertise necessitated by the Community Air Protection Program established in 2017 under AB 617, the Volkswagen Mitigation Settlement Projects, the Refinery Fenceline Air Monitoring Plans under Rule 1180, and additional incentive funding under AB 134, as well as for South Coast AQMD's ongoing projects and programs, will continue to be a challenge further complicated by COVID-19 and the retirement of current, long-term staff.

Increasing retirement costs and any future actions SBCERA may take due to financial market fluctuations which could significantly impact South Coast AQMD's level of expenditures remains a primary uncertainty. Any legislative action that may impact the level of federal and state funding from grant awards, particularly AB 617 funding, and subvention funds is another unknown that must be considered as South Coast AQMD plans for the future. Cost recovery within the constraints of Proposition 26 is an additional uncertainty as South Coast AQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, South Coast AQMD has a five year plan in place that provides for critical infrastructure improvement projects, maintains a stable vacancy rate in order to maximize cost efficiency, better aligns program revenues with costs, and strives to keep the percentage of unreserved fund balance to revenue within the Governing Board policy of 20%.

The following table, outlining South Coast AQMD's financial projection over this time period, shows the agency's commitment to meet these challenges and uncertainties while protecting the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. Starting in FY 2023-24, South Coast AQMD will realize a \$3.1M savings in Pension Obligation Bond payments.

Fiscal 2020-21 Estimate and Five Year Projection (\$ in Millions)						
	FY 20-21 Estimate	FY 21-22 Proposed	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected
STAFFING	949	957	957	957	957	957
REVENUES/TRANSFERS IN*	\$171.3	\$179.9	\$178.8	\$183.0	\$182.9	\$182.4
EXPENDITURES/TRANSFERS OUT	\$175.2	\$179.9	\$187.5	\$188.2	\$192.1	\$191.1
Change in Fund Balance	(\$3.9)	-	(\$8.7)	(\$5.2)	(\$9.2)	(\$8.7)
UNRESERVED FUND BALANCE (at year-end)	\$68.2	\$68.2	\$59.5	\$54.3	\$45.1	\$36.4
% of REVENUE	39%	38%	33%	30%	25%	20%
* FY 2020-21 does not include a projected CPI fee increase of 2.8% due to COVID-19; FY 2021-22 has a projected CPI increase of 1.7% and restoration of the FY 2020-21 CPI fee increase; CPI fee increases are projected as follows: FY 2022-23 – 2.8%, FY 2023-24 – 3.2%, FY 2024-25 – 3.1%, and 2025-26 – 3.0%.						

As part of the Five-Year Projection, South Coast AQMD has identified projected building maintenance and capital outlay improvement projects for its headquarters building. These projects are outlined in the following chart. In addition, the Infrastructure Improvement Special Revenue Fund was created with unanticipated one-time revenues from the General Fund for some of the capital outlay building-related improvement projects.

GENERAL FUND POTENTIAL BUILDING MAINTENANCE and CAPITAL OUTLAY PROJECTS FY 2021-22 through 2025-26
Child Care Building Roof Replacement
Patio Crack and Joint Sealing
Carpet Installation 3rd Floor
Atrium and Building Expansion Joint Waterproofing
Concrete Repair in East Courtyard & Pedestrian Areas
Guard Shack Replacement
Cafeteria Exhaust Equipment Upgrade/Replacement
Fire Life Safety System Upgrade
Air Handler Mechanical Systems Upgrade/Fan Wall Installation
Irrigation System Renovation
Building Window and Structural Joint Sealing
Saw Tooth Lab Roof Refurbishment
Parking Lot Repair and Reseal
Leibert AC Units Replacement/Data Center Enhancements
Pneumatic Controls to DDC (Direct Digital Control) Conversion
Roofing Surface Recoat
Child Care Playground Renovation
Restroom and Copy/Coffee Sink and Counter Tops Replacement
Landscape Renovation
Automatic Transfer Switch Upgrade
Building Lighting Controls Upgrade
Retrofit Fluorescent Down Lighting (LED)
Door Replacement 2 North (Administration)
Restroom Panels Refurbishment/Replacement
Conference Center Paint and Wallpaper
Computer Room UPS System Upgrade
Parking Lot Lights to LED Conversion
Aging Kitchen Equipment Replacement
Building Interior Repaint
VCT Tiles Replacement (Various Areas)
Vinyl Wall Covering Replacement (Various Areas)
Emergency Generator Upgrade
Building Energy Management System Upgrade

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
PROPOSED GOALS AND PRIORITY OBJECTIVES
FOR FY 2021-2022**

MISSION STATEMENT

“To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.”

