



# South Coast Air Quality Management District

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

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## A G E N D A

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### MEETING, JANUARY 9, 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.

#### 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 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.

#### Questions About Progress of the Meeting

- During the meeting, the public may call the Clerk of the Board's Office at (909) 396-2500 for the number of the agenda item the Board is currently discussing.

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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 Board's Office, 21865 Copley Drive, Diamond Bar, CA 91765.

The Agenda is subject to revisions. For the latest version of agenda items herein or missing agenda items, check the District's web page ([www.aqmd.gov](http://www.aqmd.gov)) or contact the Clerk of the Board, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

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*Cleaning the air that we breathe...™*

## **CALL TO ORDER**

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair  
Other Board Members  
Barry R. Wallerstein, D. Env., Executive Officer
- Presentation of Retirement Awards to Bobby Mendoza and Richard Watson **Burke**
- Swearing In of Reappointed Board Member Ben Benoit **Burke**

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Staff/Phone (909) 396-

## **CONSENT CALENDAR (Items 1 through 15)**

Note: Consent Calendar items held for discussion will be moved to Item No. 16

1. Approve Minutes of December 5, 2014 Board Meeting **McDaniel/2500**
2. Set Public Hearings March 6, 2015 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations **Wallerstein/3131**

***This item will include a staff presentation, and Board discussion, on key issues raised at the November 21, 2014 Stationary Source Committee regarding the lead emission rate under Proposed Amended Rule 1420.1.***

- A. Amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities **Chang/3186**

At the January 2014 Board meeting, staff reported on two studies to address the technical, economic, and physical feasibility of achieving a total facility mass lead emission rate of 0.003 lb/hour from all lead point sources (stack emissions) at large lead acid battery recycling facilities. Based on elevated levels of lead found in surface dust and soil samples collected and analyzed by the Department of Toxic Substances Control, the Board directed staff to amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities to lower the lead point source emission rate and other possible revisions to reduce lead exposure to the surrounding communities. Based on a review of past exceedances of the current Rule 1420.1 ambient lead concentration limit of 0.150 µg/m<sup>3</sup>, the SCAQMD staff believes that the exceedances are likely attributed to fugitive emissions rather than point sources. As a result, the SCAQMD staff is proposing more stringent requirements to reduce lead exposure and the accumulation of lead in the soil in the surrounding community from large lead-acid battery recyclers. (Reviewed: Stationary Source Committee, November 21, 2014)

**Budget/Fiscal Impact**

3. Execute Contracts to Conduct 2015 Lawn Mower Exchange Program and Transfer, Appropriate and Recognize Funds **E** **Miyasato/3249**

At its September 5, 2014 meeting, the Board approved the release of Program Announcements for Electric Lawn Mower Vendors, Licensed Scrappers and Support Service Providers. These actions are to execute contracts with two lawn mower vendors using funds from the Carl Moyer Program SB 1107 Fund (32) and with a licensed scrapper/recycler as well as a support service provider using funds from the Rule 2202 AQIP Special Revenue Fund (27). This action is also to transfer and appropriate \$50,000 from the Rule 2202 AQIP Special Revenue Fund (27) to Science and Technology Advancement's FY 2014-15 Budget, as well as to recognize unspent funds in the next fiscal year, as needed, to conduct the 2015 Lawn Mower Exchange Program. (Reviewed: Administrative Committee, December 12, 2014; Recommended for Approval)

4. Issue RFP to Verify Inventory of Atmospheric Pressure Relief Devices at Refineries and Check for Existence of Refinery Fuel Supply Line(s) that Bypass Fuel Monitors **Nazemi/2662**

The SCAQMD staff regularly inspects refineries to verify inventory of atmospheric pressure relief devices (PRDs) listed under Rule 1173 compliance plans and to determine if there are any bypasses around fuel supply line monitoring systems. Some of the atmospheric PRDs are inaccessible to SCAQMD inspectors during normal operations due to the locations of the PRDs. Refineries employ methodologies that either directly monitor emissions or determine emissions by monitoring a combination of fuel sulfur content, heat content, chemical composition, temperature, and pressure near fuel mix drums. Refinery fuel gas is then delivered to various process heaters or boilers via a complex network of fuel supply lines. The accuracies of the reported RECLAIM emissions will be impacted if additional fuel is introduced to the combustion devices by-passing one or more of these continuous monitors. This action is to issue an RFP to verify inventory of atmospheric pressure relief devices at refineries and check for existence of refinery fuel supply line(s) that by-pass fuel monitors. (Reviewed: Stationary Source Committee, November 21, 2014; Administrative Committee, December 12, 2014; Recommended for Approval)

5. Amend Existing Contracts for Legislative Representation in Washington, D.C. **Smith/3242**

The current contracts with Kadash & Associates, LLC and Carmen Group Inc. for legislative and regulatory representation in Washington D.C. will expire on January 14, 2015. This item is to recommend approval of the second one-year extension for the two existing contracts for federal legislative and regulatory consulting services for Calendar Year 2015. Total contract amounts for Kadash & Associates and Carmen Group Inc. is proposed to be the current contract amounts plus a Consumer Price Index increase. (Reviewed: Administrative Committee, December 12, 2014; Recommended for Approval)

6. Airing SCAQMD Governing Board Monthly Meetings on Local Public Affairs Channels **Smith/3242**

Pursuant to Board direction, as a means to expand agency outreach and public awareness of the SCAQMD actions to achieve healthful air quality for all residents, staff is seeking to secure commitments to rebroadcast the SCAQMD Governing Board's monthly meetings on Public, Education and Government channels and/or cable companies' public affairs channels operating throughout the region. (Reviewed: Administrative Committee, July 18 and December 12, 2014; Recommended for Approval)

**Action Items/No Fiscal Impact**

7. Approve Memorandum of Agreement Among Division of Oil, Gas, and Geothermal Resources, CARB and SCAQMD Regarding Well Stimulation Treatments and Well Stimulation Treatment – Related Activities **Baird/2302**

Senate Bill 4 (Pavley), adopted in 2013, requires the Division of Oil, Gas and Geothermal Resources to adopt rules & regulations specific to well stimulation activities and hydraulic fracturing treatments. Senate Bill 4 also requires DOGGR to enter into formal agreements with CARB and local air districts where well stimulation activities may occur. The agreements shall delineate the respective authority, responsibility, and notification and reporting requirements for each agency that are related to such activities. (Reviewed: Administrative Committee, December 12, 2014)

8. Resolution to Support in Concept Salton Sea Restoration and Renewable Energy Initiative **Wallerstein/3131**

As the Salton Sea water levels continue to rapidly recede, air pollution concerns are expected to increase throughout the Coachella Valley and Imperial County due to particulates and potential toxic air contaminants emitted from the lake bed sediments. The Salton Sea Restoration and Renewable Energy Initiative seeks a collaborative Salton Sea restoration solution designed to minimize the environmental and air quality impacts. The initiative would use revenue generated by renewable energy projects to fund environmental mitigation and restoration efforts at the Salton Sea. This action is to approve a Board resolution to support, in concept, the Salton Sea Restoration and Renewable Energy Initiative. (Reviewed: Administrative Committee, December 12, 2014; Recommended for Approval)

**Items 9 through 15 - Information Only/Receive and File**

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

This report highlights the November 2014 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)
10. Hearing Board Report **Camarena/2500**

This reports the actions taken by the Hearing Board during the period of November 1 through November 30, 2014. (No Committee Review)
11. Civil Filings and Civil Penalties Report **Wiese/3460**

This reports the monthly penalties from November 1 through November 30, 2014, and legal actions filed by the General Counsel's Office from November 1 through November 30, 2014. An Index of District Rules is attached with the penalty report. (No Committee Review)
12. Lead Agency Projects and Environmental Documents Received by SCAQMD **Chang/3186**

This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between November 1, 2014 and November 30, 2014 and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (No Committee Review)
13. Rule and Control Measure Forecast **Chang/3186**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2015, and provides a summary of rulemaking activities and other AQMP-related programs in 2014. (No Committee Review)
14. Report of RFQs Scheduled for Release in January **O'Kelly/2828**

This report summarizes the RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of January. (Reviewed: Administrative Committee, December 12, 2014; Recommended for Approval)

15. 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 report on major automation contracts and projects to be initiated by Information Management during the last six months of FY 2014-15. (Reviewed: Administrative Committee, December 12, 2014; Recommended for Approval)

16. Items Deferred from Consent Calendar

### **BOARD CALENDAR**

*Note: The Mobile Source, Stationary Source, and Technology Committees did not meet in December. The next meetings of the Mobile Source, Stationary Source, and Technology Committees are scheduled for January 23, 2015. The MSRC meeting scheduled for December 18, 2014, was cancelled; the next MSRC meeting is scheduled for January 15, 2015.*

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

18. Legislative Committee (Receive & File) **Chair: Gonzales** **Smith/3242**

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

<b>Agenda Item</b>	<b>Recommendation</b>
H.R. 5101 (Hahn) National Freight Network Trust Fund Act of 2014	Develop Proposed Language and Return to Committee
H.R. 5624 (Lowenthal) Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act	Support and Recommend Amendments

19. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell** **McDaniel/2500**

### **OTHER BUSINESS**

20. Establish BP/SCAQMD Public Benefits Oversight Special Revenue Fund **Ospital/2582**

This item is to establish a Special Revenue Fund to receive the remaining unspent \$177,802 from the 2005 BP Settlement Agreement public benefits payments. These funds will continue to be expended through the approval of the BP SCAQMD Public Benefits Programs Oversight Committee. (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

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);
- Friedman Marketing v. SCAQMD, California Court of Appeal, Second Appellate District, Case No. B249836 (Rule 461);
- Friends of the Eel River v. North Coast Railway Authority, California Supreme Court Case No. S222472 (seek leave to file 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);

- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-70016 (Monitoring);
- 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, 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).

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) and pursuant to Government Code section 54956.9(b) due to significant exposure to litigation (one case).

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](mailto: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	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AVR = Average Vehicle Ridership	NGV = Natural Gas Vehicle
BACT = Best Available Control Technology	NO <sub>x</sub> = Oxides of Nitrogen
Cal/EPA = California Environmental Protection Agency	NSPS = New Source Performance Standards
CARB = California Air Resources Board	NSR = New Source Review
CEMS = Continuous Emissions Monitoring Systems	PAMS = Photochemical Assessment Monitoring Stations
CEC = California Energy Commission	PAR = Proposed Amended Rule
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM <sub>10</sub> = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM <sub>2.5</sub> = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	PON = Public Opportunity Notice
CTG = Control Techniques Guideline	PR = Proposed Rule
DOE = Department of Energy	RFP = Request for Proposals
EV = Electric Vehicle	RFQ = Request for Quotations
FY = Fiscal Year	SCAG = Southern California Association of Governments
GHG = Greenhouse Gas	SIP = State Implementation Plan
HRA = Health Risk Assessment	SO <sub>x</sub> = Oxides of Sulfur
IAIC = Interagency AQMP Implementation Committee	SOON = Surplus Off-Road Opt-In for NO <sub>x</sub>
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

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BOARD MEETING DATE: January 9, 2015

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the December 5, 2014 meeting.

**RECOMMENDED ACTION:**

Approve Minutes of the December 5, 2014 Board Meeting.

Sandra McDaniel,  
Clerk of the Boards

SM:dg

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**FRIDAY, DECEMBER 5, 2014**

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

William A. Burke, Ed.D., Chairman  
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman  
Cities of San Bernardino County

Mayor Michael D. Antonovich (arrived at 9:20 a.m.)  
County of Los Angeles

Mayor Pro Tem Ben Benoit  
Cities of Riverside County

Supervisor John J. Benoit  
County of Riverside

Councilmember Joe Buscaino  
City of Los Angeles

Councilmember Michael A. Cacciotti  
Cities of Los Angeles County – Eastern Region

Dr. Joseph K. Lyou  
Governor's Appointee

Mayor Judith Mitchell  
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (arrived at 9:15 a.m.)  
County of Orange

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

Mayor Miguel A. Pulido (arrived at 9:05 a.m.)  
Cities of Orange County

Member absent:

Supervisor Josie Gonzales  
County of San Bernardino

**CALL TO ORDER:** Chairman Burke called the meeting to order at 9:00 a.m.

- Pledge of Allegiance: Led by Dr. Parker
- Opening Comments

Dr. Lyou. Introduced local student, Antonio Valdes Jorgensen, whom he met through the non-profit organization, Grades of Green, that works with students to take a proactive role in addressing environmental issues.

Antonio explained that he is involved in the Green Team at Hughes Middle School in Long Beach, and since joining Grades of Green he has taken on the personal service project of ensuring the areas surrounding his school and other local schools are no idle zones. He has networked with local and state representatives to look into possible regulations or legislation regarding his anti-idling campaign for all passenger vehicles. He also has recognized the importance of educating students and parents about the effects of idling through his No Idling Awareness Campaign which, includes passing out flyers and school announcements and monitoring idling vehicles around the school after school is out.

Councilman Cacciotti. Asked staff to follow-up on the progress of the anti-idling legislation; explained an article that he read about the small town of Reno, Texas that has been experiencing multiple earthquakes, which some attribute to the hydraulic fracturing process occurring there; and he shared that the Burbank Police Department has acquired two zero-emission motorcycles, and that it will be interesting to see how that product develops among the enforcement and municipal fleets.

Dr. Parker. Announced that he attended the Fuel Cell Seminar in Los Angeles on November 11, 2014 and explained that he has been involved in discussions regarding training first responders for fuel cell accidents as the use of hydrogen-fueled vehicles continues to grow.

Mayor Mitchell. Explained that she looks forward to the opportunity to test drive Toyota's fuel cell vehicle at an upcoming Air Resources Board meeting. She added that the City of Inglewood has converted their law enforcement fleet to hybrid vehicles, and may be a prime candidate for an experimental program with a zero emission vehicle. She expressed her support for investigating the idling laws with respect to the jurisdictional limitations that Antonio reported encountering.

(Mayor Pulido arrived at 9:05 a.m., during opening comments)

- Recognize Employees with Twenty-Five, Thirty and Thirty-Five Years of Service

Bill Johnson, Assistant DEO of Administrative and Human Resources, read the names of the employees as follows:

Twenty-Five Years: Libby Ayers; Cindy Barbosa; Barbara Baird; Rene Bermudez; Bryan Bradford; Rizaldy Calungcagin; Laura Cantu; Brian Choe; Hui Sung Choe; David Coel; Gwen Cole; Sean Cullins; Neera Dang; Kevin Durkee; John Eckert; Nancy Feldman; Laura Garrett; Mike Garibay; Annie Genato; Maryann Gomez; Robert Gottschalk; Cynthia Green; Greta Grier; Mel Guemo; Mitch Haimov; Erin Hicks; Henry Hogo; Derek Hollinshead; Todd Iwata; Peter Ko; Dayantha Kurukulasuriya; Arun Kumar; Ken Laird; Ron Lem; Rene Loof; Lourdes Cordova Martinez; Randy Matsuyama; Edward O'Neal; Adewale Oshinuga; Richard Palomino; Henry Pourzand; Pablo Pua; Rezvan Ramezani; Harold Rank; Gaurang Rawal; Vanessa Rodriguez; Deborah Rutledge; Denny Shaw; Solomon Teffera; Eugen Teszler; Ngoc Tran; Thai Tran; Susan Tsai; Joe Vail; Debbie Van Den Hende; Gilbert Vita; Grace Vu; Pearla Wallace; Barry Wallerstein; Richard Watson; Denise Whitcher; Jill Whynot; Kurt Wiese; Carey Willoughby; David Yeh; Robert Yi; Jackson Yoong

Thirty Years: Art Arreola; Amir Dejbakhsh; Nabil Gobrial; Elizabeth Gonzalez; Andrew Lee; Danny Luong; Sandra McDaniel; Lori Moore; Frank Motavassel; Ed Muehlbacher; Patti Oleson; Roy Olivares; Sylvia Oroz; Van Phan; Dixie Richards; Jeanette Short; William Thompson; Charles Tupac; Gary Turner; Tran Vo; Xuan Vu; John Yee




Thirty-Five Years: Elaine Hara; Richard Tambara; Mariano Vargas

Chairman Burke thanked the employees, on behalf of the Board, for their many years of dedicated service to the SCAQMD.

(Supervisor Nelson and Supervisor Antonovich arrived at 9:15 a.m. and 9:20 a.m., respectively, during employee recognition)

### **CONSENT CALENDAR**

1. Approve Minutes of November 7, 2014 Board Meeting
2. Establish Pilot Program with Commercial Electric Lawnmowers for Government and Non-Profits within San Bernardino Clean Communities Plan Pilot Study Area

3. Recognize and Transfer Revenue and Execute Contracts to Develop and Demonstrate Fuel Cell and Plug-In Hybrid Heavy-Duty Trucks 
4. Renew SCAQMD's Membership in CaFCP for Calendar Year 2015, Provide Office Space for CaFCP, and Receive and File California Fuel Cell Partnership Executive Board Meeting Agenda and Quarterly Updates 
5. Recognize, Transfer and Appropriate Funds, and Execute Contracts to Implement Enhanced Fleet Modernization Program
6. Issue RFP to Upgrade, Operate and Maintain Fast-Fill CNG Fueling Station at SCAQMD Headquarters, Amend Contract and Transfer and Appropriate Funds 
7. Recognize Revenue and Appropriate Funds for U.S. EPA PAMS Program, Amend and Award Contracts for Technical Support for U.S. EPA PAMS and Near-Roadway Programs, Issue Purchase Orders for Air Monitoring Equipment and Issue RFQ for Pure Air Generators
8. Execute Contract for Operation of Diamond Bar Headquarters Cafeteria
9. Execute Contract for Carpet Installation at Diamond Bar Headquarters
10. Reclassify Director Position to Assistant Deputy Executive Officer Position in Science and Technology Advancement
11. Issue Purchase Order for Ingres Relational Database Management System Software Support
12. Execute Contract for Biennial Audit of Motor Vehicle Registration Revenues for FYs 2011-12 and 2012-13
13. Approve Transfer of Monies from General Fund to Health Effects Research Fund
14. Execute Contract for Marketing and Outreach Initiative for 2015 Lawn Mower Exchange Program
15. Execute Contracts for Legislative Representation in Sacramento, California

16. Approve Contract Awards and Modifications Approved by MSRC

**Action Item/No Fiscal Impact**

17. Establish Board Meeting Schedule for Calendar Year 2015

**Items 18 through 27 - Information Only/Receive and File**

18. Legislative & Public Affairs Report
19. Hearing Board Report
20. Civil Filing and Civil Penalty Report
21. Lead Agency Projects and Environmental Documents Received by SCAQMD
22. Rule and Control Measure Forecast
23. Use of Executive Officer Enforcement Discretion to Provide One-time 90-day Extension of Submittal Deadline for 2015 Annual Emission Report
24. Report of RFPs Scheduled for Release in December
25. Annual Audited Financial Statements for FY Ended June 30, 2014
26. Annual Report on 457 Deferred Compensation Plan
27. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2014-15

Mayor Mitchell and Councilman Buscaino announced that they serve on the Board of Directors for the Los Angeles County Sanitation District which is involved with the program under Item No. 16. Supervisor Antonovich announced that he serves on the Board of Directors for the Los Angeles County Sanitation District and the Southern California Regional Rail Authority which is involved with the program under Item No. 16. Supervisor Nelson announced that he serves on the Board of The Southern California Regional Rail Authority, which is involved with the program under Item No. 16.

Mayor Pro Tem Benoit announced his abstention on Item No. 16 because of a campaign contribution from CR&R Inc. Dr. Lyou announced his abstention on Item No. 3 because Transportation Power Incorporated, L.A. DWP, Ports Technology Advancement Program (Port of Long Beach), and the Southern California Gas Company are potential sources of income to him, on Item No. 4 because Bevilacqua-Knight Incorporated is a potential source of income to him, and on Item No. 5 because Gladstein, Neandross & Associates LLC is a potential source of income to him.

Agenda Item Nos. 13, 14, and 22 were withheld for discussion.

MOVED BY NELSON, SECONDED BY CACCIOTTI, AGENDA ITEMS 1 THROUGH 12, 15 THROUGH 21 AND 23 THROUGH 27 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 14-20 AMENDING SCAQMD'S SALARY RESOLUTION, AND ADDING AND DELETING POSITIONS WITHIN THE DESIGNATED DEPUTY CLASSIFICATIONS, AND ADOPTING RESOLUTION NO. 14-21 SETTING THE TIME AND PLACE OF REGULAR BOARD MEETINGS FOR 2015, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit (*except Item #16*), J. Benoit, Burke, Buscaino, Cacciotti, Lyou (*except Items #3, #4 and #5*), Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSTAIN: B. Benoit (*Item #16 only*) and Lyou (*Items #3, #4 and #5 only*).

ABSENT: Gonzales.

28. Items Deferred from Consent Calendar -

13. Approve Transfer of Monies from General Fund to Health Effects Research Fund

Councilman Cacciotti noted his support for the proposal, and requested that a presentation be made detailing the various research facilities and institutions that will be the recipients of these funds.



Dr. Wallerstein confirmed that the Board would receive an update regarding how research money is allocated through this particular research fund.

MOVED BY CACCIOTTI, SECONDED BY ANTONOVICH, AGENDA ITEM 13 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

14. Execute Contract for Marketing and Outreach Initiative for 2015 Lawn Mower Exchange Program

Councilman Cacciotti raised a concern about the efficiency of continued electric lawnmower exchanges based on a reduction in the amount of mowers being exchanged in recent years. He suggested partnering with the San Gabriel Valley Council of Governments and other local COGs to increase outreach efforts and possibly target alternative communities.

Fred Minassian, Director of Technology Implementation, stated that a drop in exchanges has occurred in recent years, and explained that staff has found those reduced numbers to be directly related to the outreach efforts, and as a result staff has increased the proposed amount to be allocated for outreach.

Chairman Burke concurred that the outreach efforts should be strengthened and diversified, in order to reach additional residents within the Basin.

Dr. Parker noted that the Mobile Source Committee also concluded that additional outreach is necessary for the continued success of the program.

Supervisor Nelson raised the concern of homeowners facing punitive increases to their electric bill as a result of adding an additional electrical appliance.

Mayor Mitchell suggested partnering with the South Bay Cities Council of Governments on the outreach efforts to utilize the network that they have in place.

MOVED BY CACCIOTTI, SECONDED BY LYOU, AGENDA ITEM 14 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

22. Rule and Control Measure Forecast

Dr. Lyou requested that Rule 1148.2 be included in the "To-Be Determined" section of the Rule Forecast, as it is expected to be heard in 2015.

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEM 22 APPROVED AS RECOMMENDED, WITH THE ADDITION OF RULE 1148.2 TO PAGE 5 OF THE 2015 TO-BE DETERMINED SECTION OF THE 2015 MASTER CALENDAR, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

**BOARD CALENDAR**

- 29. Administrative Committee
- 30. Investment Oversight Committee
- 31. Legislative Committee
- 32. Mobile Source Committee
- 33. Stationary Source Committee
- 34. Technology Committee
- 35. Mobile Source Air Pollution Reduction Review Committee
- 36. California Air Resources Board Monthly Report

MOVED BY YATES, SECONDED BY BUSCAINO, AGENDA ITEMS 29 THROUGH 36 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

### **CLOSED SESSION**

The Board recessed to closed session at 9:45 a.m., pursuant to Government Code sections:

- 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 District is a party, as follows:

People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;

In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482 (KJC) (Bankruptcy case); and

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).

- 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:

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

Following closed session, the Board reconvened in open session at 10:10 a.m. General Counsel Kurt Wiese announced that there were no reportable actions taken in closed session.

### **BOARD CALENDAR (Continued)**

#### 37. Clean Fuels Program Draft 2015 Plan Update

Dr. Wallerstein explained that there has been only minor changes since the last update made to the Board.

MOVED BY PULIDO, SECONDED BY BUSCAINO, AGENDA ITEM 37 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE CLEAN FUELS PROGRAM DRAFT 2015 PLAN UPDATE, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

### **PUBLIC HEARING**

38. Amend Rule 1325 - Federal PM2.5 New Source Review Program

Staff waived the oral presentation on Agenda Item 38.

The public hearing was opened, and there being no requests to speak, the public hearing was closed.

