

MEETING, DECEMBER 4, 2015

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

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 for public review at the South Coast Air Quality Management District Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765.

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Barry R. Wallerstein, D. Env., Executive Officer
- Recognize Employees with Twenty-Five, Thirty and Thirty-Five Years of Service **Burke**

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 19)

Note: Consent Calendar items held for discussion will be moved to Item No. 20

1. Approve Minutes of November 6, 2015 Board Meeting **McDaniel/2500**


Budget/Fiscal Impact

2. Appropriate Funds to Purchase Hand Held XRF Analyzers **Fine/2239**

Staff is requesting approval for the purchase of monitoring equipment to support rule compliance verification activities and potential toxic release evaluations from operations within the SCAQMD. These actions are to appropriate funding to Planning, Rule Development and Area Sources' FY 2015-16 Budget and to issue a purchase order for two hand-held XRF analyzers in an amount not to exceed \$77,300. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

3. Recognize and Substitute Source of Funds for School Bus Replacements **Minassian/2641**

SCAQMD was approved for a \$753,476 award from the U.S. EPA for diesel emission reduction projects under the FY 2014-15 Diesel Emissions Reduction Act (DERA). The U.S. EPA added \$406,580 for a total award of \$1,160,056 to the SCAQMD. There is also \$480,833 remaining from a previous U.S. EPA grant. This action is to recognize \$406,580 in DERA funds in the Advanced Technology, Outreach and Education Fund (17). These actions are to also: 1) recognize \$480,833 in U.S. EPA funds in the Advanced Technology, Outreach and Education Fund (17); and 2) replace \$650,000 in Carl Moyer Program AB 923 funds (Fund 80) with the same amount in U.S. EPA funds from the Advanced Technology, Outreach and Education Fund (17) for the replacement of 26 school buses previously approved by the Board on October 2, 2015. (Reviewed: Technology Committee, November 20, 2015; Recommended for Approval)

4. **Execute Contract to Cosponsor Versatile Plug-In Auxiliary Power System Development and Demonstration**  **Miyasato/3249**

Conventional diesel work trucks often run their engines to provide off-board power or operate hydraulic equipment such as booms or digger derricks. This additional engine use while at a jobsite has significant emissions and fuel economy impacts. The Electric Power Research Institute (EPRI) has developed a prototype retrofittable auxiliary battery pack called a Versatile Plug-In Auxiliary Power System to provide jobsite electric auxiliary power on various vehicle platforms. This action is to execute a contract with EPRI to demonstrate up to ten units in various fleets to quantify the emissions and fuel usage benefits in an amount not to exceed \$125,000 from the Clean Fuels Fund (31). (Reviewed: Technology Committee, November 20, 2015; Recommended for Approval)

5. **Execute Contract for Enterprise Content Management System for Office of General Counsel** **Wiese/3460**

On July 10, 2015, an RFP was released to solicit proposals from firms interested in providing the General Counsel's Office with an Enterprise Content Management System. This system will help the General Counsel's Office better manage its content, encourage collaboration, and make information easier to share. Five proposals were received and evaluated. This action is to execute a contract with Hyland Software, Inc. for an Enterprise Content Management System for \$99,053.72. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

6. **Appropriate Funds from Designation for Litigation and Enforcement and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services** **Wiese/3460**

Legal is currently being assisted in environmental lawsuits by outside law firms and in other matters requiring specialized legal counsel and services, principally ongoing litigation with Exide Technologies, Inc. This action is to appropriate \$750,000 from the Designation for Litigation and Enforcement, to FY 2015-16 Legal Budget and amend or initiate contracts to expend these funds with prequalified counsel approved by the Board as well as specialized legal counsel and services. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

7. **Issue RFP for Enterprise Content Management System** **Marlia/3148**

SCAQMD uses OnBase software for its Enterprise Content Management (ECM) system to manage critical documents and other electronic files to support the agency's mission and comply with our Record Retention Policy. The purpose of this RFP is to solicit vendors capable of providing a high quality ECM solution to capture, store and manage a robust workflow; and deliver documents and electronic files related to the organizational processes. The ECM must support a broad array of document capture and retrieval technologies and file types. This action is to issue an RFP for a cost-effective ECM solution, including any/all migration services. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

