

MEETING, JUNE 5, 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

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 17)

Note: Consent Calendar items held for discussion will be moved to Item No. 18

1. Approve Minutes of May 1, 2015 Board Meeting **McDaniel/2500**
2. Set Public Hearing September 4, 2015 to Consider Amendments to and/or Adoption of SCAQMD Rules and Regulations **Wallerstein/3131**

Amend Rule 1156 – Further Emission Reductions from Cement Manufacturing Facilities **Fine/2239**

Rule 1156 was amended in March 2009 to address elevated ambient hexavalent chromium levels from cement manufacturing measured in conjunction with MATES III. The amendment established monitoring requirements, as well as requirements for the storage, handling, and transport of clinker material to minimize future potential emissions of the toxic material. As part of the Rule 1156 adoption resolution, the Board directed staff to re-evaluate, based on collected data, the need for and frequency of hexavalent chromium monitoring, and to work with stakeholders to develop a facility closure plan option in lieu of monitoring requirements. Proposed amendments to Rule 1156 will establish the conditions, including plant closure, under which monitoring can be reduced or eliminated. In addition, the proposed amendments will also reflect an adjustment to the fence-line risk threshold for hexavalent chromium pursuant to the new OEHHA guidance, as well as other minor amendments. (Reviewed: Stationary Source Committee, April 17 and May 15, 2015)

Budget/Fiscal Impact

3. Execute Contracts to Develop and Demonstrate Class 8 Plug-In Hybrid Electric Drayage Trucks and Amend Contract to Integrate On-Board Chargers **Miyasato/3249**

On October 5, 2012, the Board approved \$958,120 for Vision Industries and \$925,000 for Balqon to develop and demonstrate zero emission drayage trucks as part of a DOE-funded zero emission cargo transport demonstration project. Since then, Vision Industries has filed for bankruptcy and ceased operation and Balqon has notified the SCAQMD of their decision to withdraw from the project leaving \$1,883,120 of the DOE funds available for reallocation. This action is to execute contracts, pending approval by the DOE, with Transportation Power Inc. and US Hybrid to develop and demonstrate Class 8 plug-in hybrid electric drayage trucks. This action is to also amend a contract with US Hybrid to add on-board chargers in their battery electric drayage trucks. The total amount of awards shall not exceed \$2,176,342, comprised of \$1,883,120 from the DOE funds recognized in the Advanced Technology Goods Movement Fund (61) and \$293,222 from the Clean Fuels Fund (31). (Reviewed: Technology Committee, May 15, 2015; Recommended for Approval)

4. Implement Programs in Clean Communities Pilot Study Communities under U.S. EPA Targeted Air Shed Grant **Fine/2239**

On July 5, 2013, the Board approved funding reallocations for programs to implement the Clean Communities Plan in Boyle Heights and the City of San Bernardino under the U.S. EPA Targeted Air Shed Grant. Board actions are needed to implement four U.S. EPA Air Shed Grant programs including Air Filtration in Schools, Yard Equipment Exchange, Boiler and Process Heater Efficiency Upgrades, and Weatherization Program for Homes Adjacent to Freeways and Intermodal Facilities in Boyle Heights and the City of San Bernardino. This action is to: 1) amend a contract with IQAir North America, adding \$435,632 to install air filtration systems at Murchison Street Elementary school in Boyle Heights; 2) execute contracts with Black and Decker, Inc. and The Greenstation to purchase up to 800 lawn mowers in an amount not to exceed \$164,000 to conduct two residential lawn mower exchanges; 3) execute a contract with the City of San Bernardino in an amount not to exceed \$57,000 for the differential cost of installing high efficiency condensing boilers; and 4) authorize the Executive Officer to enter into a Collaboration Agreement with Southern California Gas Company in an amount not to exceed \$500,000 to conduct a home weatherization program. (Reviewed: Administrative Committee; May 8, 2015; Recommended for Approval)