MOVED BY J. BENOIT, SECONDED BY PULIDO, AGENDA ITEM NO. 38 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 14-22, DETERMINING THAT THE PROPOSED AMENDMENTS TO RULE 1325 ARE EXEMPT FROM THE REQUIREMENTS OF CEQA, AND AMENDING RULE 1325, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

**OTHER BUSINESS**

39. Approve Three-Year Labor Agreement with Teamsters Local 911 and Approve Comparable Terms for Non-Represented Employees

Mayor Mitchell made a motion to approve staff's recommendation, including annual salary increases for the Teamsters and unrepresented employees as follows: 2 percent, 1.5 percent, and 1.5 percent over a three-year period effective the start of the pay period encompassing January 1<sup>st</sup> of each year, beginning in January 2015; employee payment of the employee share of the retirement contribution with offsetting increases to salary; and a reopener of the MOU in October 2015 and 2016 to discuss possible increases in health insurance premiums. The annual salary increases of 2 percent, 1.5 percent, and 1.5 percent are distinct from the amounts paid to offset increases in employee pension contributions.

Robert Pease and Phil Barroca, SCAQMD Professional Employees Association, requested that the Board consider an alternative approach to compensation that does not discriminate against employees based on their tenure, and eliminates the employer buy-down of the pension contribution. They claimed that the supporting documents were not made available for the required 72 hours prior to the meeting, and that the documents were lacking the actual fiscal impact of the proposed agreement.

In response to Supervisor Benoit's inquiry regarding the timeliness of providing the Board documents for review, Mr. Wiese confirmed that all procedural requirements of the Brown Act and other requirements of the Board were complied with in this instance.

Mayor Yates noted that Mr. Pease and Mr. Barroca do not represent any employees covered by the labor agreement before the Board.

MOVED BY MITCHELL, SECONDED BY NELSON,  
AGENDA ITEM NO. 39 APPROVED AS  
RECOMMENDED BY STAFF, WITH THE ADDITION  
OF ANNUAL SALARY INCREASES OF 2 PERCENT  
EFFECTIVE JANUARY 1, 2015, 1.5 PERCENT  
EFFECTIVE JANUARY 1, 2016, AND 1.5 PERCENT  
EFFECTIVE JANUARY 1, 2017, FOR TEAMSTERS  
LOCAL 911 AND NON-REPRESENTED  
EMPLOYEES:

- 1) AUTHORIZING THE EXECUTIVE OFFICER TO SIGN THE RATIFIED THREE-YEAR AGREEMENT FOR A SUCCESSOR 2015-2017 TEAMSTERS MOU, REPRESENTING THE TECHNICAL & ENFORCEMENT AND OFFICE CLERICAL & MAINTENANCE BARGAINING UNITS;

- 2) APPROVE THE AMENDMENTS TO THE *SALARY RESOLUTION AND ADMINISTRATIVE CODE* TO EFFECT COMPARABLE TERMS FOR NON-REPRESENTED EMPLOYEES; AND
  
- 3) ADOPTING RESOLUTION NO. 14-23, AMENDING SCAQMD'S SALARY RESOLUTION AND ADMINISTRATIVE CODE TO APPROVE, FOR MANAGEMENT, CONFIDENTIAL, ATTORNEY CLASS AND DESIGNATED DEPUTIES, ANNUAL INCREASES TO BASE SALARIES; AND AS APPLICABLE, ADDITIONAL SALARY INCREASES IN EXCHANGE FOR EMPLOYEES PAYING THE ENTIRE PORTION OF THE EMPLOYEE'S SHARE OF THEIR RETIREMENT CONTRIBUTION, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido and Yates.

NOES: None.

ABSENT: Gonzales.

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

There was no public comment on non-agenda items.

**ADJOURNMENT**

There being no further business, the meeting was adjourned by Chairman Burke at 10:25 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on December 5, 2014.

Respectfully Submitted,

Denise Garzaro  
Senior Deputy Clerk

Date Minutes Approved: \_\_\_\_\_

\_\_\_\_\_  
Dr. William A. Burke, Chairman

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**ACRONYMS**

CaFCP= California Fuel Cell Partnership  
CARB = California Air Resources Board  
CEQA = California Environmental Quality Act  
CNG = Compressed Natural Gas  
FY = Fiscal Year  
MSRC = Mobile Source (Air Pollution Reduction) Review Committee  
PAMS = Photochemical Assessment Monitoring Stations  
PM<sub>2.5</sub> = Particulate Matter ≤ 2.5 microns  
RFP = Request for Proposals  
RFQ = Request for Quotations  
U.S. EPA = United States Environmental Protection Agency



BOARD MEETING DATE: January 9, 2015

AGENDA NO. 2

PROPOSAL: Set Public Hearings March 6, 2015 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations:

- (A) Amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities.\* At the January 2014 Board meeting, staff reported on two studies to address the technical, economic, and physical feasibility of achieving a total facility mass lead emission rate of 0.003 lb/hour from all lead point sources (stack emissions) at large lead acid battery recycling facilities. Based on elevated levels of lead found in surface dust and soil samples collected and analyzed by the Department of Toxic Substances Control, the Board directed staff to amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities to lower the lead point source emission rate and other possible revisions to reduce lead exposure to the surrounding communities. Based on a review of past exceedances of the current Rule 1420.1 ambient lead concentration limit of 0.150 µg/m<sup>3</sup>, the SCAQMD staff believes that the exceedances are likely attributed to fugitive emissions rather than point sources. As a result, the SCAQMD staff is proposing more stringent requirements to reduce lead exposure and the accumulation of lead in the soil in the surrounding community from large lead-acid battery recyclers. (Reviewed: Stationary Source Committee, November 21, 2014)

The complete text of the proposed amendment, staff report, and other supporting documents are available from the District's Public Information Center, (909) 396-2550, and on the Internet ([www.aqmd.gov](http://www.aqmd.gov)) as of February 4, 2015.

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\* This item will include a staff presentation, and Board discussion, on key issues raised at the November 21, 2014 Stationary Source Committee regarding the lead emission rate under Proposed Amended Rule 1420.1.

**RECOMMENDED ACTION:**

Set Public Hearing March 6, 2015 to amend Rule 1420.1.


Barry R. Wallerstein, D.Env.  
Executive Officer

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BOARD MEETING DATE: January 9, 2015

AGENDA NO. 3

PROPOSAL: Execute Contracts to Conduct 2015 Lawn Mower Exchange Program and Transfer, Appropriate and Recognize Funds 

SYNOPSIS: At its September 5, 2014 meeting, the Board approved the release of Program Announcements for Electric Lawn Mower Vendors, Licensed Scrappers and Support Service Providers. These actions are to execute contracts with two lawn mower vendors using funds from the Carl Moyer Program SB 1107 Fund (32) and with a licensed scrapper/recycler as well as a support service provider using funds from the Rule 2202 AQIP Special Revenue Fund (27). This action is also to transfer and appropriate \$50,000 from the Rule 2202 AQIP Special Revenue Fund (27) to Science and Technology Advancement's FY 2014-15 Budget, as well as to recognize unspent funds in the next fiscal year, as needed, to conduct the 2015 Lawn Mower Exchange Program.

COMMITTEE: Administrative, December 12, 2014; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Chairman to execute contracts with the following entities to purchase cordless electric lawn mowers and to conduct the "Mow Down Air Pollution 2015" Lawn Mower Exchange Program in an amount not to exceed \$640,000 as described below:
  - a. Black & Decker, Inc. for the purchase of up to 4,000 lawn mowers in an amount up to \$580,000 from the Carl Moyer Program SB 1107 Fund (32);
  - b. The Greenstation for the purchase of up to 4,000 lawn mowers in an amount up to \$580,000 from the Carl Moyer Program SB 1107 Fund (32);
  - c. Dick's Auto Wreckers for the licensed scrapper/recycler element of the "Mow Down Air Pollution 2015" Program in an amount not to exceed \$40,000 from the Rule 2202 Air Quality Investment Fund (27); and
  - d. Parking Concepts, Inc. for the support service provider element of the "Mow Down Air Pollution 2015" Program in an amount not to exceed \$20,000 from the Rule 2202 Air Quality Investment Fund (27).

2. Authorize the Executive Officer to redistribute (add or reduce) funding among the two participating lawn mower vendors, Black & Decker, Inc. and The Greenstation, to address demand, not to exceed a total program cost of \$580,000.
3. Transfer \$50,000 from the Rule 2202 Air Quality Investment Fund (27) into the General Fund and appropriate the following amounts into Science and Technology Advancement's FY 2014-15 Budget to assist in implementing SCAQMD's "Mow Down Air Pollution 2015" Program:
  - a. \$45,000 into Salaries and Employee Benefits Major Object, Overtime Account and
  - b. \$5,000 to the Services and Supplies Major Object, Professional and Special Services Account.
4. Recognize any unspent FY 2014-15 funds from Recommended Action No. 3 above (\$50,000) for implementing SCAQMD's "Mow Down Air Pollution 2015" Program in the FY 2015-16 General Fund and appropriate these unspent funds into Science and Technology Advancement's FY 2015-16 Budget, splitting funds, as needed, between Salaries and Employee Benefits Major Object, Overtime Account, and Services and Supplies Major Object, Professional and Special Services Account, to cover any unpaid expenses incurred in the "Mow Down Air Pollution 2015" Program.

Barry R. Wallerstein, D.Env.  
Executive Officer

MMM:FM:SS

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### **Background**

The Rule 2202 Air Quality Investment Program (AQIP) allows subject employers to participate by electing to invest in a SCAQMD-administered restricted fund. Investment can be either \$45 annually per employee reporting to the worksite during the 6 a.m. to 10 a.m. peak window or \$125 triennially per employee. The restricted monies are to be used by the SCAQMD to fund proposals that achieve mobile source emission reductions that would otherwise have been achieved by implementing a rideshare program.

For the past 12 years, the SCAQMD has conducted lawn mower exchange events at which over 53,000 gasoline-powered lawn mowers were exchanged for cordless zero emission electric mowers.

This year, once again, a cordless zero emission electric lawn mower exchange is eligible for funding under the Carl Moyer Program within the Lawn and Garden Equipment Replacement category. The Project Criteria is detailed in Chapter 14 of the March 29, 2012, release of the Carl Moyer Program Guidelines, which allows a maximum subsidy per lawn mower of \$145. No additional contribution to the subsidy is allowed under these guidelines.

On September 5, 2014, the Board approved release of three Program Announcements to solicit competitive bids from manufacturers of cordless electric lawn mowers, licensed scrappers and support service providers to conduct the 2015 Lawn Mower Exchange Program.

### **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ 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.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ 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 SCAQMD's website (<http://www.aqmd.gov>).

### **Bid Evaluation**

In response to Program Announcement #PA2015-04 for production of up to 4,000 electric lawn mowers, proposals were received from two vendors – Black & Decker, Inc. and The Greenstation. Both vendors have participated in previous exchange programs, and five of the seven mowers offered by these vendors were used in lawn mower exchange events over the last two years.

In response to Program Announcement #PA2015-03 for scrapping old gasoline-powered lawn mowers, only one proposal was received from Dick's Auto Wreckers. This vendor is currently assisting the SCAQMD with implementation of the Prop 1B–Goods Movement and VIP Programs.

In response to Program Announcement #PA2015-02 for support service providers at exchange events, only one proposal was received from Parking Concepts, Inc. This vendor has provided support services at lawn mower exchange events for the last 12 years.

### **Proposal**

#### Lawn Mower Vendors

This action is to execute contracts with two lawn mower vendors - Black & Decker, Inc. and The Greenstation. Staff recommends offering a choice of seven mowers for the 2015 Program. Detailed characteristics including specifications and pricing of the seven lawn mowers are shown in Table 1 of the attachment. Based on the Carl Moyer subsidy of \$145 per mower, the cost range of the mowers to participants will range between \$100

and \$250. A maximum of \$580,000 will be awarded between the two manufacturers/vendors, with the final split in funding to be determined by the choices made by participants.

Licensed Scrappers/Recyclers

This action is to execute a contract with Dick's Auto Wreckers for the licensed scrapper/recycler element of the "Mow Down Air Pollution 2015" Program.

Support Service Providers

This action is to execute a contract with Parking Concepts, Inc. for the support service provider element of the "Mow Down Air Pollution 2015" Program. Details of the services to be provided are listed in Table 2 of the attachment.

**Benefits to SCAQMD**

Table 3 of the attachment illustrates the Rule 2202 AQIP emission bank status to date. The past awards have resulted in a surplus of emission credits. Since the funding is from the Carl Moyer Program, the emission reductions generated by this year's program will be claimed by CARB.

**Resource Impact**

Sufficient funds are available in the Carl Moyer Program SB 1107 Fund (32) to provide up to \$580,000 in incentives to participants of the Lawn Mower Exchange Program. Sufficient funds of \$110,000 are also available from the Rule 2202 Air Quality Investment Fund (27) for conducting the "Mow Down Air Pollution 2015" Lawn Mower Exchange Program. Of the \$110,000 amount, \$50,000 will be transferred from the Rule 2202 Air Quality Investment Fund (27) into the General Fund and appropriated into Science and Technology Advancement's FY 2014-15 Budget as follows: 1) \$45,000 into Salaries and Employee Benefits Major Object, Overtime Account and 2) \$5,000 to the Services and Supplies Major Object, Professional and Special Services Account. Any unspent funds will be recognized in the FY 2015-16 General Fund and appropriated into Science and Technology Advancement's FY 2015-16 Budget, splitting funds as needed between Salaries and Employee Benefits Major Object, Overtime Account, and Services and Supplies Major Object, Professional and Special Services Account, to cover any unpaid expenses incurred in the "Mow Down Air Pollution 2015" Program.

**Attachment**

Table 1 – Comparison of Lawn Mower Specifications and Pricing

Table 2 – Support Services Provider Proposal

Table 3 – Emissions Bank Status

## Attachment 1

**Table 1: Comparison of Lawn Mower Specifications and Pricing**

	BLACK & DECKER				The Green Station		
	CM 1640	CM 1836	CM 1936	CM2040	Lawn N-B	Lawn N-1	Lawn N-2 (SP)
<b>Cordless Rechargeable</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Charging Time</b>	hrs 100% in 2 hrs	100% in 12 hrs	100% in 12 hrs	60% in 2 hrs	12 hrs	12 hrs	12 hrs
<b>Clipping bag included?</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Cutting Width</b>	16"	18"	19"	20"	18"	20"	19"
<b>Ease of Assembly</b>	Minimal	Minimal	Minimal	Minimal	Easy	Easy	Easy
<b>Height Adjustability</b>	1.5" - 3.5"	1.5 - 3.5"	1.5" - 3.5"	1.5" - 4"	1.5" - 3.5"	1.75" - 3.75"	1.75" - 3.75"
<b>Mowing Time</b>	Up to 40 min	Up to 45 min	Up to 45 min	Up to 45 min	Up to 45 min	Up to 65 min	Up to 60 min
<b>Self-propelled?</b>	No	No	No	No	No	No	Yes
<b>Service locations</b>	6	6	6	6	12	12	12
<b>Voltage</b>	(2) 40V - Li	36V	36V	(2) 40V - Li	36V	24V	24V
<b>Warranty Exch</b>	30 day Satisfaction	30 day Satisfaction	30 day Satisfaction	30 day satisfaction	Yes	Yes	Yes
<b>Mower Warranty</b>	4 years	4 years	4 years	4 years	4 years	4 years	4 years
<b>Battery Warranty</b>	4 years	4 years	4 years	4 years	2 years	2 years	2 years
<b>Weight</b>	38 lbs.	62 lbs.	72 lbs	43.5 lbs	65 lbs.	96 lbs.	100 lbs.
<b>MSRP</b>	\$375	\$350	\$400	\$450	\$399.99	\$429.99	\$469.99
<b>Cost to AQMD</b>	\$305	\$245	\$325	\$395	\$245	\$295	\$365
<b>Promotional Assistance</b>	4 mowers	4 mowers	4 mowers	4 mowers	3 mowers	3 mowers	3 mowers
<b>Availability / Lead Time</b>	90 days	90 days	90 days	90 days	60 days	60 days	60 days
<b>Customer pays</b>	\$160	\$100	\$180	\$250	\$100	\$150	\$220

**Table 2: Support Service Provider Proposal**  
**(PA 2015-02)**

	<b>Parking Concepts (PCI)</b>
Demonstrate experience in handling Large events	12 years of LMX
Hourly Rate per mower handler	\$29.50
Hourly Rate for traffic director	\$27.50
Rental rate for Traffic Cones (& tape)	\$2.50 each
Rental rate for A-frame barricades for signage	\$2.50 each
Transportation charge	\$250.00
Other information	Previous Contractor

**Table 3: Emissions Bank Surplus Status (in pounds)**

	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>
<b>2014</b>	387,955	122,202	1,762,312
<b>2015</b>	368,068	117,585	1,623,953
<b>2016</b>	294,773	86,065	1,341,020



BOARD MEETING DATE: January 9, 2015

AGENDA NO. 4

**PROPOSAL:** Issue RFP to Verify Inventory of Atmospheric Pressure Relief Devices at Refineries and Check for Existence of Refinery Fuel Supply Line(s) that Bypass Fuel Monitors

**SYNOPSIS:** The SCAQMD staff regularly inspects refineries to verify inventory of atmospheric pressure relief devices (PRDs) listed under Rule 1173 compliance plans and to determine if there are any bypasses around fuel supply line monitoring systems. Some of the atmospheric PRDs are inaccessible to SCAQMD inspectors during normal operations due to the locations of the PRDs. Refineries employ methodologies that either directly monitor emissions or determine emissions by monitoring a combination of fuel sulfur content, heat content, chemical composition, temperature, and pressure near fuel mix drums. Refinery fuel gas is then delivered to various process heaters or boilers via a complex network of fuel supply lines. The accuracies of the reported RECLAIM emissions will be impacted if additional fuel is introduced to the combustion devices by-passing one or more of these continuous monitors. This action is to issue an RFP to verify inventory of atmospheric pressure relief devices at refineries and check for existence of refinery fuel supply line(s) that bypass fuel monitors.

**COMMITTEE:** Stationary Source, November 21, 2014, Reviewed; Administrative, December 12, 2014; Recommended for Approval

**RECOMMENDED ACTIONS:**

Issue the attached RFP #P2015-19 to solicit competitive bids for qualified contractor(s) to review refinery piping and instrumentation diagrams and to physically inspect all process equipment and fuel lines to verify accuracy of the PRD inventories and existence of any bypasses in the fuel supply lines around monitoring systems.

Barry R. Wallerstein, D.Env.  
Executive Officer

**Background**

SCAQMD Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants requires refineries located within its jurisdiction to identify and operate PRDs that release directly to the atmosphere (or atmospheric PRDs) in compliance with certain requirements. Among them, all atmospheric PRDs must be identified in the current Rule 1173 Compliance Plan. In recent years, refineries in SCAQMD have converted many of the atmospheric PRDs and redirected releases from these PRDs to vapor recovery systems. Upon doing so, refineries are required to submit updates to their Rule 1173 Compliance Plans. SCAQMD conducts periodic field compliance audits of Rule 1173 Compliance Plans. However, some of the atmospheric PRDs are inaccessible to SCAQMD inspectors during normal operations due to the locations of the PRDs.

SCAQMD Rules 2011 and 2012 – Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO<sub>x</sub>) & Oxides of Nitrogen Emissions, respectively, require continuous monitoring of emissions of SO<sub>x</sub> and NO<sub>x</sub>, respectively, from combustion of refinery fuel gases. All refineries in SCAQMD seek to comply with this requirement by employing methodologies that incorporate in varying degrees direct monitoring of emissions or monitoring of fuel sulfur content, heat content, chemical composition, temperature, and pressure near the supplying fuel mix drums. From the fuel mix drum, refinery fuel gas is delivered to various process heaters or boilers via a complex network of fuel supply lines. The accuracies of the reported SO<sub>x</sub> and NO<sub>x</sub> emissions will be impacted if additional fuel is introduced to the fuel supply lines bypassing one or more of these continuous monitors. The SCAQMD staff regularly inspects the refineries to verify this fuel lines network and to verify all existing fuel supply lines to be free of such bypasses, but due to the complex and inaccessible network of fuel lines may not be able to track all fuel lines at all refineries.

**Proposal**

This action is to issue RFP #P2015-19 to solicit competitive bids for one or more independent contractors to (a) verify the accuracy of the identification of all atmospheric pressure relief devices (PRDs) as stated in current Compliance Plans submitted by refineries pursuant to SCAQMD Rule 1173 and (b) check for the existence of any fuel supply lines introducing additional fuel downstream of the locations of monitors used to continuously measure fuel and to determine sulfur content, heat content, temperature and pressure of fuel from fuel mix drums operated by refineries within SCAQMD.

The proposed schedule of events for the RFP is as follows:

<b>Date</b>	<b>Event</b>
January 9, 2015	RFP Released
January 28, 2015	Bidders' Conference
February 11, 2015	Proposals Due by 5:00 p.m.
March 13, 2015	Administrative Committee Review, if cost exceeds \$75,000
April 3, 2015	Governing Board Approval, if cost exceeds \$75,000
September 30, 2015	Estimated Completion Date of the Project

### **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids will be 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 Basin.

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

### **Bid Evaluation**

Proposals will be reviewed and evaluated by a diverse, technically qualified panel in accordance with criteria contained in the attached RFP.

### **Benefits to SCAQMD**

This project will provide added assurance of continued compliance with Rule 1173 requirements and accuracy of emissions determined and reported by RECLAIM continuous emission monitoring systems.

### **Resource Impacts**

The total cost has not been determined and will depend on the proposals submitted. The costs will be covered using funds from the Rule 1173 Mitigation Fee Fund (44).

### **Attachment**

RFP #P2015-19 – Identification of Refinery Atmospheric Pressure Relief Devices and Any Bypasses of Fuel Monitoring Systems



**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**  
**REQUEST FOR PROPOSALS**

**Identification of Refinery Atmospheric Pressure Relief Devices and Any Bypasses of Fuel Monitoring Systems**

#P2015-19

The South Coast Air Quality Management District (SCAQMD) requests proposals for the following purpose according to terms and conditions attached. In the preparation of this Request for Proposals (RFP) the words "Proposer," "Contractor," and "Consultant" are used interchangeably.

**PURPOSE**

The purpose of this Request for Proposals (RFP) is to solicit qualified firms to (a) verify the accuracy of the identification of all atmospheric pressure relief devices (PRDs) as stated in current Compliance Plans submitted by refineries pursuant to SCAQMD Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, and (b) check for the existence of any fuel supply lines introducing additional fuel downstream of the locations of monitors used to continuously measure fuel and to determine sulfur content, heat content, temperature and pressure of fuel from fuel mix drums operated by refineries within SCAQMD.

**INDEX - The following are contained in this RFP:**

Section I	Background/Information
Section II	Contact Person
Section III	Schedule of Events
Section IV	Participation in the Procurement Process
Section V	Statement of Work/Schedule of Deliverables
Section VI	Required Qualifications
Section VII	Proposal Submittal Requirements
Section VIII	Proposal Submission
Section IX	Proposal Evaluation/Contractor Selection Criteria
Section X	Funding
Section XI	Draft Contract

Attachment A - Certifications and Representations

**SECTION I: BACKGROUND/INFORMATION**

SCAQMD Rule 1173 requires refineries located within its jurisdiction to identify and operate PRDs that releases directly to the atmosphere (or atmospheric PRDs) in compliance with certain requirements. Among them, all atmospheric PRDs must be identified in the current Rule 1173 Compliance Plan. In recent years, refineries in SCAQMD have converted many of the atmospheric PRDs and redirected releases from these PRDs to vapor recovery systems. Upon doing so, refineries are required to submit updates to their Rule 1173 Compliance Plan. SCAQMD conducts periodic field compliance audits of Rule 1173 Compliance Plans. However, some of the atmospheric PRDs are inaccessible to SCAQMD inspectors during normal operations due to the locations of the PRDs.