GOALS AND PRIORITY OBJECTIVES

The following Goals and Priority Objectives have been identified as being critical to meeting South Coast AQMD’s Mission in Fiscal Year 2021-22.

GOAL I. Achieve Clean Air Standards.

Priority Objective		Performance Indicator	Performance Measurement
1	Development and Implementation of Air Quality Management Plans	Adherence to development, adoption and implementation schedules for rules related to Air Quality Management Plans.	Complete 6 rule adoptions and/or actions that result in achievements towards 2016 AQMP emissions reductions. Hold at least 4 AQMP advisory group meetings for 2022 AQMP development. Issue draft 2022 AQMP by Fall 2021.
2	Secure Incentive Funding for Emissions Reduction	Dollar amount of new funding sources for pollution reduction projects.	Secure \$250 million of new funding sources.
3	Implementation of AB 617 in Designated Communities	Develop air monitoring and emissions reduction plans for the 2020-designated community. Implement plans for each of the 5 communities designated in 2018 and 2019.	. Implementation of air monitoring and emissions reduction plans for the five communities designated in 2018 and 2019, and development of these plans for the 1 new community.
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the South Coast AQMD air monitoring network for NAAQS pollutant before U.S. EPA deadline.	Achieve acceptable valid data completion submitted to U.S. EPA before deadline.
5	Ensure Timely Inspections of Facilities	Total number of Title V Inspections completed annually.	Complete 100% Title V Inspections.
6	Maintain progress in reducing the permit applications inventory	Number of pending permit applications.	Maintain pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications at or near 3,000.
7	Support Development of Cleaner Advanced Technology	Amount of Clean Fuels Program projects funded.	Fund \$10 Million of Clean Fuels program projects with a 1:4 leveraging ratio.
8	Incentive Programs	% of grant money executed in contracts.	50% of grant money contracted within six months after receipt of funds.

GOAL II. Enhance Public Education and Equitable Treatment for All Communities.

Priority Objective		Performance Indicator	Performance Measurement
1	Evaluation of Low Cost Air Quality Sensors	Evaluation and posting of results of low cost air quality sensors that have reached the market.	Evaluate and post results of 75% of sensors that have reached the market.
2	Outreach	Number of large community outreach events conducted in each County and effective information distribution for South Coast AQMD programs that achieve clean air.	Conduct/participate in 1 large community outreach event per quarter, including 1 in each County starting 6 months after it is safe to have large gatherings. Develop and implement SOPs to provide information to the public as quickly and accurately as possible.
3	Timely Investigation of Community Complaints	Initiate complaint investigation within 2 hours of complaint receipt.	During normal South Coast AQMD business hours, contact 90% of complainants within 2 hours of complaint receipt.
4	Social Media Efforts	Percentage increase in number of social media followers as well as increase audience engagement through impressions (views) of shared information via outreach on South Coast AQMD events, programs and major incidents. Contract with an outside consultant to form an internal committee to develop social media recommendations for Board approval.	15% to 20% increase in social media followers. Continue efforts to increase impressions and engagement on posts and/or campaigns with a monthly average goal of 2,400 Instagram impressions /8,000 impressions Facebook impressions/48,000 Twitter impressions on posts. Present recommendations to the Board.
5	School Educational Outreach	Number of high schools participating in the air quality education program in environmental justice communities. Develop materials for other grade levels	Provide curriculums to 100 high schools throughout the 4 Counties in environmental justice communities and teach at schools as requested when schools are back in session. Develop air quality teaching materials for schools.

GOAL III. Operate Efficiently and Transparently.