5. **Issue RFP to Sell Equipment Dismantled under SCAQMD Incentive Programs to Generate Revenue for Additional Incentive Projects and Execute Contract under SOON Provision** **Miyasato/3249**

The SCAQMD incentives program includes dismantling of on-road trucks as well as repowering of off-road construction equipment. 1) The first proposal is to release an RFP to identify qualified dismantlers to sell the dismantled equipment with a percentage of the sale proceeds returned to SCAQMD to fund additional incentive projects. 2) The second action is to execute a contract under the SOON Provision in the amount of \$2,540,779 from the Carl Moyer Program SB 1107 Fund (32). (Reviewed: Technology Committee, May 15, 2015; Recommended for Approval)

6. **Issue RFP for Refurbishment of Pace Air Handlers at SCAQMD Headquarters** **Johnson/3018**

The current Pace air handlers are over 24 years old and have been operating 365 days a year, 20 or more hours a day. With a life expectancy of 15 to 20 years, maintenance costs have risen and dependability of the handlers is declining rapidly. Staff is requesting to refurbish the air handlers, which provide filtered conditioned air to SCAQMD headquarters, and will also increase the efficiency and provide necessary back up. This action is to issue an RFP to solicit proposals from qualified contractors to refurbish various air handlers. (Reviewed: Administrative Committee, May 8, 2015; Recommended for Approval)

7. **Approve Transfer of Monies from Health Effects Research Fund to Brain & Lung Tumor and Air Pollution Foundation and Authorize Solicitation and Potential Funding of Proposals** **Wallerstein/3131**

At the March 13, 2015 meeting of the Brain & Lung Tumor and Air Pollution Foundation (Foundation), the Foundation Board asked that funds that the SCAQMD Board had previously transferred to the Health Effects Research Fund be designated for the Foundation's use to support brain and lung tumor and air pollution research. The Foundation would then issue a Request for Proposals to identify specific projects for review and potential funding upon approval by the Foundation Board. This action is to transfer \$2,500,000 from the Health Effects Research Fund to the Foundation to fund such research. This action is also to authorize the Foundation to solicit research proposals and to review and potentially fund such proposals. (Reviewed: Administrative Committee, May 8, 2015; Recommended for Approval)

8. Execute Sole-Source Contract for Three-Year Service Agreement for SCAQMD Access to On-line Legal Research Libraries **Wiese/3460**

The current service agreement with Thomson Reuters-West to provide SCAQMD with on-line legal research libraries will expire on June 30, 2015. This action is to enter into a new three-year agreement with Thomson Reuters-West. A sole-source contract is recommended since SCAQMD is securing print publications through this agreement at a substantially lower cost than the open market. (Reviewed: Administrative Committee, May 8, 2015; Recommended for Approval)

9. Approve Contract Awards Approved by MSRC **Pettis**

As part of their FYs 2014-16 AB 2766 Discretionary Fund Work Program, the MSRC approved two new contracts under the Major Event Center Transportation Program, as well as a sole-source contract to support transportation services for the 2015 Special Olympics World Games. At this time the MSRC seeks Board approval of the contract awards. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, May 21, 2015; Recommended for Approval)

Action Item/No Fiscal Impact

10. Withdrawal of South Coast Air Basin Transportation Conformity SIP Submittal **Fine/2239**

This action is to request that CARB withdraw an outdated Transportation Conformity SIP Submittal and its associated Consultation MOU from the California SIP. The Transportation Conformity SIP and associated Consultation MOU in question are incorporated in Rule 1902, which was last amended by Board actions on August 14, 1998. U.S. EPA Region IX notified CARB and the SCAQMD that the outdated Transportation Conformity SIP submittal is no longer approvable. After discussions with staff from CARB and U.S. EPA, the SCAQMD staff concurs with the proposed approach to withdraw the outdated Transportation Conformity SIP submittal and its associated interagency Consultation MOU from the California SIP. (Reviewed: Mobile Source Committee, May 15, 2015; Recommended for Approval)