SCAQMD Rules 2011 and 2012 – Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) & Oxides of Nitrogen Emissions, respectively, require continuous monitoring of emissions of SOx & NOx from combustion of refinery fuel gases. All refineries in SCAQMD seek to comply with this requirement by employing methodologies that incorporate in varying degrees direct monitoring of emissions or monitoring of fuel sulfur content, heat content, chemical composition, temperature, and pressure near supplying fuel mix drums. From the fuel mix drums, refinery fuel gas is delivered to various process heaters or boilers via a complex network of fuel supply lines. The accuracies of the reported SOx and NOx emissions will be impacted if additional fuel is introduced to the fuel supply lines bypassing one or more of these continuous monitors. The SCAQMD staff regularly inspects the refineries to verify this fuel network and to verify all existing fuel supply lines to be free of such bypass, but may not be able to track all fuel lines at all refineries due to the complex and inaccessible network of fuel lines.

**SECTION II: CONTACT PERSON:**

Questions regarding the content or intent of this RFP or on procedural matters should be addressed to:

Danny Luong, P.E.  
Senior Enforcement Manager  
Engineering and Compliance  
SCAQMD  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
(909) 396-2622

**SECTION III: SCHEDULE OF EVENTS**

January 9, 2015	RFP Released
January 28, 2015	Bidder's Conference*
February 11, 2015	Proposals Due – <b>No Later Than 5:00pm</b>
February 12 – 23, 2015	Proposal Evaluations
February 20, 2015	Interviews, if required
April 3, 2015	Governing Board Approval, if required
April 30, 2015	Anticipated Contract Execution
July 31, 2015	Submittal of Draft Reports
September 30, 2015	Estimated Completion of the Contract and Submittal of Final Reports

\*Participation in the Bidder's Conference is optional. Such participation would assist in notifying potential bidders of any updates or amendments. The Bidder's Conference will be tentatively held in Room CC-6 at the SCAQMD Headquarters in Diamond Bar, California at 10:00 am on Wednesday, January 28, 2015. Please contact Danny Luong at (909) 396-2622 by close of business on Friday, January 23, 2015 if you plan to attend.

#### **SECTION IV: PARTICIPATION IN THE PROCUREMENT PROCESS**

A. It is the policy of the South Coast Air Quality Management District to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in SCAQMD contracts.

B. Definitions:

The definition of minority, women or disadvantaged business enterprises set forth below is included for purposes of determining compliance with the affirmative steps requirement described in Paragraph G below on procurements funded in whole or in part with federal grant funds which involve the use of subcontractors. The definition provided for disabled veteran business enterprise, local business, small business enterprise, low-emission vehicle business and off-peak hours delivery business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Women business enterprise" (WBE) as used in this policy means a business enterprise that meets all of the following criteria:
  - a. a business that is at least 51 percent owned by one or more women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
  - b. a business whose management and daily business operations are controlled by one or more women.
  - c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
2. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
3. "Disabled veteran business enterprise" (DVBE) as used in this policy means a business enterprise that meets all of the following criteria:
  - a. is a sole proprietorship or partnership of which at least 51 percent is owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a

joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.

- b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
- c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.

4. "Local business" as used in this policy means a company that has an ongoing business within geographical boundaries of the SCAQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the geographical boundaries of the SCAQMD and satisfies the requirements of subparagraph H below.

5. "Small business" as used in this policy means a business that meets the following criteria:

- a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:

- A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or

- 1. A manufacturer with 100 or fewer employees.

- b. Manufacturer means a business that is both of the following:

- 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
- 2) Classified between Codes 311000 and 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.

6. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE or small business and owns at least 51 percent of the joint venture.

7. "Low-Emission Vehicle Business" as used in this policy means a company or contractor that uses low-emission vehicles in conducting deliveries to the SCAQMD. Low-emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, hydrogen and diesel retrofitted with particulate matter (PM) traps.

8. "Off-Peak Hours Delivery Business" as used in this policy means a company or contractor that commits to conducting deliveries to the SCAQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.
9. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to the SCAQMD and commits to providing employee health benefits (as defined below in Section VIII.D.2.d) for full time workers with affordable deductible and co-payment terms.
10. "Minority Business Enterprise" as used in this policy means a business that is at least 51 percent owned by one or more minority person(s), or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more or minority persons.
  - a. a business whose management and daily business operations are controlled by one or more minority persons.
  - b. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
  - c. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native-American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific-American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
11. "Disadvantaged Business Enterprise" as used in this policy means a business that is an entity owned and/or controlled by a socially and economically disadvantaged individual(s) as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note) (10% statute), and Public Law 102-389 (42 U.S.C. 4370d)(8% statute), respectively;
  - a Small Business Enterprise (SBE);
  - a Small Business in a Rural Area (SBRA);
  - a Labor Surplus Area Firm (LSAF); or
  - a Historically Underutilized Business (HUB) Zone Small Business Concern, or a concern under a successor program.

- C. Under Request for Quotations (RFQ), DVBEs, DVBE business joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5% of the lowest cost responsive bid. Low-Emission Vehicle Businesses shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. Off-Peak Hours Delivery Businesses shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid. Local businesses (if the procurement is not funded in whole or in part by federal grant funds) shall be granted a preference in an amount equal to 2% of the lowest cost responsive bid.
- D. Under Request for Proposals, DVBEs, DVBE joint ventures, small businesses, and small business joint ventures shall be awarded ten (10) points in the evaluation process. A non-



DVBE or large business shall receive seven (7) points for subcontracting at least twenty-five (25%) of the total contract value to a DVBE and/or small business. Low-Emission Vehicle Businesses shall be awarded five (5) points in the evaluation process. On procurements which are not funded in whole or in part by federal grant funds local businesses shall receive five (5) points. Off-Peak Hours Delivery Businesses shall be awarded two (2) points in the evaluation process.

- E. SCAQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of SCAQMD contractual obligations.
- F. SCAQMD requires Contractor to be in compliance with all state and federal laws and regulations with respect to its employees throughout the term of any awarded contract, including state minimum wage laws and OSHA requirements.
- G. When contracts are funded in whole or in part by federal funds, and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit disadvantaged businesses. Contractor shall submit a certification signed by an authorized official affirming its status as a MBE or WBE, as applicable, at the time of contract execution. The SCAQMD reserves the right to request documentation demonstrating compliance with the following good faith efforts prior to contract execution.
  - 1. Ensure Disadvantaged Business Enterprises (DBEs) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
  - 2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
  - 3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
  - 4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
  - 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
  - 6. If the prime contractor awards subcontracts, require the prime contractor to take the above steps.

- H. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a certified MBE/WBE/DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.
- I. When contracts are not funded in whole or in part by federal grant funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an ongoing business within the geographical boundaries of the SCAQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of the SCAQMD shall be entitled to the local business preference.
- J. In compliance with federal fair share requirements set forth in 40 CFR Part 33, the SCAQMD shall establish a fair share goal annually for expenditures with federal funds covered by its procurement policy.

## **SECTION V: STATEMENT OF WORK/SCHEDULE OF DELIVERABLES**

### Statement of Work

#### Task A: Verification of Atmospheric PRDs in existence at refineries

Under this part of the Work, the Consultant will:

1. Review Piping and Instrumentation Diagram (P&IDs) of each refinery listed in the Table 1 below;
2. Identify all Atmospheric PRDs shown in the P&IDs;
3. Conduct field inspections to identify and document all atmospheric PRDs found;
4. Verify that all Atmospheric PRDs are accurately shown in the P&IDs;
5. Review current Rule 1173 Compliance Plan for the corresponding refinery;
6. Compare the number and description of Atmospheric PRDs found during field inspections to the PRDs listed in the current Rule 1173 Compliance Plan of the corresponding refinery and identify any discrepancies.

#### Task B: Verification of Refinery Fuel Supply Line at refineries

Under this part of the Work, the Consultant will:

1. Review Piping and Instrumentation Diagram (P&IDs) of each refinery listed in the Table 1 below;
2. Identify all fuel lines shown on the P&IDs supplying refinery fuel gas to all equipment consuming or combusting refinery fuel gas and all continuous fuel monitoring equipment;
3. Conduct field inspections to trace fuel supply lines to verify accuracy of the P&IDs;
4. Identify any fuel line tapping into the fuel supply line which may introduce additional fuel without being monitored by any of the continuous fuel monitoring equipment used to report SO<sub>x</sub> or NO<sub>x</sub> emissions pursuant to SCAQMD Rules 2011 and 2012; and
5. For each of the fuel line identified under item (4) above, identify the source of the incoming fuel;

**Table 1**

Refinery	Total No. of Reported Atmospheric PRDs
Tesoro - Carson (174655)	385
Tesoro - Wilmington (800436)	40
Chevron (800030)	24
Phillips 66, Carson (171109)	14
ExxonMobil (800089)	12
Lunday Thagard (800080)	12
Phillips 66, Wilmington (171107)	8
Edgington Oil (800264)	8
Valero Asphalt (800393)	4
Ultramar (800026)	1

Schedule of Deliverables

A. Verification of Atmospheric PRDs in existence at refineries

- I. A draft Report of Findings for each refinery inspected providing at a minimum the following for each of the refinery audited:
  1. Refinery process units inspected and P&IDs for the corresponding process units
  2. Listing of Atmospheric PRDs as found in P&IDs
  3. Listing of Atmospheric PRDs identified during field inspection
  4. Listing of Atmospheric PRDs listed in current Rule 1173 Compliance Plan for the refinery
  5. Listing of any inconsistencies between the above three lists;
- II. A Final Report of Findings for each refinery inspected incorporating all information in the draft Report of Findings and all comments provided by SCAQMD.

B. Verification of Refinery Fuel Supply Line at refineries

- I. A draft Report of Findings for each refinery inspected providing at a minimum the following for each of the refinery audited:
  1. Listing of all Refinery process units and date each unit inspected and P&IDs for the corresponding process units
  2. List of location of and diameter size of any fuel line tapping into the fuel supply line which may introduce additional fuel without being monitored by any fuel monitoring system.
  3. List of sources supplying fuel in item B.2 above.
- II. A Final Report of Findings for each refinery inspected incorporating all information in the draft Report of Findings and all comments provided by SCAQMD.

## **SECTION VI: REQUIRED QUALIFICATIONS**

- A. Persons or firms proposing to bid on this proposal must be qualified and experienced in reviewing, understanding and tracing refinery Piping and Instrumentation Diagrams (P&IDs).
- B. Persons performing the tasks must be qualified and experienced in performing inspections or audits in a refinery, have been properly trained in safety procedures, and certified to be able to safely access areas within a refinery to perform the tasks listed in the Statement of Work.
- C. Persons or firms proposing to bid this proposal must not have been involved in any previous projects or contracts to perform inspections under SCAQMD Rule 1173 or to inventory PRDs for the corresponding refinery. However, persons or firms who performed similar task(s) at a refinery may bid to perform the same task(s) at another refinery.
- D. Proposer must submit the following:
  1. Resumes or similar statement of qualifications of person or persons who will perform the work.
  2. List of previous inventory, inspections or maintenance work related to compliance with SCAQMD Rule 1173 and the refinery (or other related facility, if none done at a refinery) where the work was performed.
  3. Proof of completion of necessary safety training necessary for safe entry to areas in a refinery (different qualifications may be specified by individual refinery; SCAQMD will inquire such qualifications from individual refineries and provide such information during the bidder's conference.)

## **SECTION VII: PROPOSAL SUBMITTAL REQUIREMENTS**

Submitted proposals must follow the format outlined below and all requested information must be supplied. Failure to submit proposals in the required format will result in elimination from proposal evaluation.

Each proposal must be submitted in three separate volumes:

- Volume I - Technical Proposal
- Volume II - Cost Proposal
- Volume III - Certifications and Representations included in Attachment A to this RFP, should be executed by an authorized official of the Contractor.

A separate cover letter including the name, address, and telephone number of the contractor, and signed by the person or persons authorized to represent the firm should accompany the proposal submission. Firm contact information as follows should also be included in the cover letter:

1. Address and telephone number of office in, or nearest to, Diamond Bar, California.
2. Name and title of firm's representative designated as contact.

A separate Table of Contents should be provided for Volumes I and II.

## **VOLUME I - TECHNICAL PROPOSAL**

### **DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL VOLUME**

Summary (Section A) - State overall approach to meeting the objectives and satisfying the scope of work to be performed, the sequence of activities, and a description of methodology or techniques to be used.

The proposal may exclude certain refineries in Table 1, if a conflict of interest exists or for other reasons. The proposal may also exclude Task A or Task B.

Program Schedule (Section B) - Provide projected milestones or benchmarks for submitting reports within the total time allowed. A minimum of 21 days shall be provided for SCAQMD to provide comments on draft reports after their receipts.

Project Organization (Section C) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team.

Qualifications (Section D) - Describe the technical capabilities of the firm. Provide references of other similar work performed during the last five years demonstrating ability to successfully complete the project. Include contact name, title, and telephone number for any references listed. Provide a statement of your firm's background and experience in performing similar projects for other governmental organizations.

Assigned Personnel (Section E) - Provide the following information on the staff to be assigned to this project:

1. List all key personnel assigned to the project by level and name. Provide a resume or similar statement of the qualifications of the lead person and all persons assigned to the project. Substitution of project manager or lead personnel will not be permitted without prior written approval of SCAQMD.
2. Provide a spreadsheet of the labor hours proposed for each labor category at the task level.
3. Provide a statement indicating whether or not 90% of the work will be performed within the geographical boundaries of the SCAQMD.
4. Provide a statement of the education and training program provided by, or required of, the staff identified for participation in the project, particularly with reference to management consulting, governmental practices and procedures, and technical matters.
5. Provide a summary of your firm's general qualifications to meet required qualifications and fulfill statement of work, including additional firm personnel and resources beyond those who may be assigned to the project.

Subcontractors (Section F) - This project may require expertise in multiple technical areas. List any subcontractors that may be used and the work to be performed by them.

Conflict of Interest (Section G) - Address possible conflicts of interest with other clients affected by actions performed by the firm on behalf of SCAQMD. Although the Proposer will not be automatically disqualified by reason of work performed for such firms, SCAQMD reserves the right to consider the nature and extent of such work in evaluating the proposal.

Additional Data (Section H) - Provide other essential data that may assist in the evaluation of this proposal.

## **VOLUME II - COST PROPOSAL**

Name and Address - The Cost Proposal must list the name and complete address of the Proposer in the upper left-hand corner.

Cost Proposal – SCAQMD anticipates awarding a fixed price contract. Separate cost information must be provided for each task as described in the Statement of Work performed at each refinery listed in Table 1:

1. Detail must be provided by the following categories:
  - A. Labor - List the total number of hours and the hourly billing rate for each level of professional staff. A breakdown of the proposed billing rates must identify the direct labor rate, overhead rate and amount, fringe benefit rate and amount, General and Administrative rate and amount, and proposed profit or fee. Provide a basis of estimate justifying the proposed labor hours and proposed labor mix.
  - B. Subcontractor Costs - List subcontractor costs and identify subcontractors by name. Itemize subcontractor charges per hour or per day.
  - C. Travel Costs - Indicate amount of travel cost and basis of estimate to include trip destination, purpose of trip, length of trip, airline fare or mileage expense, per diem costs, lodging and car rental.
  - D. Other Direct Costs -This category may include such items as postage and mailing expense, printing and reproduction costs, etc. Provide a basis of estimate for these costs.

## **VOLUME III - CERTIFICATIONS AND REPRESENTATIONS** (see Attachment A to this RFP)

### **SECTION VIII: PROPOSAL SUBMISSION**

All proposals must be submitted according to specifications set forth in the section above. Failure to adhere to these specifications may be cause for rejection of proposal.

Signature - All proposals should be signed by an authorized representative of the Proposer.

Due Date - The Proposer shall submit four (4) complete copies of the proposal and an electronic copy of the proposal, preferably in pdf file format, in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the Proposer and the words "Request for Proposals #2015-19." **All proposals are due no later than 5:00 p.m., February 11, 2015, and should be directed to:**

Procurement Unit  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
(909) 396-3520

**Late bids/proposals will not be accepted under any circumstances.**

Grounds for Rejection - A proposal may be immediately rejected if:

- It is not prepared in the format described, or
- It is signed by an individual not authorized to represent the firm.

Modification or Withdrawal - Once submitted, proposals cannot be altered without the prior written consent of SCAQMD. All proposals shall constitute firm offers and may not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

## **SECTION IX: PROPOSAL EVALUATION/CONTRACTOR SELECTION CRITERIA**

- A. Proposals will be evaluated by a panel of three to five SCAQMD staff members familiar with the subject matter of the project. The panel shall be appointed by the Executive Officer or his designee. In addition, the evaluation panel may include such outside public sector or academic community expertise as deemed desirable by the Executive Officer. The panel will make a recommendation to the Executive Officer and/or the Governing Board of the SCAQMD for final selection of a contractor and negotiation of a contract.
- B. Each member of the evaluation panel shall be accorded equal weight in his or her rating of proposals. The evaluation panel members shall evaluate the proposals according to the specified criteria and numerical weightings set forth below.

### **1. Proposal Evaluation Criteria**

Understanding the Problem	10
Technical/Management Approach	25
Contractor Qualifications	20
Previous Experience on Similar Projects	15
Cost	<u>30</u>
TOTAL	100

#### **Additional Points**

Small Business or Small Business Joint Venture	10
DVBE or DVBE Joint Venture	10
Use of DVBE or Small Business Subcontractors	7
Low-Emission Vehicle Business	5
Local Business (Non-Federally Funded Projects Only)	5
Off-Peak Hours Delivery Business	2

**The cumulative points awarded for small business, DVBE, use of small business or DVBE subcontractors, low-emission vehicle business, local business, and off-peak hours delivery business shall not exceed 15 points.**

**Self-Certification for Additional Points**

**The award of these additional points shall be contingent upon Proposer completing the Self-Certification section of Attachment A – Certifications and Representations and/or inclusion of a statement in the proposal self-certifying that Proposer qualifies for additional points as detailed above.**

2. To receive additional points in the evaluation process for the categories of Small Business or Small Business Joint Venture, DVBE or DVBE Joint Venture or Local Business (for non-federally funded projects), the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets the requirements set forth in Section III. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses. To receive points as a Low-Emission Vehicle Business, the proposer must demonstrate to the Executive Officer, or designee, that supplies and materials delivered to the SCAQMD are delivered in vehicles that operate on either clean-fuels or if powered by diesel fuel, that the vehicles have particulate traps installed. To receive points as an Off-Peak Hours Delivery Business, the proposer must submit, at proposal submission, certification of its commitment to delivering supplies and materials to SCAQMD between the hours of 10:00 a.m. and 3:00 p.m. The cumulative points awarded for small business, DVBE, use of Small Business or DVBE Subcontractors, Local Business, Low-Emission Vehicle Business and Off-Peak Hour Delivery Business shall not exceed 15 points.

The Procurement Section will be responsible for monitoring compliance of suppliers awarded purchase orders based upon use of low-emission vehicles or off-peak traffic hour delivery commitments through the use of vendor logs which will identify the contractor awarded the incentive. The purchase order shall incorporate terms which obligate the supplier to deliver materials in low-emission vehicles or deliver during off-peak traffic hours. The Receiving department will monitor those qualified supplier deliveries to ensure compliance to the purchase order requirements. Suppliers in non-compliance will be subject to a two percent of total purchase order value penalty. The Procurement Manager will adjudicate any disputes regarding either low-emission vehicle or off-peak hour deliveries.

3. For procurement of Research and Development (R & D) projects or projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, technical factors including past experience shall be weighted at 70 points and cost shall be weighted at 30 points. A proposal must receive at least 56 out of 70 points on R & D projects and projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, in order to be deemed qualified for award.
4. The lowest cost proposal qualified for award will be awarded the maximum cost points available and all other cost proposals qualified for award will receive



points on a prorated basis. For example if the lowest cost proposal is \$1,000 and the maximum points available are 30 points, this proposal would receive the full 30 points. If the next lowest cost proposal is \$1,100 it would receive 27 points reflecting the fact that it is 10% higher than the lowest cost (90% of 30 points = 27 points).

- C. During the selection process the evaluation panel may wish to interview some proposers for clarification purposes only. No new material will be permitted at this time. Additional information provided during the bid review process is limited to clarification by the Proposer of information presented in his/her proposal, upon request by SCAQMD.
- D. The Executive Officer or Governing Board may award the contract to a Proposer other than the Proposer receiving the highest rating in the event the Governing Board determines that another Proposer from among those technically qualified would provide the best value to SCAQMD considering cost and technical factors. Alternatively, The Executive Officer or Governing Board may award multiple contracts each covering different tasks performed at different refineries. The determination shall be based solely on the Evaluation Criteria contained in the Request for Proposal (RFP), on evidence provided in the proposal and on any other evidence provided during the bid review process.
- E. Selection will be made based on the above-described criteria and rating factors. The selection will be made by and is subject to Executive Officer or Governing Board approval. Proposers may be notified of the results by letter.
- F. The Governing Board has approved a Bid Protest Procedure which provides a process for a bidder or prospective bidder to submit a written protest to the SCAQMD Procurement Manager in recognition of two types of protests: Protest Regarding Solicitation and Protest Regarding Award of a Contract. Copies of the Bid Protest Policy can be secured through a request to the SCAQMD Procurement Department.
- G. The Executive Officer or Governing Board may award contracts to more than one proposer if in (his or their) sole judgment the purposes of the (contract or award) would best be served by selecting multiple proposers. Each contract may include one or both tasks to be performed at one or more specific refineries listed in Table 1.
- H. If additional funds become available, the Executive Officer or Governing Board may increase the amount awarded. The Executive Officer or Governing Board may also select additional proposers for a grant or contract if additional funds become available.
- I. Disposition of Proposals – Pursuant to the District's Procurement Policy and Procedure, SCAQMD reserves the right to reject any or all proposals. All proposals become the property of SCAQMD, and are subject to the California Public Records Act. One copy of the proposal shall be retained for SCAQMD files. Additional copies and materials will be returned only if requested and at the proposer's expense.

## **SECTION X: FUNDING**

The total funding for the work contemplated by this RFP has not been predetermined and will depend on proposed costs of the selected contractor(s) and availability of funds.

**SECTION XI: DRAFT CONTRACT (Provided as a sample only)**



**South Coast  
Air Quality Management District**

This Contract consists of \*\*\* pages.

1. PARTIES - The parties to this Contract are the South Coast Air Quality Management District (referred to here as "SCAQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and \*\*\* (referred to here as "CONTRACTOR") whose address is \*\*\*.
2. RECITALS
  - A. SCAQMD is the local agency with primary responsibility for regulating stationary source air pollution within the geographical boundaries of the South Coast Air Quality Management District in the State of California. SCAQMD is authorized to enter into this Contract under California Health and Safety Code Section 40489. SCAQMD desires to contract with CONTRACTOR for services described in Attachment 1 - Statement of Work, attached here and made a part here by this reference. CONTRACTOR warrants that it is well-qualified and has the experience to provide such services on the terms set forth here.
  - B. CONTRACTOR is authorized to do business in the State of California and attests that it is in good tax standing with the California Franchise Tax Board.
  - C. All parties to this Contract have had the opportunity to have this Contract reviewed by their attorney.
3. PERFORMANCE REQUIREMENTS
  - A. CONTRACTOR agrees to obtain and maintain the required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees. CONTRACTOR further agrees to immediately notify SCAQMD in writing of any change in its licensing status which has a material impact on the CONTRACTOR's performance under this Contract.
  - B. CONTRACTOR shall submit reports to SCAQMD as outlined in Attachment 1 - Statement of Work. All reports shall be submitted in an environmentally friendly format: recycled paper; stapled, not bound; black and white, double-sided print; and no three-ring, spiral, or plastic binders or cardstock covers. SCAQMD reserves the right to review, comment, and request changes to any report produced as a result of this Contract.
  - C. CONTRACTOR shall perform all tasks set forth in Attachment 1 - Statement of Work, and shall not engage, during the term of this Contract, in any performance of work that is in direct or indirect conflict with duties and responsibilities set forth in Attachment 1 - Statement of Work.
  - D. CONTRACTOR shall be responsible for exercising the degree of skill and care customarily required by accepted professional practices and procedures subject to SCAQMD's final approval which SCAQMD will not unreasonably withhold. Any costs incurred due to the failure to meet the foregoing standards, or otherwise defective services which require re-performance, as directed by SCAQMD, shall be the responsibility of CONTRACTOR. CONTRACTOR's failure to achieve the performance goals and objectives stated in Attachment 1- Statement of Work, is not a basis for requesting re-performance unless work conducted by CONTRACTOR is deemed by SCAQMD to have failed the foregoing standards of performance.
  - E. CONTRACTOR shall require its subcontractors to abide by the requirements set forth in this Contract.

