

BOARD MEETING DATE: December 4, 2015

AGENDA NO. 21

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, November 13, 2015. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, December 11, 2015 at 10:00 a.m.

RECOMMENDED ACTION:
Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

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Attendance: Attending the November 13, 2015 meeting were Committee Vice Chair Dennis Yates and Committee Member Judith Mitchell at the SCAQMD headquarters, and Committee Chair Dr. William A. Burke and Committee Member Dr. Clark E. Parker, Sr. via videoconference.

ACTION/DISCUSSION ITEMS:

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** The Committee written report included a report on Dr. Parker's travel to the California Fuel Cell Partnership meeting, held at the Sacramento Metropolitan AQMD, in October; also included in the report is Councilmember Mitchell's upcoming travel to the CARB Board meeting in Sacramento.
3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** None to report.
4. **Report of Approved Out-of-Country Travel:** None.
5. **Results of Recent Federal Grant Agency Site Visit:** Chief Financial Officer Michael O'Kelly provided an update on a review by the Department of Homeland Security on SCAQMD's participation in the federal Bio Watch air

monitoring program. Federal agencies that provide grant funding reserve the right to audit these programs that they fund. The report includes 26 areas of review, five directly related to running the program itself. 21 of the 26 programs were in the area of finance and federal grant administration. There were no suggestions and no findings, and the Auditors stated that everything was running well.

6. **Annual Audited Financial Statements for FY Ended June 30, 2015:** Chief Financial Officer Michael O'Kelly provided brief background information on the audited financial statements and introduced Melba Simpson of Simpson & Simpson, the CPA firm engaged to provide an opinion on the financial statements. Ms. Simpson gave a lengthy and detailed presentation on the annual audited financial statements, noting there were no deficiencies, no material weaknesses, and no instances of noncompliance, nor were there any disagreements with management on financial accounting and reporting matters. Mayor Yates inquired whether individual Board Members or Councilmembers were interviewed. Ms. Simpson responded that she interviewed Councilmember Mitchell this year and Ms. Simpson's staff interviewed SCAQMD's CFO and some of the Accounting and HR staff. Councilmember Mitchell inquired about the pension obligation bonds as related to the pension liability plan. Ms. Simpson noted that pension obligation bonds are separate from the pension liability plan and were issued years ago in order to pay into the pension plan. Councilmember Mitchell inquired about the \$109 million pension liability. Ms. Simpson confirmed the \$109 million pension liability figure and further added, prior to Governmental Accounting Standards Board 68 (GASB 68) cost-sharing plans, as long as the actuary required contribution was paid, future liabilities did not need to be shown on the financial statements; there was only a net pension obligation if the SCAQMD didn't pay its Annual Required Contribution (ARC). SCAQMD pays 100% of its ARC and Ms. Simpson indicated that the SCAQMD is on target from a funding standpoint.

Moved by Yates; seconded by Mitchell; unanimously approved.

7. **Audit Reports of AB 2766 Fee Revenue Recipients for Fiscal Years Ending June 30, 2012 and 2013:** Chief Financial Officer Michael O'Kelly reported that every two years the agency ensures that there is an AB 2766 audit performed on the recipients of the AB 2766 money and that this item was a receive and file item. For the money SCAQMD received, there were no findings; nor were there findings for the money received by the MSRC. Local Governments, including cities, counties, and COGS, about 162 in total, generally had some findings. This year there were 60 findings from 20 agencies out of the 162 recipients. 32 of the findings were monetary in nature and 28 were administrative in nature, such as reports not being submitted on time. The monetary findings are considered most important and those have all been resolved, in that the cities or local agencies have agreed to have monies withheld if they spent the money inappropriately or

if they didn't have appropriate records for it, or if they are going to replenish the money with their own funds. This is typical for audits of this program.

Action: Receive and File

8. **Report of RFPs Scheduled for Release in December:** Chief Financial Officer Michael O'Kelly reported that SCAQMD is requesting to issue an RFP for landscape maintenance services for a three-year contract and the contract may come back to the Committee dependent on the dollar amount. Dr. Burke inquired about the Headquarters hillside instability. Assistant Deputy Executive Officer Bill Johnson responded that during the 15 months of the drought and based on the geotechnical survey results, there has not been any significant movement in the hillside; but, with the impending El Niño rainy season anticipated, there could be movement. Dr. Parker added that he had a geologist engineer look at the hillside reports and the conclusion was, since the piles were placed down into bedrock, it seems to have stabilized and the movement was a result of the way it was originally built.

Moved by Yates; seconded by Parker; unanimously approved.

9. **Execute Contract for Enterprise Content Management System for Office of the General Counsel:** Executive Officer Dr. Barry Wallerstein reported that staff would appreciate if Items 9 and 13 were considered at the same time. Staff comments were waived.