Priority Objective		Performance Indicator	Performance Measurement
1	Ensure Transparent Governance	Percentage of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.	100% of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.
2	Ensure Transparent Governance	Percentage of Stakeholder and Working Group meeting agendas with materials made available prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public three days prior to the meeting.
3	Maintain a Well Informed Staff	Number of staff information sessions offered and conducted.	Conduct 12 equity related events and 6 information sessions/training sessions on other topics for all staff.
4	Partner with Public Agencies, Stakeholder Groups, & Business Community	Number of meetings with Permit Streamlining Task Force subcommittee and stakeholders.	Conduct 2 meetings of the Permit Streamlining Task Force subcommittee and stakeholders
5	Timely Financial Monitoring	Timely budgetary financial reporting.	Submit quarterly budgetary financial reports to the Governing Board within 6 working days of the end of the quarter for quarters 1-3. Submit the 4 th quarter report within 6 working days of the end of July.
6	Employee Affinity Groups	Support Employee Affinity Groups	Establishment of Employee Affinity Groups; development of goals and objectives of these groups in alignment with agency priorities
7	Training and Development	Develop job related equity professional development training that increases staff's awareness and cultural competency.	Conduct one training/activity per quarter

BOARD MEETING DATE: May 7, 2021

AGENDA NO.

PROPOSAL: Execute Contract to Upgrade Real-time Public Alerts of Hydrogen Sulfide Events in the Coachella Valley

SYNOPSIS: In response to odor events related to the Salton Sea, South Coast AQMD began continuous measurements of hydrogen sulfide (H2S) at two Coachella Valley locations in November 2013. In 2017, South Coast AQMD contracted with Sonoma Technology, Inc. (STI) to implement an automated real-time email and text alert system to provide H2S exceedance notifications. To better capture H2S events, up to three additional H2S monitors are planned for the region. This action is to execute a contract with STI to perform technical upgrades, integrate data from additional monitors, and maintain a real-time alert system for H2S in the Coachella Valley at a cost not to exceed \$77,300 from the AES Settlement Projects Fund (35).

COMMITTEE: Administrative, April 9, 2021, Reviewed

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a sole-source contract with Sonoma Technology, Inc. at an initial cost not to exceed \$24,500 with an option to renew the annual operation support at an annual cost not to exceed \$16,000 in each of the next three years and an option to integrate data from up to three additional stations at a cost of \$1,600 per station for a total of \$77,300 over four years from the AES Settlement Projects Fund (35). The contractor will perform technical upgrades, integrate data from additional monitors, and maintain a public alert system to provide automated alerts for H2S.

Wayne Natri
Executive Officer

SR:JKG:SE:MEB

Background

Following a widespread hydrogen sulfide (H₂S) odor event in 2012, South Coast AQMD started continuous H₂S measurements at two locations in the Eastern Coachella Valley in 2013 to improve our understanding of the processes that lead to odors and to better communicate odor events to the public.

H₂S is a product of anaerobic organic decay at the bottom of the shallow Salton Sea that occurs throughout the year and smells like rotten eggs. This process is especially active in the summer months with the abundant desert sunlight and heat. Shifting winds cause H₂S to be released from the Salton Sea and transported to communities in the Eastern Coachella Valley. While severe events like that of September 2012 are uncommon, less-extreme releases of H₂S frequently cause odors in areas near the Salton Sea. In each of the last three years (2018 – 2020), there were between 22 and 50 days where the H₂S levels at one or more stations in the Coachella Valley exceeded the 30 parts-per-billion California State H₂S standard.

Under a contract executed in 2017, Sonoma Technology, Inc. (STI) implemented a real-time H₂S alert system that uses data from two H₂S monitors maintained by South Coast AQMD. These monitors are located in Mecca and at a site along the northern shore of the Salton Sea. The previous contract included implementation of web interfaces for subscribers, as well as the administration of the subscription services and operational support.