4. TERM - The term of this Contract is from the date of execution by both parties to September 30, 2015, unless further extended by amendment of this Contract in writing. No work shall commence until this Contract is fully executed by all parties.

5. TERMINATION

A. In the event any party fails to comply with any term or condition of this Contract, or fails to provide services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 – Statement of Work, this failure shall constitute a breach of this Contract. The non-breaching party shall notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this contract. Notification shall be provided in the manner set forth in Clause 11. The non-breaching party reserves all rights under law and equity to enforce this contract and recover damages.

B. SCAQMD reserves the right to terminate this Contract, in whole or in part, without cause, upon thirty (30) days' written notice. Once such notice has been given, CONTRACTOR shall, except as and to the extent or directed otherwise by SCAQMD, discontinue any Work being performed under this Contract and cancel any of CONTRACTOR's orders for materials, facilities, and supplies in connection with such Work, and shall use its best efforts to procure termination of existing subcontracts upon terms satisfactory to SCAQMD. Thereafter, CONTRACTOR shall perform only such services as may be necessary to preserve and protect any Work already in progress and to dispose of any property as requested by SCAQMD.

C. CONTRACTOR shall be paid in accordance with this Contract for all Work performed before the effective date of termination under Clause 5.B. Before expiration of the thirty (30) days' written notice, CONTRACTOR shall promptly deliver to SCAQMD all copies of documents and other information and data prepared or developed by CONTRACTOR under this Contract with the exception of a record copy of such materials, which may be retained by CONTRACTOR.

6. STOP WORK – SCAQMD may, at any time, by written notice to CONTRACTOR, require CONTRACTOR to stop all or any part of the work tasks in this Contract. A stop work order may be issued for reasons including, but not limited to, the project exceeding the budget, out of scope work, delay in project schedule, or misrepresentations. Upon receipt of the stop work order, CONTRACTOR shall immediately take all necessary steps to comply with the order. CONTRACTOR shall resume the work only upon receipt of written instructions from SCAQMD cancelling the stop work order. CONTRACTOR agrees and understands that CONTRACTOR will not be paid for performing work while the stop work order is in effect, unless SCAQMD agrees to do so in its written cancellation of the stop work order.

7. INSURANCE

A. CONTRACTOR shall furnish evidence to SCAQMD of workers' compensation insurance for each of its employees, in accordance with either California or other states' applicable statutory requirements prior to commencement of any work on this Contract.

B. CONTRACTOR shall furnish evidence to SCAQMD of general liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in a general aggregate prior to commencement of any work on this Contract. SCAQMD shall be named as an additional insured on any such liability policy, and thirty (30) days written notice prior to cancellation of any such insurance shall be given by CONTRACTOR to SCAQMD.

C. CONTRACTOR shall furnish evidence to SCAQMD of automobile liability insurance with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries, and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage, prior to commencement of any work on this Contract. SCAQMD shall be named as an additional insured on any such liability policy,

and thirty (30) days written notice prior to cancellation of any such insurance shall be given by CONTRACTOR to SCAQMD.

- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, SCAQMD reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or terminate this Contract for breach.
- E. All insurance certificates should be mailed to: SCAQMD Risk Management, 21865 Copley Drive, Diamond Bar, CA 91765-4178. **The SCAQMD Contract Number must be included on the face of the certificate.**
- F. CONTRACTOR must provide updates on the insurance coverage throughout the term of the Contract to ensure that there is no break in coverage during the period of contract performance. Failure to provide evidence of current coverage shall be grounds for termination for breach of Contract.

8. INDEMNIFICATION - CONTRACTOR agrees to hold harmless, defend and indemnify SCAQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action judgments, attorney's fees, or any other expenses arising from or related to any third party claim against SCAQMD, its officers, employees, agents, representatives, or successors in interest that arise or result in whole or in part, from any actual or alleged act or omission of CONTRACTOR, its employees, subcontractors, agents or representatives in the performance of this Contract.

9. PAYMENT

**[FIXED PRICE]-use this one or the T&M one below.**

- A. SCAQMD shall pay CONTRACTOR a fixed price for work performed under this Contract in accordance with Attachment 2 - Payment Schedule, attached here and included here by reference. Payment shall be made by SCAQMD to CONTRACTOR within thirty (30) days after approval by SCAQMD of an invoice prepared and furnished by CONTRACTOR showing services performed and referencing tasks and deliverables as shown in Attachment 1 - Statement of Work, and the amount of charge claimed. Each invoice must be prepared in duplicate, on company letterhead, and list SCAQMD's Contract number, period covered by invoice, and CONTRACTOR's social security number or Employer Identification Number and submitted to: South Coast Air Quality Management District, Attn: \*\*\*.
- B. An amount equal to ten percent (10%) shall be withheld from all charges paid until satisfactory completion and final acceptance of work by SCAQMD.
- C. SCAQMD reserves the right to disallow charges when the invoiced services are not performed satisfactorily in SCAQMD's sole judgment.

10. INTELLECTUAL PROPERTY RIGHTS - Title and full ownership rights to any software, documents, or reports developed under this Contract shall at all times remain with SCAQMD. Such material is agreed to be SCAQMD proprietary information.

- A. Rights of Technical Data - SCAQMD shall have the unlimited right to use technical data, including material designated as a trade secret, resulting from the performance of services by CONTRACTOR under this Contract. CONTRACTOR shall have the right to use technical data for its own benefit.
- B. Copyright - CONTRACTOR agrees to grant SCAQMD a royalty-free, nonexclusive, irrevocable license to produce, translate, publish, use, and dispose of all copyrightable material first produced or composed in the performance of this Contract.

11. NOTICES - Any notices from either party to the other shall be given in writing to the attention of the persons listed below, or to other such addresses or addressees as may hereafter be designated in writing for notices

by either party to the other. Notice shall be given by certified, express, or registered mail, return receipt requested, and shall be effective as of the date of receipt indicated on the return receipt card.

SCAQMD: South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
Attn: \*\*\*

CONTRACTOR: \*\*\*  
\*\*\*  
\*\*\*  
Attn: \*\*\*

12. INDEPENDENT CONTRACTOR – CONTRACTOR is an independent contractor. CONTRACTOR, its officers, employees, agents, representatives, or subcontractors shall in no sense be considered employees or agents of SCAQMD, nor shall CONTRACTOR, its officers, employees, agents, representatives, or subcontractors be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by SCAQMD to its employees. SCAQMD will not supervise, direct, or have control over, or be responsible for, CONTRACTOR's or subcontractor's means, methods, techniques, work sequences or procedures or for the safety precautions and programs incident thereto, or for any failure by them to comply with any local, state, or federal laws, or rules or regulations, including state minimum wage laws and OSHA requirements. CONTRACTOR shall promptly notify SCAQMD of any material changes to subcontracts that affect the Contract's scope of work, deliverable schedule, and/or payment/cost schedule.
  
13. CONFIDENTIALITY - It is expressly understood and agreed that SCAQMD may designate in a conspicuous manner the information which CONTRACTOR obtains from SCAQMD as confidential. CONTRACTOR agrees to:
  - A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees or subcontractors of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
  - B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this clause.
  - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
  - D. Notify SCAQMD promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this clause.
  - E. Take at CONTRACTOR expense, but at SCAQMD's option and in any event under SCAQMD's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
  - F. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information.
  - G. Prevent access to such information by any person or entity not authorized under this Contract.
  - H. Establish specific procedures in order to fulfill the obligations of this clause.

- I. Notwithstanding the above, nothing herein is intended to abrogate or modify the provisions of Government Code Section 6250 et.seq. (Public Records Act).

14. PUBLICATION

- A. SCAQMD shall have the right of prior written approval of any document which shall be disseminated to the public by CONTRACTOR in which CONTRACTOR utilized information obtained from SCAQMD in connection with performance under this Contract.
- B. Information, data, documents, or reports developed by CONTRACTOR for SCAQMD, pursuant to this Contract, shall be part of SCAQMD public record unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information provided to SCAQMD. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the South Coast Air Quality Management District (SCAQMD). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of SCAQMD. SCAQMD, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report. SCAQMD has not approved or disapproved this report, nor has SCAQMD passed upon the accuracy or adequacy of the information contained herein."

- C. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and require compliance with the above.

15. NON-DISCRIMINATION - In the performance of this Contract, CONTRACTOR shall not discriminate in recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order.
16. SOLICITATION OF EMPLOYEES - CONTRACTOR expressly agrees that CONTRACTOR shall not, during the term of this Contract, nor for a period of six months after termination, solicit for employment, whether as an employee or independent contractor, any person who is or has been employed by SCAQMD during the term of this Contract without the consent of SCAQMD.
17. PROPERTY AND SECURITY - Without limiting CONTRACTOR obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by SCAQMD for access to and activity in and around SCAQMD premises.
18. ASSIGNMENT - The rights granted hereby may not be assigned, sold, licensed, or otherwise transferred by either party without the prior written consent of the other, and any attempt by either party to do so shall be void upon inception.
19. NON-EFFECT OF WAIVER - The failure of CONTRACTOR or SCAQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

20. ATTORNEYS' FEES - In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
21. FORCE MAJEURE - Neither SCAQMD nor CONTRACTOR shall be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of SCAQMD or CONTRACTOR.
22. SEVERABILITY - In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.
23. HEADINGS - Headings on the clauses of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
24. DUPLICATE EXECUTION - This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.
25. GOVERNING LAW - This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any disputes under this Contract shall be Los Angeles County, California.
26. PRE-CONTRACT COSTS - Any costs incurred by CONTRACTOR prior to CONTRACTOR receipt of a fully executed Contract shall be incurred solely at the risk of the CONTRACTOR. In the event that a formal Contract is not executed, the SCAQMD shall not be liable for any amounts expended in anticipation of a formal Contract. If a formal Contract does result, pre-contract cost expenditures authorized by the Contract will be reimbursed in accordance with the cost schedule and payment provision of the Contract.
27. CITIZENSHIP AND ALIEN STATUS
  - A. CONTRACTOR warrants that it fully complies with all laws regarding the employment of aliens and others, and that its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). CONTRACTOR shall obtain from all covered employees performing services hereunder all verification and other documentation of employees' eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. CONTRACTOR shall have a continuing obligation to verify and document the continuing employment authorization and authorized alien status of employees performing services under this Contract to insure continued compliance with all federal statutes and regulations. Notwithstanding the above, CONTRACTOR, in the performance of this Contract, shall not discriminate against any person in violation of 8 USC Section 1324b.
  - B. CONTRACTOR shall retain such documentation for all covered employees for the period described by law. CONTRACTOR shall indemnify, defend, and hold harmless SCAQMD, its officers and employees from employer sanctions and other liability which may be assessed against CONTRACTOR or SCAQMD, or both in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Contract.

28. **REQUIREMENT FOR FILING STATEMENT OF ECONOMIC INTERESTS** - In accordance with the Political Reform Act of 1974 (Government Code Sec. 81000 et seq.) and regulations issued by the Fair Political Practices Commission (FPPC), SCAQMD has determined that the nature of the work to be performed under this Contract requires CONTRACTOR to submit a Form 700, Statement of Economic Interests for Designated Officials and Employees, for each of its employees assigned to work on this Contract. These forms may be obtained from SCAQMD's District Counsels' office. **[REMOVE IF NOT REQUESTED ON CRAM]**

In addition, the Act requires a contractor to disqualify himself or herself from participating in, making or influencing a decision, which would have a foreseeable material effect on his or her financial interests.

29. **COMPLIANCE WITH SINGLE AUDIT ACT REQUIREMENTS [OPTIONAL - TO BE INCLUDED IN CONTRACTS WITH FOR-PROFIT CONTRACTORS WHICH HAVE FEDERAL PASS-THROUGH FUNDING]** - During the term of the Contract, and for a period of three (3) years from the date of Contract expiration, and if requested in writing by the SCAQMD, CONTRACTOR shall allow the SCAQMD, its designated representatives and/or the cognizant Federal Audit Agency, access during normal business hours to all records and reports related to the work performed under this Contract. CONTRACTOR assumes sole responsibility for reimbursement to the Federal Agency funding the prime grant or contract, a sum of money equivalent to the amount of any expenditures disallowed should the SCAQMD, its designated representatives and/or the cognizant Federal Audit Agency rule through audit exception or some other appropriate means that expenditures from funds allocated to the CONTRACTOR were not made in compliance with the applicable cost principles, regulations of the funding agency, or the provisions of this Contract.

**[OPTIONAL - TO BE INCLUDED IN CONTRACTS WITH NON-PROFIT CONTRACTORS WHICH HAVE FEDERAL PASS-THROUGH FUNDING]** - Beginning with CONTRACTOR's current fiscal year and continuing through the term of this Contract, CONTRACTOR shall have a single or program-specific audit conducted in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133 (Audits of States, Local Governments and Non-Profit Organizations), if CONTRACTOR expended Five Hundred Thousand Dollars (\$500,000) or more in a year in Federal Awards. Such audit shall be conducted by a firm of independent accountants in accordance with Generally Accepted Government Audit Standards (GAGAS). Within thirty (30) days of Contract execution, CONTRACTOR shall forward to SCAQMD the most recent A-133 Audit Report issued by its independent auditors. Subsequent A-133 Audit Reports shall be submitted to the SCAQMD within thirty (30) days of issuance.

CONTRACTOR shall allow the SCAQMD, its designated representatives and/or the cognizant Federal Audit Agency, access during normal business hours to all records and reports related to the work performed under this Contract. CONTRACTOR assumes sole responsibility for reimbursement to the Federal Agency funding the prime grant or contract, a sum of money equivalent to the amount of any expenditures disallowed should the SCAQMD, its designated representatives and/or the cognizant Federal Audit Agency rule through audit exception or some other appropriate means that expenditures from funds allocated to the CONTRACTOR were not made in compliance with the applicable cost principles, regulations of the funding agency, or the provisions of this Contract.

30. **OPTION TO EXTEND THE TERM OF THE CONTRACT** - SCAQMD reserves the right to extend the contract for a one-year period commencing **\*\*\*\*\*(enter date)** at the **(option price or Not-to-Exceed Amount)** set forth in Attachment 2. In the event that SCAQMD elects to extend the contract, a written notice of its intent to extend the contract shall be provided to CONTRACTOR no later than thirty (30) days prior to Contract expiration. **[REMOVE IF NOT REQUESTED ON CRAM]**



31. **PROPOSAL INCORPORATION** – CONTRACTOR's proposal dated **\*\*\*** submitted in response to Request for Proposal (RFP) #**\*\*\***, is expressly incorporated herein by this reference and made a part hereof of this Contract. **[REMOVE IF NOT REQUESTED ON CRAM]**
  
32. **KEY PERSONNEL** - *insert person's name* is deemed critical to the successful performance of this Contract. Any changes in key personnel by CONTRACTOR must be approved by SCAQMD. All substitute personnel must possess qualifications/experience equal to the original named key personnel and must be approved by SCAQMD. SCAQMD reserves the right to interview proposed substitute key personnel. **[REMOVE IF NOT REQUESTED ON CRAM]**
  
33. **PREVAILING WAGES** – **[USE FOR INFRASTRUCTURE PROJECTS]** CONTRACTOR is alerted to the prevailing wage requirements of California Labor Code section 1770 et seq. Copies of the prevailing rate of per diem wages are on file at the SCAQMD's headquarters, of which shall be made available to any interested party on request. Notwithstanding the preceding sentence, CONTRACTOR shall be responsible for determining the applicability of the provisions of California Labor Code and complying with the same, including, without limitation, obtaining from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work, making the same available to any interested party upon request, paying any applicable prevailing rates, posting copies thereof at the job site and flowing all applicable prevailing wage rate requirements to its subcontractors. CONTRACTOR shall indemnify, defend and hold harmless the South Coast Air Quality Management District against any and all claims, demands, damages, defense costs or liabilities based on failure to adhere to the above referenced statutes.
  
34. **SUBCONTRACTOR APPROVAL** – If CONTRACTOR intends to subcontract all or a portion of the work under this Contract, then CONTRACTOR must first obtain written approval from SCAQMD's Executive Officer or designee prior to subcontracting any work. Any material changes to the subcontract(s) that affect the scope of work, deliverable schedule, and/or payment/cost schedule shall also require the prior written approval of the Executive Officer or designee. No subcontract charges will be reimbursed unless the required approvals have been obtained from SCAQMD.
  
35. **ENTIRE CONTRACT** - This Contract represents the entire agreement between the parties hereto related to CONTRACTOR providing services to SCAQMD and there are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the party against whom enforcement of such waiver, alteration, or modification is sought.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**\*\*\***

\_\_\_\_\_  
 Barry R. Wallerstein, D.Env., Executive Officer  
 Dr. William A. Burke, Chairman, Governing Board

\_\_\_\_\_  
 Name:  
 Title:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:  
Saundra McDaniel, Clerk of the Board

By: \_\_\_\_\_

APPROVED AS TO FORM:  
Kurt R. Wiese, General Counsel

By: \_\_\_\_\_

*//Standard Boilerplate  
Revised: April 3, 2013*

# **ATTACHMENT A**

## **CERTIFICATIONS AND REPRESENTATIONS**



# South Coast Air Quality Management District

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

## **Business Information Request**

Dear SCAQMD Contractor/Supplier:

The South Coast Air Quality Management District (SCAQMD) is committed to ensuring that our contractor/supplier records are current and accurate. If your firm is selected for award of a purchase order or contract, it is imperative that the information requested herein be supplied in a timely manner to facilitate payment of invoices. In order to process your payments, we need the enclosed information regarding your account. **Please review and complete the information identified on the following pages, complete the enclosed W-9 form, remember to sign both documents for our files, and return them as soon as possible to the address below:**

**Attention: Accounts Payable, Accounting Department  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178**

If you do not return this information, we will not be able to establish you as a vendor. This will delay any payments and would still necessitate your submittal of the enclosed information to our Accounting department before payment could be initiated. Completion of this document and enclosed forms would ensure that your payments are processed timely and accurately.

If you have any questions or need assistance in completing this information, please contact Accounting at (909) 396-3777. We appreciate your cooperation in completing this necessary information.

Sincerely,

Michael B. O'Kelly  
Chief Financial Officer

DH:tm

Enclosures: Business Information Request  
Disadvantaged Business Certification  
W-9  
Form 590 Withholding Exemption Certificate  
Federal Contract Debarment Certification  
Campaign Contributions Disclosure  
Direct Deposit Authorization

REV 9/14



# South Coast Air Quality Management District

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

## BUSINESS INFORMATION REQUEST

Business Name	
Division of	
Subsidiary of	
Website Address	
Type of Business <i>Check One:</i>	<input type="checkbox"/> Individual <input type="checkbox"/> DBA, Name _____, County Filed in _____ <input type="checkbox"/> Corporation, ID No. _____ <input type="checkbox"/> LLC/LLP, ID No. _____ <input type="checkbox"/> Other _____

## REMITTING ADDRESS INFORMATION

Address			
City/Town			
State/Province		Zip	
Phone	(     )     -     Ext	Fax	(     )     -
Contact		Title	
E-mail Address			
Payment Name if Different			

All invoices must reference the corresponding Purchase Order Number(s)/Contract Number(s) if applicable and mailed to:

**Attention: Accounts Payable, Accounting Department**  
**South Coast Air Quality Management District**  
**21865 Copley Drive**  
**Diamond Bar, CA 91765-4178**

**DISADVANTAGED BUSINESS CERTIFICATION**

Federal guidance for utilization of disadvantaged business enterprises allows a vendor to be deemed a small business enterprise (SBE), minority

business enterprise (MBE) or women business enterprise (WBE) if it meets the criteria below.

- is certified by the Small Business Administration or
- is certified by a state or federal agency or
- is an independent MBE(s) or WBE(s) business concern which is at least 51 percent owned and controlled by minority group member(s) who are citizens of the United States.

Statements of certification:

As a prime contractor to the SCAQMD, \_\_\_\_\_ (name of business) will engage in good faith efforts to achieve the fair share in accordance with 40 CFR Section 33.301, and will follow the six affirmative steps listed below **for contracts or purchase orders funded in whole or in part by federal grants and contracts.**

1. Place qualified SBEs, MBEs, and WBEs on solicitation lists.
2. Assure that SBEs, MBEs, and WBEs are solicited whenever possible.
3. When economically feasible, divide total requirements into small tasks or quantities to permit greater participation by SBEs, MBEs, and WBEs.
4. Establish delivery schedules, if possible, to encourage participation by SBEs, MBEs, and WBEs.
5. Use services of Small Business Administration, Minority Business Development Agency of the Department of Commerce, and/or any agency authorized as a clearinghouse for SBEs, MBEs, and WBEs.
6. If subcontracts are to be let, take the above affirmative steps.

**Self-Certification Verification: Also for use in awarding additional points, as applicable, in accordance with SCAQMD Procurement Policy and Procedure:**

Check all that apply:

- |   |  |
|---|--|
| <input type="checkbox"/> Small Business Enterprise/Small Business Joint Venture | <input type="checkbox"/> Women-owned Business Enterprise                               |
| <input type="checkbox"/> Local business   | <input type="checkbox"/> Disabled Veteran-owned Business Enterprise/DVBE Joint Venture |
| <input type="checkbox"/> Minority-owned Business Enterprise                     |  |

Percent of ownership: \_\_\_\_\_ %

Name of Qualifying Owner(s): \_\_\_\_\_

I, the undersigned, hereby declare that to the best of my knowledge the above information is accurate. Upon penalty of perjury, I certify information submitted is factual.

\_\_\_\_\_  
*NAME*

\_\_\_\_\_  
*TITLE*

\_\_\_\_\_  
*TELEPHONE NUMBER*

\_\_\_\_\_  
*DATE*

## Definitions

**Disabled Veteran-Owned Business Enterprise** means a business that meets all of the following criteria:

- is a sole proprietorship or partnership of which is at least 51 percent owned by one or more disabled veterans, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
- the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
- is a sole proprietorship, corporation, partnership, or joint venture with its primary headquarters office located in the United States and which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.

**Joint Venture** means that one party to the joint venture is a DVBE and owns at least 51 percent of the joint venture. In the case of a joint venture formed for a single project this means that DVBE will receive at least 51 percent of the project dollars.

**Local Business** means a business that meets all of the following criteria:

- has an ongoing business within the boundary of the SCAQMD at the time of bid application.
- performs 90 percent of the work within SCAQMD's jurisdiction.

**Minority-Owned Business Enterprise** means a business that meets all of the following criteria:

- is at least 51 percent owned by one or more minority persons or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minority persons.
- is a business whose management and daily business operations are controlled or owned by one or more minority person.
- is a business which is a sole proprietorship, corporation, partnership, joint venture, an association, or a cooperative with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign business.

"Minority" person means a Black American, Hispanic American, Native American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian American (including a person whose origins are from India, Pakistan, or Bangladesh), Asian-Pacific American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, or Taiwan).

**Small Business Enterprise** means a business that meets the following criteria:

- a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
  - **A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or**
2. A manufacturer with 100 or fewer employees.
- b. Manufacturer means a business that is both of the following:
  - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
  - 2) Classified between Codes 311000 to 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.

**Small Business Joint Venture** means that one party to the joint venture is a Small Business and owns at least 51 percent of the joint venture. In the case of a joint venture formed for a single project this means that the Small Business will receive at least 51 percent of the project dollars.

**Women-Owned Business Enterprise** means a business that meets all of the following criteria:

- is at least 51 percent owned by one or more women or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
- is a business whose management and daily business operations are controlled or owned by one or more women.
- is a business which is a sole proprietorship, corporation, partnership, or a joint venture, with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign business.



## Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____  <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions):  Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

<b>Part I Taxpayer Identification Number (TIN)</b>																					
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;"><b>Social security number</b></td> </tr> <tr> <td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td> </tr> </table>	<b>Social security number</b>																			
<b>Social security number</b>																					
<b>Note.</b> If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;"><b>Employer identification number</b></td> </tr> <tr> <td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td><td style="width: 30px;"> </td> </tr> </table>	<b>Employer identification number</b>																			
<b>Employer identification number</b>																					

<b>Part II Certification</b>	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below), and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.	
<b>Sign Here</b>	Signature of U.S. person ▶ _____  Date ▶ _____

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** The IRS has created a page on [IRS.gov](http://IRS.gov) for information about Form W-9, at [www.irs.gov/w9](http://www.irs.gov/w9). Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

### Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

**What is FATCA reporting?** The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Note.** Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

## Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

**Exempt payee code.** Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The actual owner <sup>1</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The owner <sup>3</sup>
	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

# 2014 Withholding Exemption Certificate

**590**

The payee completes this form and submits it to the withholding agent.

Withholding Agent (Type or print)

Name \_\_\_\_\_

**Payee**

Name \_\_\_\_\_

SSN or ITIN  FEIN  CA Corp no.  CA SOS file no.

Address (apt./ste., room, PO Box, or PMB no.) \_\_\_\_\_

City (If you have a foreign address, see instructions.) \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

**Exemption Reason**

Check only one reason box below that applies to the payee.

By checking the appropriate box below, the Payee certifies the reason for the exemption from the California income tax withholding requirements on payment(s) made to the entity or individual.

- Individuals — Certification of Residency:**  
I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.
- Corporations:**  
The corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.
- Partnerships or limited liability companies (LLCs):**  
The partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a limited liability partnership (LLP) is treated like any other partnership.
- Tax-Exempt Entities:**  
The entity is exempt from tax under California Revenue and Taxation Code (R&TC) Section 23701 \_\_\_\_\_ (insert letter) or Internal Revenue Code Section 501(c) \_\_\_\_\_ (insert number). If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.
- Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit Sharing Plans:**  
The entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.
- California Trusts:**  
At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return. If the trustee or noncontingent beneficiary becomes a nonresident at any time, I will promptly notify the withholding agent.
- Estates — Certification of Residency of Deceased Person:**  
I am the executor of the above-named person's estate or trust. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return.
- Nonmilitary Spouse of a Military Servicemember:**  
I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

**CERTIFICATE OF PAYEE:** Payee must complete and sign below.

Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Payee's name and title (type or print) \_\_\_\_\_ Telephone (\_\_\_\_) \_\_\_\_\_

Payee's signature ► \_\_\_\_\_ Date \_\_\_\_\_

# Instructions for Form 590

## Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

### General Information

**Registered Domestic Partners (RDP)** – For purposes of California income tax, references to a spouse, husband, or wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

### A Purpose

Use Form 590, Withholding Exemption Certificate, to certify an exemption from nonresident withholding.

Form 590 does not apply to payments of backup withholding. For information on California backup withholding, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

Form 590 does not apply to payments for wages to employees. Wage withholding is administered by the California Employment Development Department (EDD). For more information, go to [edd.ca.gov](http://edd.ca.gov) or call 888.745.3886.

Do not use Form 590 to certify an exemption from withholding if you are a **Seller of California real estate**. Sellers of California real estate use Form 593-C, Real Estate Withholding Certificate, to claim an exemption from real estate withholding.

**The following are excluded from withholding and completing this form:**

- The United States and any of its agencies or instrumentalities.
- A state, a possession of the United States, the District of Columbia, or any of its political subdivisions or instrumentalities.
- A foreign government or any of its political subdivisions, agencies, or instrumentalities.

### B Income Subject to Withholding

California Revenue and Taxation Code (R&TC) Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on the following, but is not limited to:

- Payments to nonresidents for services rendered in California.
- Distributions of California source income made to domestic nonresident S corporation shareholders, partners, and members and allocations of California source income made to foreign partners and members.
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business.

- Payments to nonresidents for royalties from natural resources with activities in California.
- Distributions of California source income to nonresident beneficiaries from an estate or trust.
- Endorsement payments received for services performed in California.
- Prizes and winnings received by nonresidents for contests in California.

However, withholding is optional if the total payments of California source income are \$1,500 or less during the calendar year.

For more information on withholding get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines. To get a withholding publication, see Additional Information.

### C Who Certifies this Form

Form 590 is certified by the payee. California residents or entities exempt from the withholding requirement should complete Form 590 and submit it to the withholding agent. The withholding agent is then relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless notified by the Franchise Tax Board (FTB) that the form should not be relied upon.

An incomplete certificate is invalid and the withholding agent should not accept it. If the withholding agent receives an incomplete certificate, the withholding agent is required to withhold tax on payments made to the payee until a valid certificate is received. In lieu of a completed certificate on the preprinted form, the withholding agent may accept as a substitute certificate a letter from the payee explaining why the payee is not subject to withholding. The letter must contain all the information required on the certificate in similar language, including the under penalty of perjury statement and the payee's taxpayer identification number. The withholding agent must retain a copy of the certificate or substitute for at least four years after the last payment to which the certificate applies, and provide it upon request to the FTB.

For example, if an entertainer (or the entertainer's business entity) is paid for a performance, the entertainer's information must be provided. **Do not** submit the entertainer's agent or promoter information.

The grantor of a grantor trust shall be treated as the payee for withholding purposes. Therefore, if the payee is a grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors on the trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

### D Definitions

**Nonresident** includes all of the following:

- Individuals who are not residents of California.
- Corporations not qualified through the California Secretary of State (CA SOS) to do business in California or having no permanent place of business in California.
- Partnerships or limited liability companies (LLCs) with no permanent place of business in California.
- Any trust without a resident grantor, beneficiary, or trustee, or estates where the decedent was not a California resident.

Foreign refers to non-U.S.

For more information about determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status. Military servicemembers have special rules for residency. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

#### **Permanent Place of Business:**

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the CA SOS. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

### E Military Spouse Residency Relief Act (MSRRA)

Generally, for tax purposes you are considered to maintain your existing residence or domicile. If a military servicemember and nonmilitary spouse have the same state of domicile, the MSRRA provides:

- A spouse shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent to be with the servicemember serving in compliance with military orders.
- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders.

**Domicile** is defined as the one place:

- Where you maintain a true, fixed, and permanent home.
- To which you intend to return whenever you are absent.

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders.

California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRA.

Income of a military servicemember's nonmilitary spouse for services performed in California is not California source income subject to state tax if the spouse is in California to be with the servicemember serving in compliance with military orders, and the servicemember and spouse have the same domicile in a state other than California.

For additional information or assistance in determining whether the applicant meets the MSRRA requirements, get FTB Pub. 1032.

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## Specific Instructions

### Payee Instructions

Enter the withholding agent's name.

Enter the payee's information, including the taxpayer identification number (TIN) and check the appropriate TIN box.

You must provide an acceptable TIN as requested on this form. The following are acceptable TINs: social security number (SSN); individual taxpayer identification number (ITIN); federal employer identification number (FEIN); California corporation number (CA Corp no.); or CA SOS file number.

**Private Mail Box (PMB)** – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

**Foreign Address** – Enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country's name.

Check the box that reflects the reason why the payee is exempt from the California income tax withholding requirement.

### Withholding Agent Instructions

Keep Form 590 for your records. **Do not** send this form to the FTB unless it has been specifically requested.

For more information, contact Withholding Services and Compliance, see Additional Information.

The payee must notify the withholding agent if any of the following situations occur:

- The individual payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

If any of these situations occur, then withholding may be required. For more information, get Form 592, Resident and Nonresident Withholding Statement, Form 592-B, Resident and Nonresident Withholding Tax Statement, and Form 592-V, Payment Voucher for Resident and Nonresident Withholding.

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## Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance telephone service at:

Telephone: **888.792.4900**  
916.845.4900

Fax: 916.845.9512

OR write to:

WITHHOLDING SERVICES AND  
COMPLIANCE MS F182  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

You can download, view, and print California tax forms and publications at [ftb.ca.gov](http://ftb.ca.gov).

OR to get forms by mail write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

For all other questions unrelated to withholding or to access the TTY/TDD numbers, see the information below.

### Internet and Telephone Assistance

Website: [ftb.ca.gov](http://ftb.ca.gov)

Telephone: 800.852.5711 from within the  
United States  
916.845.6500 from outside the  
United States

TTY/TDD: 800.822.6268 for persons with  
hearing or speech impairments

### Asistencia Por Internet y Teléfono

Sitio web: [ftb.ca.gov](http://ftb.ca.gov)

Teléfono: 800.852.5711 dentro de los  
Estados Unidos  
916.845.6500 fuera de los Estados  
Unidos

TTY/TDD: 800.822.6268 personas con  
discapacidades auditivas  
y del habla

## **Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

The prospective participant certifies to the best of its knowledge and belief that it and the principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgement rendered against them or commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction: violation of Federal or State antitrust statute or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

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Typed Name & Title of Authorized Representative

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Signature of Authorized Representative Date

I am unable to certify to the above statements. My explanation is attached.

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EPA Form 5700-49 (11-88)





## CAMPAIGN CONTRIBUTIONS DISCLOSURE

In accordance with California law, bidders and contracting parties are required to disclose, at the time the application is filed, information relating to any campaign contributions made to South Coast Air Quality Management District (SCAQMD) Board Members or members/alternates of the MSRC, including: the name of the party making the contribution (which includes any parent, subsidiary or otherwise related business entity, as defined below), the amount of the contribution, and the date the contribution was made. 2 C.C.R. §18438.8(b).

California law prohibits a party, or an agent, from making campaign contributions to SCAQMD Governing Board Members or members/alternates of the Mobile Source Air Pollution Reduction Review Committee (MSRC) of more than \$250 while their contract or permit is pending before the SCAQMD; and further prohibits a campaign contribution from being made for three (3) months following the date of the final decision by the Governing Board or the MSRC on a donor's contract or permit. Gov't Code §84308(d). For purposes of reaching the \$250 limit, the campaign contributions of the bidder or contractor plus contributions by its parents, affiliates, and related companies of the contractor or bidder are added together. 2 C.C.R. §18438.5.

In addition, SCAQMD Board Members or members/alternates of the MSRC must abstain from voting on a contract or permit if they have received a campaign contribution from a party or participant to the proceeding, or agent, totaling more than \$250 in the 12-month period prior to the consideration of the item by the Governing Board or the MSRC. Gov't Code §84308(c).

The list of current SCAQMD Governing Board Members can be found at the SCAQMD website ([www.aqmd.gov](http://www.aqmd.gov)). The list of current MSRC members/alternates can be found at the MSRC website (<http://www.cleantransportationfunding.org>).

### **SECTION I.**

**Contractor (Legal Name):** \_\_\_\_\_

DBA, Name _____, County Filed in _____ Corporation, ID No. _____ LLC/LLP, ID No. _____
--

**List any parent, subsidiaries, or otherwise affiliated business entities of Contractor:**  
*(See definition below).*

\_\_\_\_\_  
\_\_\_\_\_

### **SECTION II.**

Has Contractor and/or any parent, subsidiary, or affiliated company, or agent thereof, made a campaign contribution(s) totaling \$250 or more in the aggregate to a current member of the South Coast Air Quality Management Governing Board or member/alternate of the MSRC in the 12 months preceding the date of execution of this disclosure?

Yes     No    **If YES, complete Section II below and then sign and date the form. If NO, sign and date below. Include this form with your submittal.**

**Campaign Contributions Disclosure, continued:**

Name of Contributor \_\_\_\_\_

\_\_\_\_\_  
Governing Board Member or MSRC Member/Alternate      Amount of Contribution      Date of Contribution

Name of Contributor \_\_\_\_\_

\_\_\_\_\_  
Governing Board Member or MSRC Member/Alternate      Amount of Contribution      Date of Contribution

Name of Contributor \_\_\_\_\_

\_\_\_\_\_  
Governing Board Member or MSRC Member/Alternate      Amount of Contribution      Date of Contribution

Name of Contributor \_\_\_\_\_

\_\_\_\_\_  
Governing Board Member or MSRC Member/Alternate      Amount of Contribution      Date of Contribution

**I declare the foregoing disclosures to be true and correct.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DEFINITIONS**

Parent, Subsidiary, or Otherwise Related Business Entity (2 Cal. Code of Regs., §18703.1(d).)

- (1) Parent subsidiary. A parent subsidiary relationship exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another corporation.
- (2) Otherwise related business entity. Business entities, including corporations, partnerships, joint ventures and any other organizations and enterprises operated for profit, which do not have a parent subsidiary relationship are otherwise related if any one of the following three tests is met:
  - (A) One business entity has a controlling ownership interest in the other business entity.
  - (B) There is shared management and control between the entities. In determining whether there is shared management and control, consideration should be given to the following factors:
    - (i) The same person or substantially the same person owns and manages the two entities;
    - (ii) There are common or commingled funds or assets;
    - (iii) The business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis;
    - (iv) There is otherwise a regular and close working relationship between the entities; or
  - (C) A controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.



# South Coast Air Quality Management District

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

## Direct Deposit Authorization

### STEP 1: Please check all the appropriate boxes

- |  |  |
|--|--|
| <input type="checkbox"/> Individual (Employee, Governing Board Member) | <input type="checkbox"/> New Request           |
| <input type="checkbox"/> Vendor/Contractor                             | <input type="checkbox"/> Cancel Direct Deposit |
| <input type="checkbox"/> Changed Information                           |  |

### STEP 2: Payee Information

Last Name		First Name		Middle Initial	Title
Vendor/Contractor Business Name (if applicable)					
Address				Apartment or P.O. Box Number	
City		State	Zip	Country	
Taxpayer ID Number		Telephone Number		Email Address	

### Authorization

- I authorize South Coast Air Quality Management District (SCAQMD) to direct deposit funds to my account in the financial institution as indicated below. I understand that the authorization may be rejected or discontinued by SCAQMD at any time. If any of the above information changes, I will promptly complete a new authorization agreement. If the direct deposit is not stopped before closing an account, funds payable to me will be returned to SCAQMD for distribution. This will delay my payment.
- This authorization remains in effect until SCAQMD receives written notification of changes or cancellation from you.
- I hereby release and hold harmless SCAQMD for any claims or liability to pay for any losses or costs related to insufficient fund transactions that result from failure within the Automated Clearing House network to correctly and timely deposit monies into my account.

### STEP 3:

You must verify that your bank is a member of an Automated Clearing House (ACH). Failure to do so could delay the processing of your payment. You must attach a voided check or have your bank complete the bank information and the account holder must sign below.

### To be Completed by your Bank

<b>Staple Voided Check Here</b>	Name of Bank/Institution				
	Account Holder Name(s)				
	<input type="checkbox"/> Saving <input type="checkbox"/> Checking		Account Number	Routing Number	
	Bank Representative Printed Name		Bank Representative Signature		Date
	ACCOUNT HOLDER SIGNATURE:			Date	

For SCAQMD Use Only

Input By \_\_\_\_\_

Date \_\_\_\_\_

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 5

**PROPOSAL:** Amend Existing Contracts for Legislative Representation in Washington, D.C.

**SYNOPSIS:** The current contracts with Kadesh & Associates, LLC and Carmen Group Inc. for legislative and regulatory representation in Washington D.C. will expire on January 14, 2015. This item is to recommend approval of the second one-year extension for the two existing contracts for federal legislative and regulatory consulting services for Calendar Year 2015. Total contract amounts for Kadesh & Associates and Carmen Group Inc. is proposed to be the current contract amounts plus a Consumer Price Index increase.

**COMMITTEE:** Administrative, December 12, 2014, Recommended for Approval

**RECOMMENDED ACTIONS:**

Authorize the Chairman to approve the second one-year extension of the contract with Kadesh & Associates, LLC for \$230,945, and the second one-year extension of the contract with Carmen Group Inc. for \$222,090, each of which includes a Consumer Price Index (CPI) increase.

Barry R. Wallerstein, D.Env.  
Executive Officer

## **Background**

After a competitive process with multiple firms responding to a request for proposals, the Board selected Carmen Group Inc. and Kadesh & Associates, LLC, for legislative and regulatory representation in Washington, D.C. for 2013. Both contracts – each of which includes two one-year extensions options – will expire January 14, 2015. The Governing Board granted the first one-year extension to Kadesh & Associates January 2014 and extended the Carmen Group contract in two six-month increments in 2014.

The firms have been effective in working with the Board and staff to maintain a continued and noticeable presence to advance the Board's agenda for federal legislative and regulatory issues. They have organized successful meetings in Washington, D.C. with Congressional Members and Congressional staff that have resulted in new or stronger relationships with the Administration, Congress and other stakeholders in Washington, D.C. In 2014, Kadesh & Associates worked hard to renew a \$10 million grant program for zero emission transportation projects in the Senate's Energy and Water Appropriations bill. After enactment, SCAQMD was awarded the entire \$10 million from that grant program.

At the same time, Carmen Group provided strategic counsel and helped in preparing other federal grant applications, and they provided support in getting a support letter from Rep. Ken Calvert, the chairman of the relevant House Appropriations Subcommittee for SCAQMD's application for a successful 2014 DERA grant. They continue to work with Rep. Calvert and his office to protect and increase overall DERA funding. The consultants have also been helpful in developing a longer-term strategy for the upcoming reauthorization bills on surface transportation and passenger rail due to be considered in 2015. In addition, due to the consultants' joint efforts, significant inroads have been made with the U.S. Department of Energy, positioning SCAQMD in a more favorable position. Both consultants also helped protect funding currently authorized in the Clean Air Act's Sections 103 and 105 that support key SCAQMD programs.

Thus, the consultants have represented SCAQMD well and continued representation in Washington, D.C. is necessary to further SCAQMD's policy objectives in the future.

## **Proposal**

Staff recommends their retention for Calendar Year 2015. Continuity of representation will help build on past relationships and policy initiatives to help increase the successful outcomes of SCAQMD policy objectives in 2015. Items anticipated being on the agenda in 2015 include securing SCAQMD priorities in the next surface transportation reauthorization legislation, finding funding to help Metrolink replace its Tier 0 and Tier II locomotives with Tier IV locomotives, obtaining funding to demonstrate LNG and battery powered passenger rail locomotives, seeking authorization for demonstration and deployment of clean technology and clean energy resources, protecting SCAQMD's

subvention funding and other federal grants, and responding to other issues that may surface in 2015. Legislative and regulatory advocacy may also be needed to support new policy initiatives pursuant to the development of the 2016 AQMP.

Both present contracts have a remaining one-year extension option that may be exercised at the Board's discretion, pursuant to the original RFP. This proposal is to approve the second one-year extension of these two contracts.

**Resource Impact**

The total funding for these contracts in the amount of \$453,035 is available in the Professional and Special Services account of the Legislative & Public Affairs FY 2014-15 Budget.

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 6

**PROPOSAL:** Airing SCAQMD Governing Board Monthly Meetings on Local Public Affairs Channels

**SYNOPSIS:** Pursuant to Board direction, as a means to expand agency outreach and public awareness of SCAQMD actions to achieve healthful air quality for all residents, staff is seeking to secure commitments to rebroadcast the SCAQMD Governing Board's monthly meetings on Public, Education and Government channels and/or cable companies' public affairs channels operating throughout the region.

**COMMITTEE:** Administrative, July 18 and December 12, 2014; Recommended for Approval

**RECOMMENDED ACTIONS:**

Direct staff to secure commitments to rebroadcast the SCAQMD Governing Board monthly meetings on Public, Education and Government channels and/or cable companies' public affairs channels operating throughout the region.

Barry R. Wallerstein, D.Env.  
Executive Officer

LBS:DJA:PC

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**Background**

During the February 2014 Administrative Committee meeting, Board Chairman Dr. William A. Burke and other Committee Members discussed broadcasting the monthly Governing Board meetings and other SCAQMD messages on local public access channels throughout the agency's four-county jurisdiction. Direction was given to both the Legislative and Public Affairs and Information Management departments to research arrangement of such broadcasts.

State law in California requires franchised cable providers to provide channels to rebroadcast a local community's Public, Education, and Government (PEG) channel if a

city channel has at least eight hours of programming each day. Most of these channels provide local educational and public affairs programming intended to serve the public interest. They are vehicles for a city to inform their residents about local events and to broadcast city council and other local governmental meetings. Many cities have PEG channels that are completely programmed, managed and underwritten by the local jurisdictions, with cable providers merely rebroadcasting them to viewers.

Five cable providers serve residents in the South Coast Air Basin: Charter, Cox, and Time Warner (which is currently being purchased by Comcast), AT&T, and Verizon.

Based in Irwindale, Charter's coverage area in the SCAQMD region includes cities in Los Angeles County, Riverside County, and San Bernardino County. Rancho Santa Margarita-based Cox has a coverage area that includes cities in Los Angeles County and Orange County. Time Warner, based in El Segundo, provides coverage to various cities in all four SCAQMD counties. AT&T and Verizon serve customers statewide without regard to local jurisdictions.

Each cable provider rebroadcasts the PEG channels of the cities they serve. Of the 165 cities and counties in the SCAQMD region, 79 localities have their own PEG channels. In addition, two of the five cable providers, Charter and Cox, have a separate local public interest channel which they program with a wide variety of local content. These are Charter Channel 101 and Cox3, respectively.

PEG access channel rebroadcasting requirements do not apply to the two direct broadcast satellite (DBS) systems DirecTV and DISH Network.

Staff has been in contact with Cox and Charter about their ability and interest in rebroadcasting SCAQMD Governing Board hearings each month on their own public interest channels, and has approached many of the 79 localities to see to if there is availability and interest to show SCAQMD meetings on their PEG channels. Charter has expressed some interest pending schedule availability, and Cox has said they could consider it on a trial basis to see what kind of audience it brings. Among the local PEG channels, a number of localities, including Riverside's Government Access TV and San Bernardino's KCSB, have expressed an interest in showing SCAQMD meetings.

None of the channels would be able to broadcast the meetings live as they would need to know the exact length of each meeting in order to fit it into their schedules. Information Management would be able to provide either a DVD or a feed of the meeting over an FTP server for the station to download. It would take staff approximately two to three days to prepare the taping in the proper medium for delivery.



Prior to each Board Meeting informational videos or Public Service announcements (PSAs) could be provided that highlight SCAQMD's current programs, such as the Lawnmower Exchange, the Smartphone app, and the VIP program. The DVD or download of each meeting would include these videos and/or PSAs.

**Proposal**

Authorize staff to follow through with gaining commitments to partner with local municipalities that have PEG channels to rebroadcast the Governing Board monthly meetings. In addition, authorize staff to work with Cox and Charter to develop a partnership to air the meetings on their local public interest channels, Charter 101 and Cox3.

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BOARD MEETING DATE: January 9, 2015

AGENDA NO. 7

**PROPOSAL:** Approve Memorandum of Agreement Among Division of Oil, Gas, and Geothermal Resources, CARB and SCAQMD Regarding Well Stimulation Treatments and Well Stimulation Treatment – Related Activities

**SYNOPSIS:** Senate Bill 4 (Pavley), adopted in 2013, requires the Division of Oil, Gas, and Geothermal Resources (DOGGR) to adopt rules & regulations specific to well stimulation activities and hydraulic fracturing treatments. Senate Bill 4 also requires DOGGR to enter into formal agreements with CARB and local air districts where well stimulation activities may occur. The agreements shall delineate the respective authority, responsibility, and notification and reporting requirements for each agency that are related to such activities.

**COMMITTEE:** Administrative, December 12, 2014; Reviewed

**RECOMMENDED ACTION:**

Authorize the Executive Officer to execute the attached Memorandum of Agreement among the Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), CARB, and SCAQMD Regarding Well Stimulation Treatments and Well Stimulation Treatment – Related Activities, as is required by Senate Bill 4 (Pavley, 2013) and to determine whether to accept any additional changes in consultation with the Board Chairman.

Barry R. Wallerstein, D. Env.  
Executive Officer

## **Background**

In recent years, increasing public interest and concern regarding the use of hydraulic fracturing and other well stimulation techniques for oil and gas drilling has caused California regulatory agencies and the state legislature to examine these activities more closely. The SCAQMD Governing Board adopted Rule 1148.2 on April 5, 2013, which requires well operators and suppliers of well stimulation materials to provide specified information to the SCAQMD. While several legislative bills have been proposed, the only comprehensive legislative measure dealing with hydraulic fracturing is SB 4 by Senator Fran Pavley, which was adopted in 2013. This bill required DOGGR to develop rules and regulations specific to well treatment activities and hydraulic fracturing treatments. Senate Bill 4 also requires DOGGR to enter into formal agreements, by January 1, 2015, with CARB and local air districts where well stimulation activities may occur.