Moved by Yates; seconded by Mitchell; unanimously approved.

10. **Appropriate Funds from Designation for Litigation and Enforcement and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services:** General Counsel Kurt Wiese reported that this is to request additional funding for outside counsel for environmental litigation matters, primarily driven by the Exide Technologies civil litigation.

Moved by Yates; seconded by Mitchell; unanimously approved.

11. **Execute a Contract with Google for Targeted Outreach Program Utilizing YouTube and Banner Ads:** Dr. Wallerstein reported that the SCAQMD has been experimenting with Google to run very brief YouTube videos and have looked at the potential of using banner ads. A brief preview video related to The Right to Breathe video was shown to the Committee. Dr. Wallerstein noted that this video was launched on October 14, with over 1.2 million impressions, with 23% of all people (268,000 views) watching the video in its entirety. An additional 338,000 people viewed 75% of the video. Dr. Wallerstein further added that the ability to do a targeted campaign by geographic area would be useful. This method could be used for soliciting awareness of Board policies or

to reach out on issues of regional importance, such as the refinery issues at Exxon Mobil or Southern California Gas Company's issue with Porter Ranch where they have community complaints related to a storage facility leaking natural gas. The proposal is for a one-year campaign and staff will bring back elements to the Committee. Councilmember Mitchell inquired about the length of the video. Dr. Wallerstein responded it would be a 45-second video. Dr. Wallerstein noted that Dr. Burke requested another version of the Right to Breathe video. Councilmember Mitchell inquired where will the video pop up? Dr. Wallerstein responded when doing a Google search. Mayor Yates noted that most successful ads have a moniker with which to associate, and inquired if SCAQMD could utilize the SCAQMD dove so that the public can associate the dove with SCAQMD's ads. Dr. Wallerstein responded that Google staff has asked for SCAQMD's logo in a particular format to provide to a division within Google to explore how the logo would look for banner ads and videos. Dr. Parker inquired if there is going to be a cost associated per click? Dr. Wallerstein responded yes, 10 cents per view, at a cost of \$16,000 to date. Dr. Burke commented that the ability to isolate target audiences by zip code and the capability to tailor a specific message to a population's own native language is impressive.

Moved by Mitchell; seconded by Yates; unanimously approved.

12. **Amend Contracts for Legislative Representation in Sacramento, California:** Deputy Executive Officer Lisha Smith reported that the current contracts with Gonzalez, Quintana & Hunter, LLC, and Joe A. Gonsalves & Son are set to expire on December 31, 2015. Staff is seeking to exercise the first one-year extension based on the contractors' effective performance during the first year. The SCAQMD has a very good working relationship with both contractors, with both of the firms being well-respected in Sacramento.

Moved by Parker; seconded by Mitchell; unanimously approved.

13. **Issue RFP for Enterprise Content Management System:** This item was considered along with Agenda Item #9.

Moved by Yates; seconded by Mitchell; unanimously approved.

14. **Authorize Purchase of Telecommunications Services:** Assistant Deputy Assistant Officer Chris Marlia reported that every three years the SCAQMD releases an RFP to select vendors to obtain the most cost-effective telecommunications services. The telecommunications services solicited under this RFP are for local, long distance, and toll-free; air monitoring telemetry PIP network; dedicated T1 line; internet access; phone system maintenance; and wireless voice and data. After evaluation of the proposals, the panel is seeking approval of the contracts as identified in the Board letter.

Moved by Yates; seconded by Mitchell; unanimously approved.

15. **Appropriate Funds to Purchase Hand-Held XRF Analyzers:** Assistant Deputy Executive Officer Jill Whynot reported that staff would like to purchase two hand-held XRF analyzers to enhance field capability to look for metals in contaminated soil, which would be helpful in situations similar to recent events, such as the refinery fire and Exide. Staff is recommending Bruker Elemental, a well-established company. Their bid came in within the 10% cost range of submitted manufacturers' bids.

Moved by Yates; seconded by Mitchell; unanimously approved.

16. **Approve Position Reclassification and Add and Delete Positions**
Dr. Wallerstein stated that this item has been delayed to a future Administrative Committee meeting.
17. **Local Government & Small Business Assistance Advisory Group Minutes for the September 11, 2015 Meeting:** Attached for information only are the minutes from the September 11, 2015 meeting of the Local Government & Small Business Assistance Advisory Group.
18. **Review of the December 4, 2015 Governing Board Agenda:** There were no questions from the Committee in regard to the Board Agenda.
19. **Public Comment:** None.

Meeting adjourned at 9:45 a.m.