Items 11 through 17 - Information Only/Receive and File

11. Legislative and Public Affairs Report **Smith/3242**

This report highlights the April 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 April 1 through April 30, 2015. (No Committee Review)

13. **Civil Filings and Civil Penalties Report** **Wiese/3460**

This reports the monthly penalties from April 1 through April 30, 2015, and legal actions filed by the General Counsel's Office from April 1 through April 30, 2015. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, May 15, 2015)

14. **Lead Agency Projects and Environmental Documents Received by SCAQMD** **Fine/2239**

This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between April 1, 2015 and April 30, 2015, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, May 15, 2015)

15. **Rule and Control Measure Forecast** **Fine/2239**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2015 and portions of 2016. (No Committee Review)

16. **Report of RFPs Scheduled for Release in June** **O'Kelly/2828**


This report summarizes the RFPs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of June. (Reviewed: Administrative Committee, May 8, 2015; Recommended for Approval)

17. **Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2014-15** **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 last six months of FY 2014-15. (No Committee Review)

18. **Items Deferred from Consent Calendar**

BOARD CALENDAR

19. Administrative Committee (Receive & File) **Chair: Burke** **Wallerstein/3131**
20. Legislative Committee (Receive & File) **Chair: Mitchell** **Smith/3242**
21. Mobile Source Committee (Receive & File) **Chair: Parker** **Fine/2239**
22. Stationary Source Committee (Receive & File) **Chair: Yates** **Nazemi/2662**
23. Technology Committee (Receive & File) **Chair: J. Benoit** **Miyasato/3249**
24. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Antonovich** **Hogo/3184**
25. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell** **McDaniel/2500**
26. California Fuel Cell Partnership Executive Board Meeting Agenda and Quarterly Updates  **Miyasato/3249**
27. Potential Serious Area 24-Hour PM2.5 SIP for South Coast Air Basin **Fine/2239**

This report summarizes the California Fuel Cell Partnership Executive Board meeting held April 14, 2015, and provides updates for quarters beginning October 2014 and January 2015. (Reviewed: Technology Committee, May 15, 2015; Recommended for Approval)

While the long term trend of 24-hour PM2.5 in the South Coast Air Basin (Basin) supported targeting attainment of the 2006 24-hour PM2.5 National Ambient Air Quality Standards in 2015, analysis of recent (2013-2014) particulate measurements and preliminary 2015 data indicate that attainment may not occur as projected. Severe drought conditions during the late fall and winter months have impacted the frequency and number of observed high PM2.5 days that exceed the standard. Failure to attain the standard in 2015, or receive a one-year extension to 2016 from the U.S. EPA will result in the Basin being reclassified as "serious nonattainment," thereby requiring a Serious Area 24-hour PM2.5 SIP submittal. While the data is still preliminary, staff is proposing to include a Serious Area SIP as a component of the 2016 Air Quality Management Plan (AQMP) to be submitted to U.S. EPA only if the Basin fails to attain in 2015 or receive the extension to attain in 2016. This action is to direct staff to include a PM2.5 24-hour Serious SIP in the 2016 AQMP. (No Committee Review)

PUBLIC HEARINGS

28. Amend Rules 212, 1401, 1401.1 and 1402

Fine/2239

In March 2015, the Office of Environmental Health Hazard Assessment (OEHHA) approved revisions to their Air Toxics Hot Spots Program Risk Assessment Guidelines. Rule 212 – Standards for Approving Permits and Issuing Public Notice, Rule 1401 – New Source Review of Toxic Air Contaminants, Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools, and Rule 1402 – Control of Toxic Air Contaminants from Existing Sources currently rely on the prior OEHHA Risk Assessment Guidelines to calculate health risks. Amendments are proposed to reference the Revised OEHHA Guidelines and to amend specific provisions to harmonize with the Revised OEHHA Guidelines. Proposed Amended Rule 1401 may include provisions for specific source categories or situations that cannot meet the Rule 1401 risk thresholds using the Revised OEHHA Guidelines. This action is to adopt the resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rules 1401, 1401.1, 1402, and 212; and 2) Amending Rules 1401, 1401.1, 1402, and 212. This action is to also receive and file: 1) SCAQMD Risk Assessment Procedures for Rules 1401, 1401.1, and 212 (Version 8.0); 2) SCAQMD Supplemental Guidelines for Preparing Risk Assessments for the Air Toxics “Hot Spots” Information and Assessment Act (June 5, 2015); and 3) SCAQMD Facility Prioritization Procedures for AB 2588 Program (June 2015). (Reviewed: Stationary Source Committee, April 17, 2015)