Pursuant to SB 4, the agreement is required to delineate the respective authority, responsibility, and notification and reporting requirements for each agency that are related to well stimulation activities. The agreement also provides for the sharing of information, including trade secret information, in accordance with confidentiality agreements. The agreement provides for SCAQMD comments on well stimulation permits to be issued by DOGGR, and requires the SCAQMD and CARB to notify DOGGR if they discover any equipment failures or violations of the DOGGR regulations or the well stimulation permit during their monitoring and enforcement activities, and requires DOGGR to notify CARB and the SCAQMD upon discovering any potential or actual unauthorized air emissions resulting from improperly maintained equipment, or any air quality related nuisance. The agreement provides that nothing in SB 4 limits the existing authorities of any of the Parties (DOGGR, CARB, or the SCAQMD).

Staff has negotiated terms of the agreement with staff from CARB and DOGGR. Attached is the master MOA to be signed by all affected air districts, except the San Joaquin Valley District which will enter into its own separate agreement with DOGGR (part of the Department of Conservation). DOGGR has recently agreed to allow Air Districts 45 days to comment on the Well Stimulation Treatment permits proposed by DOGGR as we have requested, based on the concern that individual permits will likely cover a number of wells and require extensive analysis. DOGGR has agreed to include a paragraph regarding SCAQMD activities relative to fracking and related activities. The draft agreement attached hereto includes all the changes recommended by SCAQMD staff, which have now been agreed to by DOGGR and CARB staff.

## **Proposal**

Authorize the Executive Officer to execute the attached Memorandum of Agreement among DOGGR, CARB, and SCAQMD regarding Well Stimulation Treatments and Well Stimulation Treatment – Related Activities, and to determine whether to accept any

additional changes that may be proposed by the parties prior to executing the Agreement, in consultation with the Board Chairman. .

**Resource Impacts**

The Memorandum of Agreement will be carried out using existing staff resources.

**Attachment**

Final Memorandum of Agreement with DOGGR and CARB with SCAQMD Proposed Amendments

**MEMORANDUM OF AGREEMENT  
AMONG THE  
DEPARTMENT OF CONSERVATION, DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES  
AND  
CALIFORNIA AIR RESOURCES BOARD  
AND  
LOCAL AIR DISTRICTS  
REGARDING  
WELL STIMULATION TREATMENTS AND WELL STIMULATION TREATMENT-RELATED  
ACTIVITIES**

**I. PURPOSE**

This Memorandum of Agreement (“MOA”) satisfies certain provisions of Senate Bill 4 (Chapter 313, Statutes of 2013), hereinafter referred to as “SB 4.” Among other requirements, SB 4 directs the Division of Oil, Gas, and Geothermal Resources in the California Department of Conservation (“Division”) to enter into one or more formal agreements with the California Air Resources Board (“Air Board”) and any local air districts (“Air Districts”) where well stimulation treatments may occur. The formal agreement(s) must delineate the agencies’ respective authority, responsibilities, and notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities, including air quality monitoring. (Pub. Resources Code, § 3160, subd. (c)(2).) In addition, the formal agreement(s) must specify the public entity responsible for air quality monitoring, include trade secret handling protocols as necessary, and provide for ready public access to information regarding well stimulation treatments and the related activities. (Pub. Resources Code, § 3160, subd. (c)(3).) This MOA satisfies these requirements, focusing on the concurrent or similar legal authority, responsibilities, and requirements of the Division, Air Board, and Air Districts (collectively, the “Parties”) to protect public health and safety and the environment.

The Parties share a common goal of protecting the People of the State of California, including by controlling air pollution which could result from well stimulation activities. The purpose of this MOA is to outline a coordinated approach to exercising the regulatory responsibilities of the Parties as they relate to well stimulation activities. In entering into this MOA, the Parties commit to efficiently pursuing this common goal, considering their respective financial constraints and available resources. Nothing in this MOA shall limit the existing authority of the Air Board, Air Districts, or Division.

## II. OVERVIEW OF LEGAL AUTHORITY AND SB 4 REQUIREMENTS

### A. Division

Chapter 1 (Oil and Gas Conservation) of Division 3 (Oil and Gas) of the Public Resources Code (commencing with section 3000) governs oil and gas exploration and production activities in the State. The chapter establishes the Division as the principal state agency charged with regulating the drilling, operation, maintenance, and abandonment of oil and gas wells on land not held by the federal government. The State Oil and Gas Supervisor supervises these activities on behalf of the Division as well as the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production. Such supervision is “to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances.” (Pub. Resources Code, § 3106, subd. (a).)

In regulating oil and gas activities and related facilities to protect the public and environment, the Division’s regulatory powers outside of and supplementary to SB 4 include, but are not limited to: (1) requiring an operator to implement a monitoring program designed to detect releases to the air, soil, surface water, and groundwater from aboveground oil production tanks and facilities; (2) issuing permits or approvals for oil and gas activities, such as the drilling or abandonment of wells; (3) investigating the environmental conditions and inspecting facilities associated with oil and gas activities and preparing related reports; (4) ordering and/or undertaking tests or remedial work; and (5) issuing enforcement orders for violations of applicable oil and gas law and permits or approvals.

SB 4 requires the Division to review applications from operators for well stimulation treatment permits (“WST Permits”). The Division may issue any such permit if the application is complete and any other applicable legal requirements are satisfied. In addition, SB 4 establishes requirements for the handling of information that is or may be a trade secret and information that may relate to a well that the Division granted confidential status. SB 4 provides authority to the Division to enforce against violations of Chapter 1 and its implementing regulations.

### B. Air Board

The Air Board has ultimate responsibility for adopting and carrying out the State Implementation Plan required under the federal Clean Air Act in California, and works in partnership with local air districts to protect public health and welfare. The Air Board has regulatory authority for greenhouse gases, toxic air contaminants, and emissions generally from a broadly defined class of vehicular and mobile sources. (Health & Saf. Code, §§ 38510 (greenhouse gases); 39650 et seq. (toxic air contaminants and hazardous air pollutants); 39002, 43013, 43018 (vehicular and mobile sources)).

More specifically, pursuant to the California Global Warming Solutions Act (“AB 32”) and related authorities, the Air Board is the state agency charged with monitoring and regulating sources of greenhouse gas emissions and enforcing any measure or regulation it adopts pursuant to AB 32 (Health & Saf. Code, §§ 38510, 38580). For toxic air contaminants, Health and Safety Code section 39666 gives the Air Board authority to promulgate “airborne toxic control measures” (“ATCMs”) using a process and criteria set forth in section 39665. Such measures are designed to address sources of the air toxics presenting the highest health risks statewide. The Air Board is also charged with coordinating regional and local efforts to attain and maintain compliance with both state and national ambient air quality standards. (Health & Saf. Code, §§ 39003, 39602, 41500.) For all these purposes, the Air Board has broad authority to collect and develop data on air quality and air pollution, monitor air pollutants, and adopt rules and regulations. (See, e.g., Health & Saf. Code, §§ 39600, 39605, 39607, 39659, 38530, 39701(a)(2) & (b), 41511, 41750-41755, 42700-42708, 44300 et seq., Cal. Code Regs., tit. 17, § 91100.)

The Air Board can use these authorities to conduct, or require sources to conduct, any air quality monitoring, testing, sampling, or reporting activities, including investigations of well stimulation treatment activities of the sort addressed by SB 4.

### **C. Air Districts**

Air Districts have authority and responsibility for the control of air pollution from all sources except motor vehicles. (Health & Saf. Code, §§ 39002, 40000.) Air Districts are required to adopt regulations for nonvehicular sources to achieve and maintain the state and federal ambient air quality standards. (Health & Saf. Code, § 40001.) They enforce all provisions of state and federal air pollution law for sources within their jurisdiction. (*Ibid.*) Air Districts enforce the Air Board-adopted ATCMs, or equally-effective or more stringent regulations for toxic air contaminants adopted by the Air Districts (Health & Saf. Code, § 39666). They also have independent authority to regulate toxic air contaminants from nonvehicular sources. (*Western Oil & Gas Ass’n. v. Monterey Bay Unified APCD*, 49 C. 3d 408 (1989).) Air Districts may require the holder of or applicant for a permit to provide information regarding the source’s emissions (Health & Saf. Code, § 42303) and may adopt rules to require the owner or operator of a source to take such steps as the District considers reasonable for the determination of the amount of emissions from such source, including source testing, sampling, monitoring and recordkeeping. (Health & Saf. Code, § 41511.) They may also require sources to install and operate monitoring devices. (Health & Saf. Code, § 42700 et seq.) Air Districts implement permit systems for nonvehicular sources. The permits are required to ensure that the source complies with all applicable air pollution control requirements. (Health & Saf. Code, §§ 42300, 42301.) Except as specifically provided in the Health and Safety Code, Air Districts may adopt additional, more stringent requirements for nonvehicular sources than those established by law or by the Air Board. (Health & Saf. Code, § 41508.)

### **III. SCOPE OF AGREEMENT**

The following procedures have been formulated and agreed to by the Parties to: (1) streamline notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities; (2) clarify responsibility for air monitoring; and (3) specify protocols for sharing information claimed or deemed to be trade secrets.

### **IV. RESPONSIBILITIES AND REQUIREMENTS REGARDING WELL STIMULATION TREATMENTS AND WELL STIMULATION TREATMENT-RELATED ACTIVITIES**

The Division, Air Board, and Air Districts shall have the following responsibilities and requirements regarding well stimulation treatments and well stimulation treatment-related activities:

#### **A. Well Stimulation Treatment Permits and Related Information**

1. Upon receiving a WST Permit application that includes information related to air quality, the Division shall forward a copy of the application (or some portion thereof as the Air Board or Air District determines to be relevant to regulating air quality) to the Air Board and relevant Air District(s) where well stimulation treatments may occur. The Air Board and Air Districts, as appropriate, shall assist the Division in identifying the types of information that are related to air quality. The Division shall notify designated personnel at the Air Board and Air District of, and provide to them, any additional information that the Division receives during the application process that is related to air quality.
2. Upon determining that the Division received a complete application for a WST Permit pursuant to section 1783, subdivision (c) of title 14 of the California Code of Regulations, the Division shall so notify the Air Board and any relevant Air District in writing. The Division shall make the complete application (or some portion thereof as the Air Board or Air District determines to be relevant to regulating air quality) available to the Air Board and Air Districts in accordance with Section IV.F (Information Sharing) of this MOA.
3. To the extent that the Division receives WST application data in, or enters WST application data into, a readable, searchable, and sortable electronic format (e.g., a spreadsheet), the Division shall share the information in that format with the Air Board and Air District.
4. Except where the Parties agree to a more expedited review upon the Division's request, the Air Board and Air Districts shall have up to 45 days from when the Air Board or an Air District determines that the application is complete for purposes of regulating air quality and so notifies the Division in writing, or from when the



Division notified the Air Board and Air District that the application is complete pursuant to paragraph 2 of Section IV.A of this MOA, whichever is earlier, to provide comments to the Division.

5. In reviewing the WST Permit application, the Air Board and/or Air District may request from the Division, in writing, additional information that the Air Board or Air District determines is relevant to regulating air quality.
6. The Air Board and/or Air District may recommend that the Division add provisions (such as mitigation measures) to the WST Permit to address the Air Board's and/or Air District's air quality concerns.
7. The Division shall consider all comments received from the Air Board and any Air District in preparing the WST Permit.
8. The Division shall post a copy of the final WST Permit on the Division's website. In the event that some or all of a WST Permit is not posted on the Division's website as a result of legal protections against public disclosure, the Division shall notify the Air Board and Air District when any information being withheld is relevant for purposes of regulating air quality. The Division shall share any such withheld information with the Air Board and the Air District upon request and in accordance with Section IV.F (Information Sharing) of this MOA. The Air Board and Air Districts, as appropriate, shall assist the Division in identifying the types of information in a final WST Permit that are relevant for purposes of regulating air quality. To the extent that the Division has the withheld information in a readable, searchable, and sortable electronic format (e.g., a spreadsheet), the Division shall share the information in that format with the Air Board and Air District.
9. Issuance of a WST Permit by the Division shall not preclude or preempt the Air Board or any relevant Air District from enforcing or imposing existing or future regulations, including, but not limited to, monitoring, reporting, recordkeeping, notification or permit requirements, including requirements that may be different or more stringent than requirements imposed by the Division.
10. When the Division receives 72-hour notice that the WST Permit applicant will be commencing well stimulation, the Division shall, within 24 hours, transmit that notice and confirmation to the Air Board and any relevant Air District. This provision applies both to any initial notice given by the WST Permit applicant and to any additional notices, confirmations, or cancellations which the Division receives that are related to the 72-hour notice.
11. The Division shall notify the Air Board and any relevant Air District when the Division does not post information received pursuant to section 1788 or 1789 of title 14 of

the California Code of Regulations (The Well Stimulation Treatment Disclosure Reporting Form and Post-Well Stimulation Treatment Report), which is relevant for purposes of regulating air quality, on the Division's website as a result of legal protections against public disclosure. The Division shall share that withheld information with the Air Board and the relevant Air District upon request and in accordance with Section IV.F (Information Sharing) of this MOA. The Air Board and Air Districts, as appropriate, shall assist the Division in identifying the types of information submitted in response to sections 1788 and 1789 that are relevant for purposes of regulating air quality. To the extent that the Division has the withheld information in a readable, searchable, and sortable electronic format (e.g., a spreadsheet), the Division shall share the information in that format with the Air Board and Air District.

12. As used in Section IV.A of this MOA, "in writing" shall include messages sent by electronic mail or using a Webportal.

## **B. Investigation, Monitoring, and Reporting**

1. The Air Board and Air Districts are primary responsible entities for air quality monitoring and retain continuing authority to conduct air quality monitoring, sampling, and investigations, as they deem appropriate; to conduct site visits and enforcement activities at sites where well stimulation treatment is occurring; and to require air pollution monitoring, testing and reporting from operators conducting well stimulation treatment. The Air Board or Air District, as appropriate, shall notify the State Oil and Gas Supervisor or his/her designee of any equipment failures (e.g., leaking tanks) observed by the Air Board or Air District during an investigation.
2. For the purpose of regulating to prevent the unreasonable waste of oil and gas during production, the Division shall be responsible for ensuring that operators properly maintain equipment used during a well stimulation treatment or during well stimulation treatment activities in leak-free condition. The Division shall promptly notify the Air Board and any relevant Air Districts when: (i) the Division discovers potential or actual unauthorized air emissions, including odors, resulting from improperly maintained equipment; or (2) the Division receives a complaint of potential or actual unauthorized air emissions, including odors.
3. The Division, on one hand, and the Air Board and Air Districts, on the other hand, shall engage in efforts to cross-train each other's staff, as the Parties deem appropriate, to enhance field investigations designed to ensure compliance with WST Permits, air quality permits, and other entitlements associated with well stimulation treatments and related laws under the Parties' respective legal authorities.

4. The Division shall consult with the Air Board/appropriate Air District prior to requiring an operator to implement a monitoring program designed at least in part to detect releases to ambient air associated with well stimulation treatment or well stimulation treatment-related activities, if such a program is required under the California Environmental Quality Act or any other laws or agreements.

### **C. Enforcement Coordination**

1. The Division shall, as soon as is practicable, notify the Air Board and appropriate Air District of any potential or actual air-quality related nuisance or unauthorized pollution conditions associated with well stimulation identified during the Division's inspection activities or in a complaint received by the Division.
2. The Air Board or appropriate Air District shall, as soon as is practicable, notify the State Oil and Gas Supervisor or his/her designee of any potential or actual violations of the Division's regulations or WST Permit requirements identified during their inspection activities or in a complaint received by the Air Board or Air District.
3. If the Division, Air Board, or Air District determines that there is a violation of air quality-based statutory or regulatory requirements associated with well stimulation treatments or well stimulation treatment-related activities (e.g., WST Permit requirements, air permit), the agency may take any actions under its authority that the agency deems appropriate to ensure that compliance is achieved, including penalty assessment or negotiated settlements in lieu thereof.
4. If an Air District issues a Notice of Violation relating to a well stimulation activity that involves stationary sources, the Air District shall promptly provide a copy to the State Oil and Gas Supervisor or his/her designee. If the Division determines that a violation has occurred related to well stimulation activities that the Division knows involves, or suspects may involve, emissions into the ambient air, it shall notify the Executive Officer of the Air Board and the Executive Director or Officer of the appropriate Air District (or his/her designee) promptly upon notifying the alleged violator.
5. The Parties may coordinate their enforcement actions (e.g., share investigative reports, witnesses, or other evidence) to the extent that the Parties deem appropriate.
6. Nothing in this MOA shall be construed as precluding the Parties from taking independent enforcement actions or from responding timely to an emergency.

#### **D. Air Quality Planning and Coordination**

1. The Air Board is designated as the state agency responsible for the preparation of the State Implementation Plan required under the federal Clean Air Act and, to this end, coordinates the activities of all districts to attain and maintain both state and national ambient air quality standards, even in light of population or industrial growth. Both the Air Board and Air Districts have responsibility for ensuring that all areas of the state come into, and remain, in attainment with federal ambient air quality standards, and comply with other relevant Clean Air Act requirements. As such, the Air Board and Air Districts shall continue to work together, in consultation with the Division when appropriate, to prevent any air pollution associated with well stimulation activities from impairing compliance with these mandates. These efforts may include, but are not limited to, regulatory initiatives on the part of both the Air Districts and Air Board, which may lead to improved monitoring and control of air toxics, criteria pollutants, and greenhouse gas pollutants from well stimulation practices, as well as other aspects of oil and gas production.
2. The Division may regulate to prevent the unreasonable waste of gas through the use of flares under Chapter 1 (Oil and Gas Conservation) of Division 3 (Oil and Gas) of the Public Resources Code (commencing with section 3000). Under various authorities, the Air Board and Air Districts regulate the use of flares with regard to air emissions. The Air Board and Air Districts shall, as soon as is practicable, provide to the State Oil and Gas Supervisor or his/her designee a copy of any permit or other entitlement issued by the Air Board or Air District that authorizes the flaring of gas during well stimulation treatment or well stimulation treatment-related activities.
3. The Parties shall attempt to identify opportunities, in addition to those identified in this MOA, to share information regarding well stimulation treatment and well stimulation treatment-related activities, for example, by identifying reporting requirements to which operators are subject and exchanging the information reported for regulatory purposes. In implementing this MOA and in identifying the additional opportunities for information sharing, the Parties shall work toward developing a common understanding of terms frequently used in regulating well stimulation treatment and well stimulation treatment-related activities.
4. The Air Board adopts and enforces off-road and on-road vehicle regulations to reduce emissions from off-road equipment, such as those used for well site preparation, and from on-road vehicles, such as those used to bring equipment and supplies to and from well stimulation sites. In addition, the Air Board has adopted a Portable Engine Air Toxic Control Measure, implemented and enforced by both the Air Board and the Air Districts, to reduce diesel particulate matter from portable engines, such as those used in drilling rigs and well stimulation pumps.

5. Under the Air Toxics “Hot Spots” Act (Health & Saf. Code, § 44300 et seq.), the Air Districts manage a formal air toxics emission inventory risk quantification program. The goal is to collect emission data indicative of routine predictable releases of toxic substances to the air, to identify facilities having localized impacts, to evaluate health risks from exposure to the emissions, to notify nearby residents of significant risks, and to reduce risk below the determined level of significance. The Air Districts transmit all monitoring data contained in the emissions inventory report to the Air Board. Information gathered from this program complements the Air Board’s existing toxic air contaminant program by locating sources of substances that were not under evaluation and by providing exposure data needed to develop regulations for control of toxic air pollutants.
6. Air Districts in which oil or gas wells are located typically implement various regulations affecting these activities, which may include requiring permits for certain equipment such as oil/water separators, gas treatment systems, storage tanks, etc. Included in these requirements is that most new permitted equipment at such sources requires the best available air pollution controls, and that increases in emissions from permitted equipment are mitigated. Certain equipment used at oil or gas exploratory and production sites, such as engines driving oil well drilling and workover rigs, may be regulated under the state Portable Equipment Registration Program, under which a registration is issued by the Air Board but the Air Districts enforce the state requirements. Under their statutory authority, Air Districts also require permits for engines which are part of a stationary sources, remain in one location for too long, or otherwise require permits in an individual District rather than a registration under the Portable Equipment Registration Program.
7. Air Districts enforce the state law prohibiting emissions which endanger public health or cause nuisance or annoyance to any considerable number of persons, e.g., odors or emissions causing respiratory symptoms. (Health & Saf. Code, § 41700.)
8. Air Districts adopt and enforce a variety of federal, state, and local regulations limiting emissions of volatile organic compounds (an ozone precursor) and toxic air contaminants from these sources, such as leak detection and repair requirements, prohibition of gas venting, and vapor recovery systems.
9. Air Districts may adopt regulations to require operators to notify the Air District of well stimulation activities, and to require operators and suppliers to inform the Air District of the chemicals used in these activities. If these activities or the chemicals used in them present a threat to public health or air quality, the Air Districts may adopt further regulations limiting or regulating these activities. The Air Districts shall consult with the Division in developing any regulations applicable to well stimulation treatment or well stimulation treatment-related activities.

10. Air Districts may respond to requests for comments from Lead Agencies under the California Environmental Quality Act (“CEQA”) on oil and gas exploration and development projects, such as those from the Division. Air Districts may also act as Lead Agencies for such projects, if no other agency with a greater degree of responsibility has a discretionary decision. Prior to completing an environmental impact report under CEQA for WST, in accordance with CEQA, the Division shall consult with, and may obtain comments from, the Air Board and the relevant Air Districts as Responsible Agencies.
  
11. The South Coast Air Quality Management District (“SCAQMD”) adopted Rule 1148.2 on April 5, 2013, “Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers” to supplement existing rules pertaining to oil and gas production operations. Rule 1148.2 applies to oil and gas well operators and to any supplier distributing a chemical to an operator for use as a drilling fluid, well completion fluid, or rework. Operators must notify the SCAQMD at least 24 hours and no more than 10 days before beginning any drilling, well completion, or rework, to allow SCAQMD inspectors to observe the operation. Operators must submit reports containing specified information regarding their drilling, well completion, or rework, and suppliers must provide information to the operator regarding the chemical ingredients, amounts and purposes of the chemicals used for drilling, well completion or rework. If the supplier claims trade secret, the information must be provided to the SCAQMD. The SCAQMD makes non-trade-secret information available to the public on its website. In addition, the SCAQMD conducts inspections of well operations, monitors air quality, responds to odor complaints, and enforces applicable SCAQMD rules, including permit rules, as well as enforcing the Air Board’s Portable Equipment Registration Program as appropriate. Where an oil or gas operation creates a public nuisance, the SCAQMD takes enforcement action which may include seeking an Order for Abatement from the SCAQMD Hearing Board to require measures to eliminate the nuisance, and seeking appropriate civil penalties.

**E. Review Following Initial Implementation of the MOA and Completion of Mandated Documents**

1. At a time following the initial implementation of this MOA that the Parties deem appropriate, the Parties should meet to discuss and potentially modify the procedures (including timeframes) specified herein as related to Section IV.A with the goal toward improving the efficiency of the procedures while continuing to fulfill their regulatory purposes.
  
2. In addition to any other meetings that may otherwise be required, the Division, Air Board, and Air Districts should meet to review this MOA: (1) following completion of the independent scientific study required by SB 4, and again (2) following completion of the Environmental Impact Report required by SB 4.

3. The Division, Air Board, and Air Districts should amend this MOA if and to the extent necessary to ensure that the MOA is consistent with and accounts for the independent study and Environmental Impact Report required by SB 4.