8. **Authorize Purchase of Telecommunication Services** **Marlia/3148**

On September 4, 2015, SCAQMD released an RFP to select a vendor(s) capable of providing telecommunication services to the SCAQMD in the most cost-effective manner and, if possible, to consolidate all telephone company-related services to a single telecommunications provider. These telecommunication services included local, long distance, and toll-free; private IP (PIP) network; dedicated T1 lines, internet access (with a redundant connection); phone system maintenance; and wireless voice and data. This action is to obtain approval to purchase telecommunication services from the selected vendor(s) for a period of three years. Funds for this purchase are included in the FY 2015-16 Budget (\$750,000) and will be included in subsequent fiscal year budget requests. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

9. **Amend Contracts for Legislative Representation in Sacramento, California** **Smith/3242**

The current contracts for legislative representation in Sacramento expire on December 31, 2015 for Gonzalez, Quintana & Hunter, LLC, and Joe A. Gonsalves & Son. Based upon the firms' effective performance during the first year of their current contracts, this action is to approve the first one-year extension of each consultants' contract for legislative lobbying services in Sacramento for Calendar Year 2016 at the current contract amounts. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

10. **Approve Contract Awards and Amended Program Announcement Approved by MSRC** **Pettis**

As part of their FYs 2014-16 AB 2766 Discretionary Fund Work Program, the MSRC approved amendments to the Program Announcement for the Major Event Center Transportation Program, allowing County Transportation Commissions to be eligible applicants and funding recipients. The MSRC also approved one new contract under the Alternative Fuel Infrastructure Program, one new contract under the Major Event Center Transportation Program, and one sole-source contract under the Transportation Control Measure Partnership Program. At this time the MSRC seeks Board approval of the amended Program Announcement and contract awards. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, November 19, 2015; Recommended for Approval)

Items 11 through 19 - Information Only/Receive and File

11. Legislative and Public Affairs Report **Smith/3242**
- This report highlights the October 2015 outreach activities of Legislative and Public Affairs, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, and Outreach to Business and Federal, State, and Local Government. (No Committee Review)
12. Hearing Board Report **Camarena/2500**
- This reports the actions taken by the Hearing Board during the period of October 1 through October 31, 2015. (No Committee Review)
13. Civil Filings and Civil Penalties Report **Wiese/3460**
- This reports the monthly penalties from October 1, 2015 through October 31, 2015, and legal actions filed by the General Counsel's Office from October 1 through October 31, 2015. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, November 20, 2015)
14. Lead Agency Projects and Environmental Documents Received by SCAQMD **Whynot/3104**
- This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between October 1, 2015 and October 31, 2015, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, November 20, 2015)
15. Rule and Control Measure Forecast **Fine/2239**
- This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2016. (No Committee Review)
16. Audit Report of AB 2766 Fee Revenue Recipients for FYs Ending June 30, 2012 and 2013 **O'Kelly/2828**
- Health and Safety Code Section 442441 requires any agency that receives fee revenues subvned from the Department of Motor Vehicles to be audited once every two years. This audit of SCAQMD's share, MSRC's share, and local governments' share of such subvned funds, performed by independent Certified Public Accounts, has been completed. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

17. Annual Audited Financial Statements for FY Ended June 30, 2015 **O'Kelly/2828**

This agenda item transmits the annual audited financial statements of the SCAQMD. The SCAQMD has received an unmodified opinion (the highest obtainable) on its financial statements. (Reviewed: Administrative Committee, November 13, 2015)

18. Report of RFPs Scheduled for Release in December **O'Kelly/2828**

This report summarizes the RFPs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of December. (Reviewed: Administrative Committee, November 13, 2015; Recommended for Approval)

19. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2015-16 **Marlia/3148**

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and projects to be initiated by Information Management during the first six months of FY 2015-16. (No Committee Review)

20. Items Deferred from Consent Calendar

BOARD CALENDAR

21. Administrative Committee (Receive & File) **Chair: Burke** **Wallerstein/3131**

22. Investment Oversight Committee (Receive & File) **Chair: Antonovich** **O'Kelly/2828**

23. Legislative Committee (Receive & File) **Chair: Mitchell** **Smith/3242**

Receive and file; and take the following action as recommended:

Agenda Item	Recommended Action
2016 Federal and State Legislative Goals and Objectives	Approve