Proposal

Staff proposes a sole-source contract with Sonoma Technology, Inc. (STI), the contractor responsible for the development of our current real-time H₂S alert system, to continue maintaining the system and implement upgrades to improve reliability and uptime. The automated alerts are available via email with subscriber signups through a web interface. The initial cost for the first year of maintenance and to facilitate the required upgrades will not exceed \$24,500 with an option to renew the annual operational maintenance support at an annual cost not to exceed \$16,000 in each of the next three years and an option to add up to three new monitoring stations at a cost of \$1,600 per station. The total cost over four years is \$77,300 if the annual operational maintenance support contract is renewed each year and data from three additional monitoring stations is integrated into the web interface

The AES Settlement Project Funds (35) recommended for funding this effort are not restricted by applicable statutes or the settlement agreement and; this fund was used for the initial contract with STI in 2017, with a total amount of \$78,000 over four years. Prior to the STI contract, the Board had used this fund for fleet rules, but the funds can be directed to other projects, with Board approval.

Sole Source Justification

Section VIII, B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole-source award may be justified for non-federally funded procurement.

The request for a sole-source contract for the upgrade and operational support of a real-time H2S alert system is made under Section VIII, B.2.c.1 of the Procurement Policy and Procedure which states: Except for contracts funded in whole or in part with federal funds, written justification for a sole-source award must be provided documenting that the desired services are available from only the sole-source based upon one or more of the following reasons: (1) The unique experience and capabilities of the proposed contractor or contractor team.

Sonoma Technology, Inc. (STI) has unique experience and capabilities for upgrading and maintaining the H2S alert system due to their experience developing and operating the system in this location for the past four years.

Resource Impacts

Funds for this contract have been identified in the AES Settlement Projects Fund (35). This contract will require staff oversight, but is not expected to have other fiscal impacts.

BOARD MEETING DATE: May 7, 2021

AGENDA NO.

PROPOSAL: Establish a List of Prequalified Counsel to Represent and Advise SCAQMD on Legal Matters Related to Environmental Law and General Governmental Matters.

SYNOPSIS: On January 8, 2021 the Board approved issuance of an RFP to pre-qualify outside counsel having expertise in the California Environmental Quality Act, South Coast AQMD rulemaking and planning procedures, administrative law, general governmental law, and related issues for the South Coast AQMD. The evaluation of responding firms has been completed. This action is to establish two lists of prequalified counsel—one to represent South Coast AQMD in environmental law matters and one to represent South Coast AQMD in general governmental matters.

COMMITTEE: Administrative, April 9, 2021; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve the firms *Shute, Mihaly & Weinberger, LLP; Halpern, May, Ybarra Gelberg LLP, and Woodruff, Spradlin & Smart* as prequalified law firms having expertise in the California Environmental Quality Act, South Coast AQMD rulemaking and planning procedures, issues relating to statute and rule interpretation, air quality laws, and complex environmental litigation, that General Counsel may use to represent the South Coast AQMD in future litigation and for advice.
2. Approve the firms *Shute, Mihaly & Weinberger, LLP, Best, Best & Krieger, LLP, and Woodruff, Spradlin & Smart* as prequalified law firms having expertise in the Brown Act, administrative law, representation of government agencies, constitutional issues, and general governmental matters to provide representation and advice as required by the South Coast AQMD.
3. Authorize the Chairman of the Board or the Executive Officer, depending on whether the amount exceeds \$100,000, to execute contracts with any of the above-named firms, as the need arises, for a total not to exceed amounts authorized in the budget or by subsequent Board action annually for up to three years.

Wayne Nastri
Executive Officer

Background

On January 8, 2021, the Board approved issuance of an RFP for up to \$250,000 for the South Coast AQMD to solicit proposals from outside litigation counsel having particular expertise and experience in the California Environmental Quality Act, South Coast AQMD rulemaking and planning procedures, issues relating to statute and rule interpretation, air quality laws, administrative law, representation of government agencies, constitutional issues, the Brown Act, general governmental matters, and complex environmental litigation. In the past, the South Coast AQMD has faced, and likely will face in the future, litigation and other matters requiring such specialized expertise. A rapid response is needed in such situations, and it is not possible to go through the RFP process as new cases arise. Establishing prequalified lists ensures that South Coast AQMD can quickly select counsel for representation as needed.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin. Also, potential bidders were notified by sending notification to various individual law firms and bar associations.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Evaluation

Bid responses for the Environmental Law RFP were received from nine (9) law firms. A summary of the responses is provided in Attachment A. An evaluation panel was convened to evaluate proposals for the General Counsel's office. The South Coast AQMD panel consisted of three South Coast AQMD employees: three General Counsel attorneys; one male, two females; one African American, one Caucasian, and one Asian.