#### **F. Information Sharing**

1. For the purpose of regulating well stimulation treatment and well stimulation treatment-related activities, the Division, the Air Board, and the Air Districts may exchange information in a manner that is consistent with SB 4, the Public Records Act (Gov. Code, § 6250 et seq.), and any other applicable law. The information that the Parties may exchange includes, but is not limited to, information that is subject to confidential well status pursuant to Public Resources Code section 3234 and information that is subject to protection as a trade secret.
2. Any information shared or exchanged between or among the Parties that the transmitting Party deems protected from public disclosure shall include a written advisory to that effect (e.g., include “Confidential” in the subject line of a transmitting electronic mail). As used in this MOA, “Confidential Communication” refers to such information transmitted with the written advisory.
3. Only persons authorized in writing by the Director of the Department of Conservation, the Executive Officer of the Air Board, or the Executive Director or Officer of an Air District (as applicable) shall be permitted to obtain or view Confidential Communications.
4. Except by written agreement, or as required by court order, neither the Division, Air Board, nor Air Districts shall release, disclose, discuss, or otherwise make available to the public any Confidential Communication or any other information which SB 4, the Public Records Act, or any other applicable law protects from public disclosure.
5. A Party that receives a request from a non-Party to release, disclose, discuss, or otherwise obtain access to any Confidential Communication (whether by way of subpoena, discovery request, request under the Public Records Act, or other federal or state law) shall notify the transmitting Party that deemed the information protected of the request before the date on which a response to such a request is due, with the goal of providing the notice at least five calendar days before the response deadline. Unless the transmitting Party consents to disclosure or release of the Confidential Communication, the Party that received the disclosure request shall assert all relevant privileges and other objections to the disclosure to the extent authorized by law and subject to any court orders.

## **G. Other Responsibilities and Requirements**

1. The Division, Air Board, and Air Districts continue to have any other responsibilities and requirements as set forth in SB 4 and other statutes, regulations, and orders.
2. Any responsibility or requirement set forth in this MOA that is inconsistent with any regulation of the Division, Air Board or any Air District shall be inoperative.
3. It is the understanding of the Parties that nothing in SB 4 or this MOA limits the existing authorities of any of the Parties, and the Parties shall exercise their own authorities and responsibilities in a manner consistent with this understanding.

## **V. ADDITIONAL PROVISIONS AND AGREEMENTS**

### **A. Contact Information Within an Agency**

1. Each Party is responsible for providing its contact information (e.g., electronic mail addresses and/or Webportal designations) to the other Party for transmitting notices and other information under this MOA.
2. No later than the effective date of this MOA, as specified below, the Parties shall exchange their contact information for implementing this MOA. The State Oil and Gas Supervisor shall provide the Division's contact information to the Executive Officer of the Air Board and the Executive Director or Officer of each Air District. The Executive Officer of the Air Board and the Executive Directors and Officers of the Air Districts shall provide their contact information to the Oil and Gas Supervisor.
3. Each Party shall be responsible for updating its contact information with the other Parties, as appropriate, to ensure receipt of the notices and other information described in this MOA.
4. Each Party shall assist the others in identifying the appropriate contact(s) including agency personnel, for receiving information or handling inquiries regarding the matters addressed in this MOA.

### **B. Reservation of Authority**

1. Nothing in this MOA shall be construed as delegating, limiting, or expanding the authority of the Division, Air Board, or any Air District in carrying out their respective legal responsibilities for the management, regulation, coordination, and control of well stimulation treatments and well stimulation treatment-related activities.



2. Nor shall anything in this MOA be construed as affecting the discretion of the Division, Air Board, or any Air District in carrying out their respective legal responsibilities for the management, regulation, coordination, and control of well stimulation treatments and well stimulation treatment-related activities.
3. This MOA does not limit the authority of the Air Board under the California Global Warming Solutions Act and, except as provided herein, does not create and shall not be construed to create any right, permission, or requirement for the Air District to implement or enforce any authority of the Air Board regarding regulations adopted by the Air Board pursuant to AB 32 (Nunez).
4. Nothing in this MOA shall be construed as limiting or eliminating the authority of the Air Board or any Air District from applying or adopting future regulations or requirements within their respective jurisdictions, including, but not limited to, regulations or requirements which are more stringent than or otherwise go beyond the requirements imposed by the Division, or which regulate greenhouse gas emissions from non-vehicular sources.

#### **C. Execution, Term, and Modification**

1. This MOA represents the entire agreement of the Parties, and merges and supersedes any prior written or oral representations, discussions, understandings or agreements by, between, or among the Parties relating to the subject matter of this MOA.
2. This MOA shall become effective upon the date of the last signature of the Parties designated in Section VI below and shall continue in full force and effect unless modified, replaced or terminated by operation of law, except as provided in subparagraph V D 1 below.
3. This MOA may be modified or replaced upon the initiative of any Party for the purpose of ensuring consistency with State, Federal or local statutes or regulations, or for any other purpose mutually agreed upon. Any such modifications or replacement must be in writing and must be signed by an authorized representative of each of the Parties.
4. The Parties may execute this MOA in counterparts. Each executed counterpart shall have the same force and effect as an original instrument. Taken together, the executed counterparts shall constitute one and the same agreement.

**D. Ability to Enter Into Other Agreements**

1. Any individual Air District may withdraw from this MOA without the consent of the other Parties. Any such withdrawing district shall expeditiously negotiate with the Air Resources Board and the Division to enter into a separate substitute agreement which achieves the goals of SB4. No party may unreasonably withhold approval of such a substitute agreement.
2. The Division may enter into additional side agreements to this MOA with the Air Board or any individual Air District for purposes of achieving the goals of SB 4 and regulating well stimulation treatments and well stimulation treatment-related activities. Any such additional side agreements shall not conflict with this MOA.

**E. Construction**

1. There may be instances in which more than one Air District should receive notice or other information from the Division in accordance with this MOA. The Division shall attempt to identify such instances and provide the subject information to all appropriate Air Districts. The Air Districts and Air Board should assist the Division in this regard.
2. Any determination that a provision of this MOA is invalid does not invalidate any other provision of this MOA or the MOA in its entirety.

**F. Representation on Authority**

Each Party represents and warrants that it has the right, power, and authority to execute this MOA. Each Party represents and warrants that it has given any and all notices, and obtained any and all consents, powers and authorities, necessary to permit it, and the persons executing this MOA for it, to enter into this MOA.

**VI. SIGNED AND DATED**

\_\_\_\_\_  
 MARK NECHODOM  
 Director  
 CALIFORNIA DEPARTMENT OF CONSERVATION

\_\_\_\_\_  
 STEVEN R. BOHLEN  
 State Oil and Gas Supervisor  
 DIVISION OF OIL, GAS, AND GEOTHERMAL  
 RESOURCES

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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RICHARD W. COREY  
Executive Officer  
CALIFORNIA AIR RESOURCES BOARD

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Date

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BARRY WALLERSTEIN  
Executive Officer  
SOUTH COAST AIR QUALITY MANAGEMENT  
DISTRICT

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Date

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LARRY ALLEN  
Air Pollution Control Officer  
SAN LUIS OBISPO COUNTY AIR POLLUTION  
CONTROL DISTRICT

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Date

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MIKE VILLEGAS  
Air Pollution Control Officer  
VENTURA COUNTY AIR POLLUTION CONTROL  
DISTRICT

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Date

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LOUIS D. VAN MULLEM, JR.  
Air Pollution Control Officer  
SANTA BARBARA COUNTY AIR POLLUTION  
CONTROL DISTRICT

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Date

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MAT EHRHARDT  
Air Pollution Control Officer  
YOLO-SOLANO AIR QUALITY MANAGEMENT  
DISTRICT

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Date

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 8

**PROPOSAL:** Resolution to Support in Concept for Salton Sea Restoration and Renewable Energy Initiative

**SYNOPSIS:** As the Salton Sea water levels continue to rapidly recede, air pollution concerns are expected to increase throughout the Coachella Valley and Imperial County due to particulates and potential toxic air contaminants emitted from the lake bed sediments. The Salton Sea Restoration and Renewable Energy Initiative seeks a collaborative Salton Sea restoration solution designed to minimize the environmental and air quality impacts. The initiative would use revenue generated by renewable energy projects to fund environmental mitigation and restoration efforts at the Salton Sea. This action is to approve a Board resolution to support, in concept, the Salton Sea Restoration and Renewable Energy Initiative.

**COMMITTEE:** Administrative, December 12, 2014; Recommended for Approval

**RECOMMENDED ACTION:**

Adopt the attached resolution to support, in concept, the Salton Sea Restoration and Renewable Energy Initiative.

Barry R. Wallerstein, D.Env.  
Executive Officer

## **Background**

The Salton Sea is California's largest inland lake, covering over 376 square miles in Riverside and Imperial Counties. The lake is very saline due to the lack of natural outlets and the lake size is receding due to evaporation and reduced inflow sources. The receding waters of the Salton Sea have created environmental concerns for the region, including air quality concerns, with significant potential for impacts to human health and that of the wildlife dependent on this ecosystem. Air quality concerns for the Salton Sea Air Basin, which includes the Coachella Valley portion of Riverside County and Imperial County, include increased particulate matter exposures due to the fine silt of the exposed lakebed, exposure to toxic contaminants from concentrated agricultural runoff, and exposure to Hydrogen Sulfide gas released from the lake periodically due to natural processes in the warm, shallow water, as well as geothermal activity in portions of the lakebed. Salton Sea environmental conditions are expected to deteriorate more quickly when a significant portion of the inflow to the Salton Sea will bypass the region due to the transfer of Colorado River water from regional agriculture to urban uses under the Quantification Settlement Agreement (QSA) water transfers that are projected to occur after 2017.

The Salton Sea Restoration and Renewable Energy Initiative seeks a collaborative Salton Sea restoration solution designed to minimize the potential for significant air quality and other environmental impacts. The Initiative would leverage revenue generated by new renewable energy projects at the Salton Sea to fund environmental mitigation and restoration efforts, including air quality management and habitat restoration. Projects sited on exposed lakebed will serve a dual purpose of producing renewable energy while doubling as groundcover to mitigate air emissions. Under legislation enacted in 2013, planning and implementing projects at the Salton Sea will be driven locally by the Salton Sea Authority, with support from the State of California. The Initiative will first focus on developing up to 1,700 megawatts of new geothermal energy at the Sea – enough to power more than one million homes. Not only is there more geothermal generating capacity in the region than anywhere else in the U.S., but geothermal energy can be produced with minimal impact on landscape and habitat. It also provides a steady, reliable source of energy to the state electricity grid.

The Salton Sea Authority voted to support the Salton Sea Restoration and Renewable Energy Initiative, which was launched by the Imperial Irrigation District in partnership with Imperial County, at their December 19, 2013 meeting. To date, numerous additional entities have formally endorsed the initiative, including: Riverside County, the City of Imperial, the City of Holtville, the City of Brawley, the City of El Centro, the City of Coachella, the Palm Springs Convention & Visitors Bureau, the Imperial County Building & Construction Trades Council, the Geothermal Energy Association, the Geothermal Resources Council, the Southern California Association of Governments, and the Coachella Valley Association of Governments.

**Proposal**

Staff proposes that the Governing Board support in concept the Salton Sea Restoration and Renewable Energy Initiative.

**Resource Impacts**

Staff anticipates no impact to SCAQMD resources due to this resolution.

**Attachment**

Resolution

**ATTACHMENT**  
**RESOLUTION NO. 2015 -**

**A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board Adopting Support in Concept for the Salton Sea Restoration and Renewable Energy Initiative.**

**WHEREAS**, the Salton Sea is a critically important environmental resource providing vital habitat sustaining over 400 avian species on the Pacific Flyway while also offering the most diverse and plentiful renewable energy resources to be found anywhere on earth; and

**WHEREAS** in 1993, the California legislature authorized the Salton Sea Authority (SSA) as a joint powers authority comprised of Riverside County and other local governments whose goal is to revitalize the Salton Sea; and

**WHEREAS** in 2002, the state committed through the Salton Sea Restoration Fund Act to assume responsibility for funding and implementing a Salton Sea restoration plan to facilitate local government agencies' authorization of the 2003 Quantification Settlement Agreement (QSA), a series of agreements which enabled California to live within its 4.4 million acre foot (maf) annual Colorado River entitlement; and

**WHEREAS** in 2007, the state completed an environmental process identifying Salton Sea restoration alternatives ranging from a \$1 billion plus cost for a "No action" alternative to a \$8.9 billion alternative preferred by the California Natural Resources Agency but never acted upon by the Legislature; and

**WHEREAS** the 2003 QSA, which authorized the nation's largest agricultural-to-urban water transfer, is influenced by certain commitments the State of California assumed for itself beyond the environmental mitigation funding responsibilities of the participating water agencies; and

**WHEREAS** while the QSA will have provided mitigation water from 2003 to 2018, the state continues to hold legislative obligation to provide for mitigation and restoration actions, as it is generally recognized that dramatic declines will occur absent implementation of the restoration plan for the Sea; and

**WHEREAS** early and aggressive implementation of Salton Sea restoration would offset the need for many expensive QSA air quality and habitat mitigation requirements; and

**WHEREAS** the SSA, with support from its member agencies including Riverside County, has been authorized by the state legislature in AB 71 (Perez) to lead development of a financial feasibility action plan to harness

economic resources necessary to implement a long term restoration strategy for the Sea; and

**WHEREAS** Imperial Irrigation District (IID) and Imperial County entered into a memorandum of understanding (MOU) on October 24, 2013 that seeks a collaborative Salton Sea restoration solution designed to minimize the looming environmental and air quality impacts from the QSA water transfers projected to occur after 2017; and

**WHEREAS** the MOU is foundational to the Salton Sea Restoration and Renewable Energy Initiative currently in development, which is focused on a smaller but financially and environmentally sustainable Salton Sea. Designed around reduced inflows, and optimizing access to the playa in the known Geothermal Resource Area at the Salton Sea that will be exposed as the shoreline recedes, the initiative proposes the development of renewable energy projects and mineral extraction from geothermal brine to provide a funding mechanism to jump-start restoration; and

**WHEREAS** America's Renewable Energy Powerhouse at the Salton Sea offers renewable energy sources estimated to eventually provide up to 1,700 megawatts of geothermal baseload energy plus other renewable generation opportunities such as solar, wind, solar gradient, biofuels, and other developing green technologies to assist load-serving utilities in meeting California's renewable portfolio standard requirements; and

**WHEREAS** stakeholders, including the state of California, sense that inaction at the Salton Sea poses imminent threats to California's environment, human health, large scale agricultural food supply, renewable energy production, and economic vitality, which is building momentum for the Salton Sea Authority to vigorously pursue a more productive working relationship with the state and federal resource and regulatory agencies;

**NOW, THEREFORE BE IT RESOLVED,** the SCAQMD Governing Board supports the concept of a Salton Sea Renewable Energy Initiative and calls on the State to work closely and cooperatively with the Salton Sea Authority and its member agencies to fulfill its Salton Sea mitigation and restoration responsibilities.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the District Board



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BOARD MEETING DATE: January 9, 2015

AGENDA NO. 9

PROPOSAL: Legislative and Public Affairs Report

SYNOPSIS: This report highlights the November 2014 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.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Barry R. Wallerstein, D.Env.  
Executive Officer

LBS:DJA:MC:DM:jns

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## **BACKGROUND**

This report summarizes the activities of Legislative and Public Affairs for November 2014. The report includes four major areas: Environmental Justice Update; Community Events/Public Meetings (including the Speakers Bureau/Visitor Services, Communications Center, and Public Information Center); Business Assistance; and Outreach to Business and Federal, State and Local Governments.

## **ENVIRONMENTAL JUSTICE UPDATE**

The following are key environmental justice-related activities in which staff participated during the month of November. These events involve communities that may suffer disproportionately from adverse air quality impacts.

November 19

- Staff participated in the Riverside County Health Coalition meeting to discuss public health education and outreach. Staff provided information on the Air Quality Sensors Workshop to encourage participation.

November 20

- Staff participated in the Healthy Communities meeting at the San Bernardino City Hall. Staff provided information on the Clean Communities Plan (CCP) program and demonstrated environmentally-friendly janitorial equipment which is available in the CCP pilot community.

November 25

- Staff assisted with a community meeting on the proposed Revised Title V Permit for Exide Technologies located in Vernon.

**COMMUNITY EVENTS/PUBLIC MEETINGS**

Each year, thousands of residents engage in valuable information exchanges through events and meetings that SCAQMD sponsors either alone or in partnership with others. Attendees typically receive the following information:

- Tips on reducing their exposure to smog and its health effects;
- Clean air technologies and their deployment;
- Invitations or notices of conferences, seminars, workshops and other public events;
- Ways to participate in SCAQMD's rule and policy development; and
- Assistance in resolving air pollution-related problems.

SCAQMD staff attended and/or provided information and updates at the following events:

November 1

- American Lung Association's LUNG FORCE - Los Angeles Walk Event, Los Angeles Memorial Coliseum.

November 2

- American Lung Association's LUNG FORCE - Inland Empire Walk Event, Ontario.

November 4

- U.S. Green Building Council, Inland Empire Chapter's Fifth Annual Green Building and Business Expo 2014, Solar Max Technology, Inc., Riverside.
- San Bernardino County's Vital Signs Event, National Orange Show, San Bernardino.

#### November 5

- Inland Empire Resource Conservation District & California Association of Resource Conservation Districts' Event at the Cultural Center in Victoria Gardens, Rancho Cucamonga.

#### November 6

- Western Riverside Council of Governments; Western Riverside County Clean Cities Coalitions' Eighth Annual Environmental Youth Conference, Diamond Lake Visitors Center, Hemet.

#### November 8

- American Lung Association's LUNG FORCE - Orange County Walk Event, Mason Regional Park, Irvine.

#### November 10-13

- Fuel Cell and Hydrogen Energy Association's Fuel Cell Seminar, Long Beach Convention Center.

#### November 14

- Molina Health Care (and other health care agencies') Care 4 a Healthy Inland Empire event, National Orange Show, San Bernardino.

#### November 18

- SCAQMD's Long Beach Town Hall Meeting, Long Beach.

#### November 19

- Public workshop on Proposed Amended Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants, East Los Angeles Public Library.

### **SPEAKERS BUREAU/VISITOR SERVICES**

SCAQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals and health-based organizations. SCAQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

#### November 4

- Seven visitors from South Korean received an overview on SCAQMD and air quality, then toured the agency's Diamond Bar headquarters.
- 26 representatives from Triway International Group's hosted tour by the Chinese National Bureau of Statistics received an overview on SCAQMD and air quality.

November 7

- 20 representatives from the Inner Mongolia Chinese Delegation, being hosted by California State University San Bernardino, toured the SCAQMD's laboratory.

November 13

- 25 representatives from the Los Angeles County Department of Public Health received an overview on SCAQMD and air quality, participated in a discussion on air monitoring, and toured the SCAQMD's laboratory.

November 18

- 21 representatives from the Beijing Environmental Protection Bureau of Delegates, China staff toured SCAQMD's laboratory.

November 19

- 24 representatives from Triway International Group's hosted tour by the Department of Guangxi Zhuang, Autonomous Region Party Committee Staff received an overview on SCAQMD and air quality, discussed alternative fuel vehicles, and toured the SCAQMD's laboratory.
- Staff presented an overview on SCAQMD and air quality to 70 University of Southern California undergraduate students.
- Staff presented an overview on SCAQMD and current air quality issues to 29 students from Gondinez Fundamental High School, Santa Ana.

**COMMUNICATION CENTER STATISTICS**

The Communication Center handles calls on the SCAQMD main line, 1-800-CUT-SMOG<sup>®</sup> line and Spanish line. Calls received in the month of November 2014 are summarized below:

Main Line Calls	2,021
1-800-CUT-SMOG <sup>®</sup> Line	1,224
After Hours Calls*	795
Spanish Line Calls	<u>34</u>
Total Calls	4,074

\* Saturdays, Sundays, holidays, and after 7:00 p.m. Monday through Friday.

## **PUBLIC INFORMATION CENTER STATISTICS**

The Public Information Center (PIC) handles phone calls and walk-in requests for general information. Information for the month of November 2014 is summarized below:

Calls Received by PIC Staff	597
Calls to Automated System	<u>2,021</u>
Total Calls	2,618
Visitor Transactions	211
E-Mail Advisories Sent	14,252

## **BUSINESS ASSISTANCE**

SCAQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. SCAQMD also works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provides personalized assistance to small businesses both over the telephone and via on-site consultation. The information is summarized below:

Conducted three free on-site consultations  
Provided permit application assistance to 96 companies  
Issued 15 clearance letters

### **Types of business assisted:**

Auto Body Shops	Auto Repair Shops	Cabinet/Furniture Manufacturer
Dry Cleaners	Distribution Centers	Aerospace Parts Manufacturers
Gas Stations	Printing Facility	Construction & Architecture
Restaurants		

## **OUTREACH TO COMMUNITY GROUPS AND FEDERAL, STATE, AND LOCAL GOVERNMENTS**

Field visits and/or communications were conducted with elected officials or staff from the following cities:

Arcadia	Covina	Glendora
Aliso Viejo	Cypress	Hawthorne
Anaheim	Duarte	Hemet
Baldwin Park	El Monte	Irvine
Brea	El Segundo	Irwindale
Buena Park	Fountain Valley	Laguna Niguel
Costa Mesa	Gardena	Lawndale

La Habra  
La Palma  
Lake Forest  
Long Beach  
Monrovia  
Moreno Valley  
Murrieta  
Newport Beach

Pasadena  
Placentia  
Rancho Palos Verdes  
San Bernardino  
San Dimas  
San Gabriel  
Temecula  
Tustin

West Covina  
Upland  
Yorba Linda

Visits and/or communications were conducted with elected officials or staff from the following State and Federal Offices:

- U.S. Congressman Ken Calvert
- U.S. Congressman Duncan Hunter
- U.S. Congressman Mark Takano
- State Senator Joel Anderson
- State Senator Bob Huff
- State Senator Carol Liu
- State Senator Mike Morrell
- State Senator Richard Roth
- Assembly Member Curt Hagman
- Assembly Member Chris Holden
- Assembly Member Eric Linder
- Assembly Member Melissa Melendez
- Assembly Member Brian Nestande
- Assembly Member Marie Waldron

Staff represented SCAQMD and/or provided a presentation to the following governments and business organizations:

Arcadia Chamber of Commerce  
Association of Cities, Orange County  
Banning Chamber of Commerce  
Beaumont Chamber of Commerce  
Bentley Prince Carpet Manufacturer, Irwindale  
Corona Chamber of Commerce  
Harbor City/Harbor Gateway Chamber of Commerce  
Hemet/San Jacinto Chamber of Commerce  
Irwindale Chamber of Commerce  
Jurupa Valley Chamber of Commerce  
League of California Cities, Orange County Division  
North Orange County Legislative Alliance  
Orange County Council of Governments

Orange County Transportation Authority  
Palos Verdes Peninsula Chamber of Commerce  
Riverside Transit Agency  
Riverside County Transportation Commission  
San Gabriel Valley Council of Governments  
San Bernardino Chamber of Commerce  
San Bernardino Associated Governments  
South Bay Cities Council of Governments  
South Bay Area Chamber of Commerce  
South Pasadena Chamber of Commerce  
Southern California Association of Governments  
Termo Oil and Gas Exploration Company, Long Beach  
Temecula Chamber of Commerce  
Upland Chamber of Commerce  
Western Riverside County Council of Governments  
Western Riverside County Transportation NOW (RTA)  
    -Moreno Valley/Perris Chapter, Moreno Valley  
    -San Gorgonio Pass Chapter, Beaumont  
    -Southwest Chapter, Lake Elsinore

Staff represented SCAQMD and/or provided a presentation to the following community groups and organizations:

Culver City Senior Center  
Healthy San Bernardino Coalition  
Inland Action Group, Inland Empire  
Mary Philips Senior Center, Temecula  
Native American Environmental Protection Coalition, Temecula  
Native American Health Representatives, San Bernardino  
Ocean View School District, Huntington Beach  
Riverside County Health Coalition  
Santa Monica Senior Center  
San Bernardino County Children's Network

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BOARD MEETING DATE: January 9, 2015

AGENDA NO. 10

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of November 1 through November 30, 2014.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file this report.

Edward Camarena  
Chairman of Hearing Board

SM

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Two summaries are attached: **Rules From Which Variances and Orders for Abatement Were Requested in 2014** and **November 2014 Hearing Board Cases**.