24. Mobile Source Committee (Receive & File) **Chair: Parker** **Fine/2239**

25. Stationary Source Committee (Receive & File) Chair: Yates Nazemi/2662
26. Technology Committee (Receive & File) Chair: J. Benoit Miyasato/3249
27. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Liaison: Antonovich Hogo/3184
28. California Air Resources Board Monthly Report (Receive & File) Board Rep: Mitchell McDaniel/2500
29. 2016 Air Quality Management Plan White Papers Fine/2239

The draft Industrial Facility Modernization White Paper was released for public review at the November 6, 2015 Board meeting. An opportunity for public comments is being provided today before the white paper is finalized. (Reviewed: Stationary Source Committee, October 16, 2015)

PUBLIC HEARINGS

30. Amend Regulation XX - Regional Clean Air Incentives Market (RECLAIM) (*Continued from November 6, 2015 Board Meeting*) Fine/2239

The proposed amended Regulation XX will implement Control Measure CMB-01 of the 2012 Air Quality Management Plan and make further reductions of NOx from RECLAIM facilities. The proposed amendments implement NOx Best Available Retrofit Control (BARCT) for various equipment by establishing RECLAIM Trading Credit (RTC) reduction targets and RTC adjustment factors for year 2016 and beyond. The proposed amendments include a Regional New Source Review Holding Account for electricity generating facilities, a delay in relative accuracy testing audit due dates for specified situations, both a quarterly maximum (quicker response) and changed and new minimum price triggers for RECLAIM program review, and other administrative changes. In addition, an off-ramp for electricity generating facilities at BACT or BARCT is proposed as well as provisions that would remove RTCs from the RECLAIM Program for equipment and facilities that have shutdown. At full implementation the proposed amendments will reduce NOx RTCs by 14 tons per day by December 2022. This action is to adopt the resolution: 1) Certifying the Program Environmental Assessment for Proposed Amended Regulation XX - Regional Clean Air Incentives Market (RECLAIM); and 2) Amending Regulation XX – Regional Clean Air Incentives Market (RECLAIM). (Reviewed: Stationary Source Committee, March 21, 2014, July 24, October 16 and November 20, 2015; Special Stationary Source Committee, September 23, 2015)

31. Amend Rule 1110.2 - Emissions from Gaseous- and Liquid-Fueled Engines Fine/2239

SCAQMD staff has met with several biogas engine operators that have committed to installing control equipment for biogas engines. However, some installations will take longer than expected and will reach full compliance after the current deadline of January 1, 2016. Additionally, U.S. EPA has raised concerns regarding the approvability of Rule 1110.2 into the State Implementation Plan because the current breakdown provisions in the rule allow unlimited emissions during breakdowns that are not subject to any enforcement action if they are reported. The proposed amendments would extend the compliance date for all biogas engines, provide a compliance option for additional time with the payment of a compliance flexibility fee, and address U.S. EPA's concerns on equipment breakdowns and potential excess emissions without enforcement by establishing a limit for exceedances due to breakdowns without enforcement action per calendar quarter. Based on stakeholder comments, alternative language is proposed that would remove current rule language stating that certain breakdowns are not violations of the rule and adding suggested U.S. EPA language making clear that breakdowns may be subject to federal enforcement, thus satisfying U.S. EPA concerns. This action is to adopt the resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1110.2 - Emissions from Gaseous- and Liquid-Fueled Engines; and 2) Amending Rule 1110.2 - Emissions from Gaseous- and Liquid-Fueled Engines. (Reviewed: Stationary Source Committee, June 21, 2013, June 20, 2014, January 21 and September 18, 2015)

32. Amend Rule 1113 – Architectural Coatings Fine/2239

Staff is recommending that the public hearing on this item be continued to the January 8, 2016 Board Meeting.

Amendments are being proposed to restrict the small container exemption for some categories, lower some VOC limits, change some coating categories, revise definitions, and clarify rule language. (Reviewed: Stationary Source Committee, October 16 and November 20, 2015)

OTHER BUSINESS

33. Implement Enhanced Fleet Modernization Program in Clean Communities Pilot Study Communities under U.S. EPA Targeted Air Shed Grant, Amend Contract for Commercial Electric Lawn Mowers, and Reallocate Funding for Existing Targeted Air Shed Grant Program Fine/2239