Proposal

Establish two lists for the South Coast AQMD, valid from May 7, 2021, through May 31, 2024, of prequalified outside counsel for advice and representation in areas related to environmental law and general governmental law.

For the South Coast AQMD (Environmental):

Shute Mihaly & Weinberger LLP
Halpern May Ybarra Gelberg LLP
Woodruff Spradlin & Smart

For the South Coast AQMD (General):

Shute Mihaly & Weinberger LLP
Best, Best & Krieger, LLP
Woodruff Spradlin & Smart

Resource Impacts

Sufficient funds exist in the annual budget for fiscal year 2020-21 and the proposed budget for 2021-22 for outside counsel, which may be allocated to one or more selected contractors as the need arises based on future litigation, the availability of counsel, and the needs of the South Coast AQMD. Selection may also be made for occasional assignments in subject areas of the firms' expertise that do not involve litigation.

Attachment

A – Summary of Responses to RFP #2021-03

ATTACHMENT A

RFP #2021-03
(CEQA / Environmental Law)

BIDDER	LOCAL FIRM	BID AMOUNT (per hour)	TOTAL POINTS
Shute Mihaly & Weinberger LLP	N	\$405	106
Halpern May Ybarra Gelberg LLP	Y	\$600	97
Woodruff Spradlin & Smart	Y	\$425	97
Best Best & Krieger, LLP	Y	\$350	93
Duncan, Weinberg, Genzer, & Pembroke, P.C.	N	\$420	82
Kaufman Legal Group	Y	\$455	80
Hahn & Hahn	Y	\$595	80
Sloan, Sakai, Yeung & Wong	N	\$400	78
KTBS Law, LLP	N	\$1445	60

RFP #2021-03
(General Governmental)

BIDDER	LOCAL FIRM	BID AMOUNT (per hour)	TOTAL POINTS
Shute Mihaly & Weinberger LLP	N	\$405	106
Best Best & Krieger, LLP	Y	\$350	102
Woodruff Spradlin & Smart	Y	\$425	96
Kaufman Legal Group	Y	\$455	90
Sloan, Sakai, Yeung & Wong	N	\$350	87
Duncan, Weinberg, Genzer, & Pembroke, P.C.	N	\$420	78
Halpern May Ybarra Gelberg LLP	Y	\$600	78
Hahn & Hahn	Y	\$595	78
KTBS Law, LLP	N	\$1445	54



South Coast Air Quality Management District

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(909) 396-2000 • www.aqmd.gov

Item 13

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, FEBRUARY 12, 2021 MEETING MINUTES

MEMBERS PRESENT:

Mayor Pro Tempore Ben Benoit, LGSBA Chairman (Board Member)
Supervisor Janice Rutherford (Board Member)
Felipe Aguirre
Mayor Rachelle Arizmendi, City of Sierra Madre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation Districts

MEMBERS ABSENT:

LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.

OTHERS PRESENT:

Mark Abramowitz
Harvey Eder, Public Solar Power Coalition
Frank Forbes
Thomas Gross, Board Member Consultant (*Benoit*)
Debra Mendelsohn, Board Member Consultant (*Rutherford*)
Dan McGivney, SoCal Gas
Mark Taylor, Board Member Consultant (*Rutherford*)

SOUTH COAST AQMD STAFF:

Jill Whynot, Chief Operating Officer
Derrick Alatorre, Deputy Executive Officer
Anissa Heard-Johnson, Deputy Executive Officer
Sarah Rees, Deputy Executive Officer
Victor Yip, Assistant Deputy Executive Officer
Daphne Hsu, Senior Deputy District Counsel
Mark Henninger, Information Technology Manager
Zorik Pirveysian, Planning & Rules Manager
Hugh Heney, Air Quality Analysis & Compliance Supervisor
Brian Roche, Systems & Programming Supervisor
Anthony Tang, Information Technology Supervisor

Van Doan, Air Quality Specialist
Elaine-Joy Hills, Air Quality Specialist
Paul Wright, Senior Information Technology Specialist

Agenda Item #1 - Call to Order/Opening Remarks

Supervisor Janice Rutherford called the meeting to order at 11:30 a.m.