29. Amend Rule 1148.1 – Oil and Gas Production Wells

Fine/2239

Staff is recommending that the public hearing on this item be continued to the July 10, 2015 Board Meeting.

The proposed amendment seeks to provide enforceable mechanisms to reduce odor nuisance potential from emissions associated with oil and gas production facility operations and also updates rule language to promote clarity, consistency and enforceability. The proposed amendment: requires use of odor mitigation best practices; requires facilities located within 1,500 feet of a sensitive receptor to conduct and submit a specific cause analysis for any confirmed odor event; and requires facilities with continuing odor issues to develop and implement an approved Odor Mitigation Plan. This action is to adopt the resolution: 1) Determining that the proposed amendments to Rule 1148.1 - Oil and Gas Production Wells are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1148.1 - Oil and Gas Production Wells. (Reviewed: Stationary Source Committee, February 20 and April 17, 2015)

30. Amend Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers **Fine/2239**

Staff is recommending that the public hearing on this item be continued to the July 10, 2015 Board Meeting.

Rule 1148.2 was adopted April 5, 2013 to establish requirements for owners or operators of oil and gas wells to notify the Executive Officer when conducting well drilling, well reworking, hydraulic fracturing, and other well production stimulation activities. The rule also includes reporting requirements for operators and chemical suppliers to report trade secret and non-trade secret chemicals used. The California Department of Conservation, through its Division of Oil, Gas, and Geothermal Resources (DOGGR) has approved Well Stimulation Treatment Regulations in response to the passage of SB 4 on December 30, 2014. Chemical reporting requirements for chemicals claimed as trade secret are different between the new DOGGR regulation and Rule 1148.2. Proposed Amended Rule 1148.2 includes revisions to the chemical reporting requirements to be consistent with DOGGR's regulation. This action is to adopt the resolution: 1) Determining that the proposed amendments to Rule 1148.2 are exempt from the CEQA; and 2) Amending Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers. (Reviewed: Stationary Source Committee, April 17, 2015)

OTHER BUSINESS

31. Approve Three-Year Labor Agreement with South Coast Professional Employees Association **Johnson/3018**

SCAQMD management and representatives of the South Coast Professional Employees Association, representing the Professional bargaining unit, have reached agreement on a new three-year labor agreement. The bargaining unit members have ratified the agreement, and this action is to present the proposed agreement to the Board for consideration and approval. (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:

- California Nozzle Specialists, Inc. v. SCAQMD, Los Angeles County Superior Court Case No. BS152037 (Public Records Act);
- CBE, CCAT v. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-72358 (1315);
- Communities for a Better Environment, et al. v. U.S. EPA, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 13-70167 (Sentinel);
- 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);
- Friends of the Fire Rings v. SCAQMD, San Diego Superior Court, North County, Case No. 37-2014-00008860-CU-WM-NC (Nov. 26, 2013; transferred March 20, 2014);
- Petition for Declaratory Order by U.S. Environmental Protection Agency, Surface Transportation Board Docket No. FD 35803 (Railroad Rules) and SCAQMD v. STB, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 15-70609 (appeal of STB Decision);
- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-70079 (PM2.5);
- 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. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 13-73936 (Morongo 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 (three cases).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(b) due to significant exposure to litigation (one case).

CONFERENCE WITH LABOR NEGOTIATORS

In addition, it is 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: SCAQMD Professional Employees Association].

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