Attachment

Local Government & Small Business Assistance Advisory Group Minutes from the September 11, 2015 Meeting



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, SEPTEMBER 11, 2015 MEETING MINUTES

MEMBERS PRESENT:

Dennis Yates, Mayor, City of Chino and LGSBA Chairman
Ben Benoit, Councilman, City of Wildomar and LGSBA Vice Chairman
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Maria Elena Kennedy, Kennedy Communications
Rita Loof, RadTech International
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Felipe Aguirre
Todd Campbell, Clean Energy
Lupe Ramos Watson, Councilmember, City of Indio

OTHERS PRESENT:

Bob Ulloa, Board Member Assistant (*Yates*)
Mark Abramowitz, Board Member Assistant (*Lyou*)
Marisa Perez, Board Member Assistant (*Mitchell*)

SCAQMD STAFF:

Derrick J. Alatorre, Asst. Deputy Executive Officer/Public Advisor
Joe Cassmassi, Planning & Rules Director
Hanea Cox, AQ Engineer II
Nancy Feldman, Principal Deputy District Counsel
Philip Fine, Deputy Executive Officer
Aaron Katzenstein, Program Supervisor
Michael Krause, Program Supervisor
Lori Langrell, Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Chair Dennis Yates called the meeting to order at 11:39 a.m.

Agenda Item #2 – Approval of July 17, 2015 Meeting Minutes/Review of Follow-Up/Action Items

Chair Yates called for approval of the July 17, 2015 meeting minutes. The Minutes were approved unanimously.

Mr. Derrick Alatorre advised there were no follow-up items that arose out of the July 17, 2015 meeting.

Agenda Item #3 – Nomination of Local Government & Small Business Assistance Advisory Group member to SCAQMD Advisory Council

Mr. Alatorre advised the Group that pursuant to California Health and Safety Code Section 40471(b), an Advisory Council shall be formed to discuss the AQMP to undertake peer review concerning the report on health impacts of particulate matter air pollution in the South Coast air basin, prior to its finalization and public release. The action of this item is to solicit a volunteer or nomination of an LGSBA Advisory Group member to the SCAQMD Advisory Council.

Mr. Paul Avila volunteered to serve on the Advisory Council, and was unanimously placed on the Council.

Agenda Item #4 – 2016 AQMP Development Update

Dr. Phil Fine provided an update on the 2016 AQMP development process and White Papers.

Mr. Paul Avila asked hypothetically, if CARB does a study, something generic, and SCAQMD does the same study on parallel paths, who would get more weight or impact in the study. Dr. Fine replied that in general if it is a scientific study, we generally agree. In some instances there is disagreement, but in most cases we are on the same page on studies done jointly. For the AQMP we have to be on the same page, there are some disagreements, but it's rare.

Mr. Avila further asked what is done with old diesel engines that are taken out. Dr. Fine indicated in a case where an incentive was provided, the items are scrapped.

Mr. Geoff Blake asked why no one is buying (CNG) vehicles, and inquired if data provides information as to market share of American versus European trucks. Dr. Fine replied he doesn't have information on market share, and with respect to the CNG question, CNG is still cheaper than diesel, with owners realizing a cost saving. Dr. Fine also noted that SANBAG was the first to give an award to a towing company running a CNG unit.

Regarding the CARB strategy, Mr. David Rothbart inquired whether there would be sufficient input given that the strategy was scheduled to be released on September 4th. Dr. Fine replied that there would be sufficient time for input with the brunt of the shorter timeline to be borne by staff. Dr. Fine also indicated we have a very large table of all potential measures identified varying in stringency and reductions achieved. Subsequently the discussions would focus on the more effective measures as there was no gain to spending a lot of time on proposals that were expensive or only achieved minimal reductions.

Mr. Rothbart asked what the proportion of source reductions was being planned for mobile and stationary sources. Dr. Fine replied that the last AQMP process was criticized for working on stationary source control measures only after what mobile source reductions could be attained. The goal today is to see where stationary control measures get us and then pick and choose what else is needed. Mr. Rothbart further asked if there is a timeline. Dr. Fine indicated the plan is to release the draft in November.

Agenda Item #5 – Update on Greenhouse Gas-related Activities

Mr. Aaron Katzenstein presented an update on activities in support of greenhouse gas reductions.

Mr. Rothbart inquired if there was an evaluation of the cost effectiveness of projects being implemented in terms of tons per dollar of reduction. Mr. Katzenstein indicated he was not aware of any such analysis.

Ms. Rita Loof asked about the application process. Mr. Katzenstein replied there are 11 state entities involved; each one with its own process and grant program requirements.

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

No comments.

Agenda Item #7 - Other Business

No comments.

Agenda Item #8 - Public Comment

No comments.

Adjournment

The meeting adjourned at 12:43 p.m.