Agenda Item #2 – Approval of January 15, 2021 Meeting Minutes/Review of Follow-Up/Action Items

Supervisor Rutherford called for approval of the January 15, 2021 meeting minutes. The minutes were approved unanimously.

Agenda Item #3 – Review of Follow Up/Action Items

Mr. Alatorre provided a response to the action items from the previous meeting and indicated that these items will be addressed during today's Air Quality Management Plan (AQMP) presentation.

Agenda Item #4 – Update on recent Air Quality Management Plan (AQMP) Related Activities

Mr. Zorik Pirveysian provided an update of the South Coast Air Basin Attainment Plan for the 2006 24-hour Particulate Matter_{2.5} (PM_{2.5}) Standard, the Coachella Valley Extreme Area Plan for the 1997 8-hour Ozone Standard, and the 2022 AQMP development.

Mr. David Rothbart indicated that the 2016 AQMP described incentive funding needed to achieve emissions reductions. He stated that federal sources are unlikely to be clean enough to get to attainment and expressed concern about the unintended consequences of Section 185 of the Clean Air Act (CAA) that would be placed on major stationary sources for non-attainment. Mr. Rothbart indicated that Rule 317 – Clean Air Act Non-Attainment Fees might not be able to offset future penalties and would like to know how it would be possible to maintain the ability to avoid those consequences. Additionally, the California Air Resources Board (CARB) has a focus on electrification of all sources; however, it might not occur quickly enough for attainment. It appears that CARB is not looking at transition fuels and technology for immediate emissions reductions and would like to find ways to continue discussions with CARB to foster transition fuels and achieve reductions as soon as possible. Mr. Pirveysian stated that the 2016 AQMP specified a reduction of 108 tons/day of nitrogen oxide (NO_x) by 2023, which is a challenge and needs regulations or programs to achieve it. Subsequently, there was a Contingency Measures Plan (CMP) to address the 108 tons/day NO_x reduction. The CMP specified requirements for South Coast Air Quality Management District (South Coast AQMD), CARB, and the Environmental Protection Agency (EPA). Approximately 60-70 tons/day were identified to be from federal sources, such as ocean-going vessels, aircrafts, and trucks, to achieve that level of reductions. Without those emissions reductions, it would be impossible to demonstrate attainment. There is a fee equivalency provision in Rule 317 allowing offset so that the major sources don't have to pay the fee. There must be a reductions surplus to demonstrate equivalency on money spent on projects that would offset fees that major sources have to pay. In terms of near-term reductions as part of the mobile source strategies, CARB is in the process of updating the mobile source strategy and will have additional short-term reductions, such as maintenance or other programs. Dr. Sarah Rees indicated that South Coast AQMD continues to raise this issue with EPA and there are ongoing discussions. As for CARB, there is a change in leadership and we will continue to have discussions on the need to get to near-zero and on how to achieve immediate reductions. Mr. Rothbart commented on the focus on electrification and offered assistance, if needed.

Mr. Bill LaMarr expressed support for Mr. Rothbart's comments and recommended to communicate with the new administration and EPA to address sources in their jurisdiction so that businesses are not affected by Section 185. Mr. Alatorre indicated there is an ongoing effort to alert Congress of upcoming mandates and ask for assistance when needed, such as incentive funding or authority. Mr. LaMarr stated that it's only been one month since the inauguration and that previous visits were prior to that and asked

what could be done now. Mr. Alatorre replied that there is ongoing communication and the earliest return to Washington D.C. would be later this year. Chair Benoit asked to check if congressional members and the administration representatives are open to other types of meetings and suggested having virtual meetings with them, if possible. Mr. Alatorre stated that there are meetings with the members from our delegation and will work on meetings with the administration representatives. Dr. Rees indicated that the administration is in the transition period and does not have an assigned administrator yet and suggested waiting for assignment of a permanent representative. Mr. LaMarr commented that it is the time to plan. Mr. Alatorre replied that we have been prepared for 10 years and continue to do so. He also mentioned that Senator Padilla is from our region and is aware of the issues and we will have a strong voice on the Senate Committee on Environment and Public Works (EPW), which EPA reports to. We will utilize every tool we have to ensure that the administration and legislative bodies hear from us.