The Board previously approved funding allocations from U.S. EPA's Targeted Air Shed Grant Program for \$2.9 million to implement incentive programs to reduce criteria pollutant emissions in the two Clean Communities Plan pilot areas of Boyle Heights and San Bernardino. Board approval is being requested to reallocate funding for current programs; and to allocate the remaining U.S. EPA Targeted Air Shed Grant funds to implement an additional program for eligible low-income residents in and around Boyle Heights and the City of San Bernardino environmental justice communities. This action is to: 1) allocate \$800,000 from the Advanced Technology, Outreach and Education Fund (17) for vehicle replacement vouchers under the Enhanced Fleet Modernization Program (EFMP) Plus-Up program; 2) authorize the Executive Officer to approve vouchers to program participants in and around the Boyle Heights and City of San Bernardino communities; 3) authorize the Executive Officer to purchase commercial electric lawnmowers for the City of Colton and Colton Unified School District through an existing contract with Mean Green Products, LLC at a not-to-exceed amount of \$60,000 to be paid with Targeted Air Shed Grant funds from Fund 17; 4) reallocate funding for existing Targeted Air Shed Grant programs previously approved by the Board; and 5) authorize the Executive Officer to redistribute funds among Targeted Air Shed Grant programs approved by the Board based on demand, including funding for EFMP Plus-Up vouchers. (No Committee Review)

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

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*)

Wiese/3460

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The actions are:

- Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS153472 (Phillips 66);
- People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482 (KJC) (Bankruptcy case);
- Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Contra Costa County Superior Court Case No. MSN14-0300 (formerly South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS 143381) (SCIG);
- Friends of the Eel River v. North Coast Railway Authority, California Supreme Court Case No. S222472 (amicus brief);
- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 14-73362 (1-Hour ozone);
- SCAQMD v. City of Moreno Valley, et al., Riverside County Superior Court, Case No. RIC 1511213 (World Logistics Center);
- SCAQMD v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 13-73936 (Morongo Redesignation);
- SCAQMD v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 15-71600 (Pechanga Redesignation);
- Sierra Club v. County of Fresno, California Supreme Court Case No. S219783 (amicus brief);
- Sierra Club, et al. v. U.S. EPA, U.S. District Court for Northern District of California Case No. 3:14-CV-04596 (PM2.5 designation to serious); and
- WildEarth Guardians v. U.S. EPA, D.C. Circuit Court Case No. 14-1145 (PM2.5 moderate designation).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (two cases).

CONFERENCE WITH LABOR NEGOTIATORS

In addition, it is also necessary for the Board to recess to closed session pursuant to Government Code section 54957.6 to confer regarding upcoming labor negotiations with:

- designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: William Johnson; Represented Employees: Teamsters Local 911 & SCAQMD Professional Employees Association]

and to confer with:

- labor negotiators regarding unrepresented employees [Agency Designated Representative: William Johnson; Unrepresented Employees: Designated Deputies and Management and Confidential employees].

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any listed item before or during consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers may be limited to three (3) minutes each.

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 Public Comments 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, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

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
Cal/EPA = California Environmental Protection Agency	OEHHA = Office of Environmental Health Hazard Assessment
CARB = California Air Resources Board	PAMS = Photochemical Assessment Monitoring Stations
CEMS = Continuous Emissions Monitoring Systems	PAR = Proposed Amended Rule
CEC = California Energy Commission	PEV = Plug-In Electric Vehicle
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM10 = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM2.5 = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	PR = Proposed Rule
CTG = Control Techniques Guideline	RFP = Request for Proposals
DOE = Department of Energy	RFQ = Request for Quotations
EV = Electric Vehicle	SCAG = Southern California Association of Governments
FY = Fiscal Year	SIP = State Implementation Plan
GHG = Greenhouse Gas	SOx = Oxides of Sulfur
HRA = Health Risk Assessment	SOON = Surplus Off-Road Opt-In for NOx
LEV = Low Emission Vehicle	SULEV = Super Ultra Low Emission Vehicle
LNG = Liquefied Natural Gas	TCM = Transportation Control Measure
MATES = Multiple Air Toxics Exposure Study	ULEV = Ultra Low Emission Vehicle
MOU = Memorandum of Understanding	U.S. EPA = United States Environmental Protection Agency
MSERCs = Mobile Source Emission Reduction Credits	VOC = Volatile Organic Compound
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	VMT = Vehicle Miles Traveled
NATTS =National Air Toxics Trends Station	ZEV = Zero Emission Vehicle
NESHAPS = National Emission Standards for Hazardous Air Pollutants	