Ms. Rita Loof referenced slide #10 and indicated that RadTech previously provided comment on the Reasonable Available Control Technology (RACT) and that South Coast AQMD relied on outdated documents from EPA. Ms. Loof hopes the science behind these documents is updated. Mr. Pirveysian stated that a letter was submitted to EPA requesting to update the guidelines. When considering a RACT and Best Available Control Technology (BACT) analysis, the latest regulations adopted by other agencies in California or the United States (US) are reviewed to provide a benchmark of the latest technologies that other agencies have considered.

Mr. Todd Campbell commented that proposed Rule 2305 – Warehouse Indirect Source Rule would be more effective if there is more flexibility, particularly to include near-zero yard tractors. The Port of Los Angeles has 4-5 BYD Motors tractors, which don't work. If these yard tractors don't work and near-zero tractors have no point values, the ports might turn to diesel-fueled equipment.

Mr. Harvey Eder provided comment on solar power.

Agenda Item #5 – Compliance & Enforcement (C&E) Programs

Mr. Hugh Heney provided information on Compliance & Enforcement (C&E) programs, including information on inspections and enforcement actions. Mr. Brian Roche provided an overview of the Facility Information Detail (FIND) online tool.

Mr. Rothbart indicated that having routine dialog with the regulated community is very helpful and suggested having additional training courses available, possibly coordinated by a permit streamlining and permitting committee. Mr. Heney indicated that management is available to discuss training options.

Ms. Loof referenced slide #7 and asked if the training program provides small businesses with resources and information to prevent violations. If not, Ms. Loof requested for consideration. Mr. Heney stated that in the past, staff would host events at various locations within South Coast AQMD and provided assistance to small businesses. Ms. Jill Whynot indicated that there are programs for small business assistance, training courses, and website updates. There are limited resources, but South Coast AQMD strives for, continues to improve and will consider the suggested ideas. Ms. Loof suggested having links available on the website for businesses as they are reluctant to reach out to inspectors for assistance and having access to other community contacts and resources.

Mr. LaMarr referenced revenue data presented at an earlier meeting and slide #6 on air quality complaints and asked if the revenue from penalties decreased due to less inspections or high compliance

rate. Ms. Whynot replied that inspectors continue to conduct inspections, modified to meet safety requirements. As for penalties, it is difficult to determine what it is driven by as there is a large number of small penalties, but 95% of the total amount could be from 3-4 large penalties. Staff is always striving to help improve compliance rates, which is generally high. Mr. LaMarr agreed that there is a high compliance rate. Mr. LaMarr asked how long a Notice of Violation (NOV) or Notice to Comply (NC) is available on the FIND program. Mr. Roche replied that they will remain on FIND indefinitely. Mr. LaMarr referenced slide #3 and asked if a mobile fuel truck would be classified as a facility. Ms. Whynot replied that a mobile fuel truck does not meet the traditional definition of a facility, but may be subject to permitting requirements. South Coast AQMD has the authority to regulate sources even when permits are not required, such as sources subject to Rule 1113 – Architectural Coatings.

Mr. Geoffrey Blake indicated that there was an ombudsman in the past and asked if there will be one in the future. Mr. Alatorre replied that he is the Public Advisor, who is the point of contact for the public and businesses.

Agenda Item #6 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

None.

Agenda Item #8- Public Comment

Mr. Eder provided additional comments on solar power.

Agenda Item #9 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, March 12, 2021 at 11:30 a.m.

Adjournment

The meeting adjourned at 1:01 p.m.