The total number of appeals filed during the period November 1 to November 30, 2014 is 0; and total number of appeals filed during the period of January 1 to November 30, 2014 is 5.



**Rules from which Variances and Order for Abatements were Requested in 2014**

	2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
<b># of HB Actions Involving Rules</b>														
109														0
109(c)														0
109(c)(1)														0
201														0
201.1														0
202														0
202(a)				1			2	1	1	1	1			7
202(b)		1												1
202(c)														0
203					1			1						2
203(a)		1		1	2	2	1		1	1	2			11
203(b)		7	4	7	4	2	9	5	1	3	6	2		50
204														0
208														0
218														0
218.1														0
218.1(b)(4)(C)														0
218(b)(2)			1											1
218(c)(1)(A)														0
218(d)(1)(A)														0
218(d)(1)(B)														0
219														0
219(s)(2)		1				1	1		1					4
221(b)														0
221(c)														0
221(d)														0
222											1			1
222(d)(1)(C)														0
222(e)(1)														0
401														0
401(b)														0
401(b)(1)							1	1						2
401(b)(1)(A)														0
401(b)(1)(B)										1				1
402		1				2	1		1					5
403(d)(1)														0
403(d)(1)(A)														0
403(d)(2)														0
404														0
404(a)														0
405														0
405(a)														0
405(b)														0
405(c)														0
407(a)								1						1
407(a)(1)			1									1		2





















Rules from which Variances and Order for Abatements were Requested in 2014													
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
2012 Appen A, Chap. 2, Sec. B													0
2012, Appen. A, Protocol 2012, Chap. 2, B.5.													0
2012, Appen A, Chap. 2, B.5.a													0
2012, Appen A, Chap. 2, B.10													0
2012, Appen A, Chap. 2, B.11													0
2012, Appen A, Chap. 2, B.12													0
2012, Appen A, Chap. 2, B.17													0
2012, Appen A, Chap.2, B.18													0
2012, Appen A, Chap.2, B.20													0
2012, Chapter 2, E.2.b.i.													0
2012, Chapter 2, E.2.b.ii.													0
2012 Appen A, Chap. 4.A.4													0
2012(B)(5)(e)							1						1
2012(c)(2)(A)									1	2			3
2012(c)(2)(B)													0
2012(c)(3)													0
2012(c)(3)(A)									1	1			2
2012(c)(3)(B)													0
2012(c)(10)													0
2012(d)(2)													0
2012(d)(2)(A)													0
2012(d)(2)(D)													0
2012(f)(2)(A)													0
2012(g)(1)									1	1			2
2012(g)(3)													0
2012(g)(7)													0
2012(h)(3)													0
2012(h)(4)													0
2012(h)(5)													0
2012(h)(6)													0
2012(i)													0
2012(j)(1)													0
2012(j)(2)													0
2012, Protocol (Appen. A) Chap. 2, Part A.1.a													0
2012, Protocol (Appen. A) Chap. 2, Part B.4													0
2012, Protocol, (Appen A) Chap. 2, Part B.5.e													0
2012 Chapter 2, B.5.f													0
2012(m)									1	1			2
2012(m) Table 2012-1, and Appen. A, Chp 2, & Attachment C									1	1			2
2012(m) Appen. A, Attach. C													0
2012(m) Appen. A, Chap. 2, Sections 2.A.1 a-c, e.g, and B. 1-4 and Appendix A, Chapter 3, Section C.2 a, c & d													0
2012(m) Appen. A, Chap 3, Section (A)(6)													0
2012(m) Appen. A, Chap 5, Para G, Table 5B and Att. D													0
3002													0
3002(a)													0
3002(c)		1		1			1						3



## Report of November 2014 Hearing Board Cases

Case Name and Case No.	Rules	Reason for Petition	District Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Air Products and Chemicals, Inc. Case No. 4276-15 (T. Barrera)	203(b) 407(a)(1) 2004(c)(1) 3002(c)(1)	CO leak could not be repaired within the 24-hour compliance window allowed by the breakdown rule.	Not Opposed/Granted	Ex Parte EV granted commencing 11/6/14 and continuing for 7 days or until the EV hearing currently scheduled for 11/13/14, whichever comes first.	CO: TBD by 11/25/14
2. ExxonMobil Oil Corporation Case No. 1183-482 (Consent Calendar; No Appearance)	203(b) 2004(f)(1) 3002(c)(1)	Petitioner cannot meet the FCD because of delay in SCAQMD permit processing.	Not Opposed/Granted	MFCD/EXT & AOC granted commencing 11/25/14 and continuing through 3/1/15.	None

### Acronyms

AOC: Alternative Operating Conditions  
 BACT: Best Available Control Technology  
 CEMS: Continuous Emissions Monitoring System  
 CEQA: California Environmental Quality Act  
 CO: Carbon Monoxide  
 DPF: Diesel Particulate Filter  
 EV: Emergency Variance  
 FCCU: Fluid Catalytic Cracking Unit  
 FCD: Final Compliance Date  
 GDF: Gasoline Dispensing Facility  
 H<sub>2</sub>S: Hydrogen Sulfide  
 H&S: Health & Safety Code  
 ICE: Internal Combustion Engine  
 I/P: Increments of Progress  
 IV: Interim Variance  
 MFCD/EXT: Modification of a Final Compliance Date and Extension of a Variance  
 Mod. O/A: Modification of an Order for Abatement

NH<sub>3</sub>: Ammonia  
 NOV: Notice of Violation  
 NO<sub>x</sub>: Oxides of Nitrogen  
 N/A: Not Applicable  
 O/A: Order for Abatement  
 PM: Particulate Matter  
 PPM: Parts Per Million  
 RATA: Relative Accuracy Test Audit  
 ROG: Reactive Organic Gases  
 RTO: Regenerative Thermal Oxidizer  
 RV: Regular Variance  
 SCR: Selective Catalytic Reduction  
 SO<sub>x</sub>: Oxides of Sulfur  
 SV: Short Variance  
 TBD: To be determined  
 VOC: Volatile Organic Compound  
 VRS: Vapor Recovery System

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BOARD MEETING DATE: January 9, 2015

AGENDA NO. 11

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from November 1 through November 30, 2014, and legal actions filed by the General Counsel's Office from November 1 through November 30, 2014. An Index of District Rules is attached with the penalty report.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file this report.

Kurt R. Wiese  
General Counsel

KRW:lc

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No Civil Actions Filed

Attachments  
November 2014 Penalty Report  
Index of District Rules and Regulations

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
General Counsel's Office**

**November 2014 Settlement Penalty Report**

**Total Penalties**

<b>Civil Settlements:</b>	<b>\$153,331.00</b>
<b>MSPAP Settlements:</b>	<b>\$25,935.00</b>
<b>Hearing Board Settlements:</b>	<b>\$6,000.00</b>
<b>Total Cash Settlements:</b>	<b>\$185,266.00</b>
<b>Total SEP Value:</b>	<b>\$0.00</b>
<b>Fiscal Year through November 2014 Cash Total:</b>	<b>\$1,240,133.66</b>
<b>Fiscal Year through November 2014 SEP Value Only Total:</b>	<b>\$0.00</b>

<b>FAC ID</b>	<b>COMPANY NAME</b>	<b>RULE NUMBER</b>	<b>RECLAIM ID</b>	<b>SETTLED DATE</b>	<b>ATTY INT</b>	<b>NOTICE NO.</b>	<b>TOTAL SETTLEMENT</b>
<b>CIVIL SETTLEMENTS:</b>							
175011	ADVANCED RADIOLOGY OF BEVERLY HILLS	203 (A) 203 (A)		11/12/2014	TRB	P61407 P61402	\$3,000.00
157732	BENJAMIN MOORE & CO.	1113(C)(1)		11/18/2014	WBW	P60307	\$1,050.00
62862	IMPERIAL IRRIGATION DISTRICT/ COACHEL	475, 475(B) 3002(C)(1)		11/4/2014	NSF	P56036 P56035	\$15,000.00
157943	KEY RESIN WEST LLC	1113(C)(1)		11/12/2014	WBW	P60316	\$10,731.00
155877	MILLERCOORS, LLC	2004, 2012	Y	11/6/2014	BTG	P57374	\$63,000.00
83623	PACIFIC ALLIANCE MEDICAL CENTER	1470		11/6/2014	NSF	P61604	\$30,000.00
120943	PATRIOT AMERICAN HOSPITALITY OPERATIN	203 (B), 1470		11/21/2014	KCM	P60256	\$3,500.00



<b>FAC ID</b>	<b>COMPANY NAME</b>	<b>RULE NUMBER</b>	<b>RECLAIM ID</b>	<b>SETTLED DATE</b>	<b>ATTY INT</b>	<b>NOTICE NO.</b>	<b>TOTAL SETTLEMENT</b>
119504	PRIME TIME INTERNATIONAL	444		11/18/2014	WBW	P59051	\$1,050.00
132192	PUREENERGY OPERATING SERVICES, LLC	2004, 2012 2004, 2012	Y	11/7/2014	TRB	P53137 P53136	\$10,000.00
173952	THE REHABILITATION CENTER OF BEVERLY \$14,000 suspended penalty - RCBH agrees for a period of 1 year commencing when they achieve final compliance with requirements. When final compliance is achieved, the civil probation start date shall commence and terminate within 1 year from the compliance date but not to extend past March 31, 2016.	203(A) 1146.2		11/18/2014	NAS	P60121	\$16,000.00

**TOTAL CIVIL SETTLEMENTS: \$153,331.00**

**MSPAP SETTLEMENTS:**

74267	3M	403		11/14/2014		P59267	\$3,400.00
174960	AB 76	461		11/21/2014		P61770	\$400.00
168463	AESTHETIC TREE	203(A)		11/4/2014		P44871	\$660.00

<b>FAC ID</b>	<b>COMPANY NAME</b>	<b>RULE NUMBER</b>	<b>RECLAIM ID</b>	<b>SETTLED DATE</b>	<b>ATTY INT</b>	<b>NOTICE NO.</b>	<b>TOTAL SETTLEMENT</b>
174139	ALAMEDA CORRIDOREAST CONSTRUCTION AU	403, 403(D)(2)		11/5/2014		P61606	\$2,310.00
135319	ARTISTIC CLEANERS	203 (B)		11/7/2014		P59630	\$550.00
141707	BEVERLY HILLS GATEWAY	1146.2		11/19/2014		P60958	\$960.00
157293	CARSON VALERO, INC.	461(C)(2)(B) 41960.2		11/12/2014		P59333	\$780.00
141000	GURUAAN LA II, LP	461		11/5/2014		P59304	\$525.00
175351	KEVIN CLEANERS	203(A), 1421		11/26/2014		P57640	\$700.00
176397	MATICH CORPORATION	403		11/5/2014		P56038	\$3,300.00
149532	O'DONNELL OIL, LLC	203 (A)		11/7/2014		P60702	\$1,000.00
175078	OSKO'S SERVICE CENTER	461, 41960.2		11/13/2014		P61769	\$550.00
137503	PACIFIC TELEVISION CENTER INC	1470		11/4/2014		P61233	\$650.00
96552	PRIMATEX INDUSTRIES INC	203 (B) 401(B)(1)(B)		11/4/2014		P59634	\$1,650.00
143968	RAFIK'S 76 STATION	461(E)(2)(C)		11/4/2014		P35793	\$1,000.00
142375	RALPH'S STORE #45	203 (B)		11/7/2014		P59771	\$300.00

<b>FAC ID</b>	<b>COMPANY NAME</b>	<b>RULE NUMBER</b>	<b>RECLAIM ID</b>	<b>SETTLED DATE</b>	<b>ATTY INT</b>	<b>NOTICE NO.</b>	<b>TOTAL SETTLEMENT</b>
158453	RC PETRO 2, LLC	203(B), 461(C)(2)(B)		11/6/2014		P59913	\$500.00
177730	SKANSKA USA CIVIL WEST	403		11/5/2014		P56039	\$1,600.00
151863	TESORO WEST COAST CO LLC #68160	461, 41960.2		11/18/2014		P61764	\$800.00
24730	THE STRIP JOINT INC	3002(C)(1)		11/4/2014		P55649	\$850.00
39156	UNIVERSAL METAL PLATING & POLISHING	1469		11/5/2014		P61066	\$850.00
155911	VICS UNION 76	461, 41960.2		11/6/2014		P61766	\$850.00
144681	WARREN E&P, INC	203 (B)		11/12/2014		P56985	\$900.00
30206	WINALL OIL CO #18	461		11/18/2014		P61771	\$850.00

**TOTAL MSPAP SETTLEMENTS: \$25,935.00**

**HEARING BOARD SETTLEMENTS:**

35188	3M COMPANY	1147		11/13/2014	KCM	HRB2248	\$4,000.00
	Hearing Board Case No. 5970-2	203					
	Penalty for ongoing operation of the facility's equipment in noncompliance until 9.15.15.	3002					

<b>FAC ID</b>	<b>COMPANY NAME</b>	<b>RULE NUMBER</b>	<b>RECLAIM ID</b>	<b>SETTLED DATE</b>	<b>ATTY INT</b>	<b>NOTICE NO.</b>	<b>TOTAL SETTLEMENT</b>
114910	PROVIDENCE HOLY CROSS MEDICAL CTR. Hearing Board Case No. 5701-3 Beginning 12.15.13, facility to pay \$1000/month until they permanently cease use of all 3 Detroit Diesel ICEs in noncompliance with Rule 1479.	1470		11/19/2014	NAS	HRB2250	\$1,000.00
173952	THE REHABILITATION CENTER OF BEVERLY Hearing Board Case No. 5996-2 Beginning 11.17.14, RCBH shall pay \$1,000/month until they permanently cease use of all three boilers in noncompliance with District Rule.	1146.2		11/18/2014	NAS	HRB2249	\$1,000.00

**TOTAL HEARING BOARD SETTLEMENTS: \$6,000.00**

## **DISTRICT RULES AND REGULATIONS INDEX FOR NOVEMBER 2014 PENALTY REPORTS**

### **REGULATION II – PERMITS**

List and Criteria Identifying Information Required of Applicants Seeking A Permit to Construct from the South Coast Air Quality Management - District (*Amended 4/10/98*)

Rule 203      Permit to Operate (*Amended 1/5/90*)

### **REGULATION IV - PROHIBITIONS**

Rule 401      Visible Emissions (*Amended 9/11/98*)

Rule 403      Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*

Rule 444      Open Fires (*Amended 10/2/87*)

Rule 461      Gasoline Transfer and Dispensing (*Amended 6/15/01*)

Rule 475      Electric Power Generating Equipment (*Amended 8/7/78*)

### **REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1113      Architectural Coatings (*Amended 6/20/01*)

Rule 1146.2      Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)

Rule 1147      NO<sub>x</sub> REDUCTIONS FROM MISCELLANEOUS SOURCES (9/08)

### **REGULATION XIV - TOXICS**

Rule 1469      Hexavalent Chromium Emissions From Chrome Plating and Chromic Acid Anodizing Operations (*Adopted 10/9/98*)

Rule 1470      Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

### **REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004      Requirements (*Amended 5/11/01*)

Rule 2012      Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO<sub>x</sub>) Emissions (*Amended 5/11/01*)

**REGULATION XXX - TITLE V PERMITS**

Rule 3002     Requirements (*Amended 11/14/97*)

**CALIFORNIA HEALTH AND SAFETY CODE**

41960.2     Gasoline Vapor Recovery

[↑ Back to Agenda](#)

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 12

REPORT: Lead Agency Projects and Environmental Documents Received by the SCAQMD

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between November 1, 2014 and November 30, 2014, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Barry R. Wallerstein, D.Env.  
Executive Officer

EC:LT:SN:MK:JB:AK

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**CEQA Document Receipt and Review Logs (Attachments A and B)** – Each month, the SCAQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received and reviewed during the reporting period of November 1, 2014, through November 30, 2014 is included in Attachment A. A list of active projects from previous reporting periods for which SCAQMD staff is continuing to evaluate or has prepared comments is included as Attachment B.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Initiative #4. Consistent with the Environmental Justice Program Enhancements for FY 2002-03 approved by the Board in September 2002, each of the attachments notes those proposed projects where the SCAQMD has been contacted regarding potential air quality-related environmental justice concerns. The SCAQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact the SCAQMD about

projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; as part of oral comments at SCAQMD meetings or other meetings where SCAQMD staff is present; or submitting newspaper articles. The attachments also identify for each project the dates of the public comment period and the public hearing date, as reported at the time the CEQA document is received by the SCAQMD. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

At the January 6, 2006 Board meeting, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement CEQA documents, Attachments A and B are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; and general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures were compiled into a series of tables relative to: off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of the SCAQMD's website. Staff will continue compiling tables of mitigation measures for other emission sources including airport ground support equipment, etc.

As resources permit, staff focuses on reviewing and preparing comments for projects: where the SCAQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement, etc.); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and those projects for which a lead or responsible agency has specifically requested SCAQMD review. If the SCAQMD staff provided written comments to the lead agency as noted in the column "Comment Status", there is a link to the "SCAQMD Letter" under the Project Description. In addition, if the SCAQMD staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation that the SCAQMD staff testified, then staff did not provide testimony at a hearing for the proposed project.



During the period November 1, 2014 through November 30, 2014, the SCAQMD received 107 CEQA documents. Of the total of 124 documents listed in Attachments A and B:

- 32 comment letters were sent;
- 14 documents were reviewed, but no comments were made;
- 42 documents are currently under review;
- 3 documents did not require comments (e.g., public notices, plot plans, Final Environmental Impact Reports);
- 0 documents were not reviewed; and
- 33 were screened without additional review.

Copies of all comment letters sent to lead agencies can be found on the SCAQMD's CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency/comment-letter-year-2014>.

In addition, SCAQMD staff has been working on a Warehouse Truck Trip Study to better quantify trip rates associated with local warehouse and distribution projects, as truck emissions represent more than 90 percent of air quality impacts from these projects. Draft final results for the Warehouse Truck Trip Study are completed and are lower than current SCAQMD recommended truck trip rates in the California Emissions Estimator Model (CalEEMod).

**SCAQMD Lead Agency Projects (Attachment C)** – Pursuant to CEQA, the SCAQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the SCAQMD, as lead agency, finds substantial evidence that the proposed project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the SCAQMD determines that the proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why proposed projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which the SCAQMD is lead agency and is currently preparing or has prepared environmental documentation. Through the end of November, the SCAQMD released one Lead Agency CEQA document for public review and three was a close of comments for future projects. As noted in Attachment C, through the end of November 2014, the SCAQMD continued working on the CEQA documents for ten active projects.

Through the end of November 2014, SCAQMD staff has been responsible for preparing or having prepared CEQA documents for ten permit application projects.

**Attachments**

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which SCAQMD Has or Will Conduct a CEQA Review
- C. Active SCAQMD Lead Agency Projects

**ATTACHMENT A\***  
**INCOMING CEQA DOCUMENTS LOG**  
**NOVEMBER 1, 2014 TO NOVEMBER 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b><i>Goods Movement</i></b> <b>SLO141119-02</b> Phillips 66 Company Rail Spur Extension Project	The proposed project consists of a 6,915 feet (2305 yards) eastward extension of an existing rail spur off of the Union Pacific rail mainline, a crude oil railcar unloading facility, pipeline, emergency access road and other support infrastructure at Phillips 66 Santa Maria Refinery. The proposed project would be served by trains, coming into California and proceeding to the Colton railyard before proceeding to the project site. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/rdeirphillips66.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/rdeirphillips66.pdf</a> Comment Period: 10/10/2014 - 11/24/2014                      Public Hearing: N/A	Notice of Availability of a Recirculated Draft Environmental Impact Report	County of San Luis Obispo	SCAQMD staff commented 11/25/2014
<b><i>Warehouse &amp; Distribution Centers</i></b> <b>RVC141120-03</b> GPA 14-01, SP-5, Amendment No. 2, and PP13-02, AI	The proposed project consists of adding a new 1.19-acre parking lot on a separate parcel directly south of a previously approved 510,000 square-foot warehouse site. Comment Period: N/A    Public Hearing: 12/3/2014	Notice of a Public Hearing	March Joint Powers Authority	Document screened - No further review conducted
<b><i>Warehouse &amp; Distribution Centers</i></b> <b>RVC141128-02</b> Double Date Processing Facility Project	The proposed project consists of construction of a new 26,660 square-foot processing warehouse facility, a detached 6,000 square-foot facility freezer building, and a detached 6,145 square-foot dryer building. The project will include incidental outdoor staging areas, a truck scale, and necessary parking and driveway improvements. Comment Period: 11/28/2014 - 12/8/2014                      Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Coachella	Document screened - No further review conducted
<b><i>Warehouse &amp; Distribution Centers</i></b> <b>RVC141128-05</b> Optimus Logistics Center I	The proposed project consists of constructing a high-cube warehouse development consisting of two buildings totaling approximately 1,463,887 square feet on approximately 68.48 acres, with another 10.7 acres left undeveloped for a future commercial development fronting Ramona Expressway and another 9.6 acres left undeveloped for the future Ramona Expressway on-ramp at Interstate 215 Freeway. Comment Period: 11/26/2014 - 1/26/2015                      Public Hearing: N/A	Draft Environmental Impact Report	City of Perris	Document under review as of 11/30/14
<b><i>Warehouse &amp; Distribution Centers</i></b> <b>SBC141105-01</b> Slover Avenue Distribution Center	The proposed project consists of redeveloping a property that has contained industrial uses since the 1950's. The project includes SPA 14-000003 which would amend the Fontana Gateway Specific Plan parking requirements to reflect more modern facilities and the City's Development Code; and DPR 14-000020 which proposes to construct and operate one high-cube distribution warehouse building that would contain 671,324 square feet of total building area, including 10,000 square feet of office area and 661,324 square feet of warehouse space. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopsloverdist.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopsloverdist.pdf</a> Comment Period: 11/1/2014 - 12/1/2014                      Public Hearing: N/A	Notice of Preparation	City of Fontana	SCAQMD staff commented 11/12/2014

\*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.

# - Project has potential environmental justice concerns due to the nature and/or location of the project.

Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

















**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
NOVEMBER 1, 2014 TO NOVEMBER 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Utilities</i> <b>SBC141104-01</b> Lazer Radio Broadcasting Facility	The proposed project consists of the construction and operation of a new radio broadcast facility to include a 43-foot tall monopole with attached antenna and a 10-foot by 10-foot single-story equipment shelter on a 38.12-acre site. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/noplazer.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/noplazer.pdf</a> Comment Period: 11/1/2014 - 11/30/2014 Public Hearing: N/A	Notice of Preparation	County of San Bernardino	SCAQMD staff commented 11/12/2014
<i>Transportation</i> <b>LAC141118-07</b> Santa Monica Pier Bridge Replacement Project	The proposed project consists of improvements to the structural stability of the Pier Bridge for seismic safety. The project would also address vehicular and pedestrian congestion and safety concerns at the Pier Bridge. Three alternatives exist. Alternatives 1 and 2 would demolish the existing bridge and a new wider bridge would be constructed in the same location. Under Alternative 3, two permanent bridges would be constructed at Moss Avenue between Appian Way and the Pier for public vehicular access to the Pier parking lot. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopsmonicabridge.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopsmonicabridge.pdf</a> Comment Period: 11/18/2014 - 2/2/2015 Public Hearing: N/A	Notice of Preparation	City of Santa Monica	SCAQMD staff commented 11/21/2014
<i>Transportation</i> <b>ORC141118-02</b> Fullerton Road Corridor Improvements Project	The proposed project consists of a roadway widening along 0.45 miles of Fullerton Road with the City of Industry jurisdictional boundary (Fullerton Road/State Route 60) and ending at Camino Bello in the unincorporated County area of Rowland Heights. The project would add a third lane in each direction along Fullerton Road and include the future accommodation of a Class II bicycle lane from Colima Road to Camino Bello. At Fullerton Road and State Route 60, the existing eastbound off-ramp would be reconstructed as part of the widening project to accommodate an additional right-turn lane. Comment Period: 11/18/2014 - 12/31/2014 Public Hearing: N/A	Draft Environmental Impact Report	County of Los Angeles	Document under review as of 11/30/14
<i>Transportation</i> <b>SBC141106-11</b> Southern California National Forests Land Management Plan Amendment	This document consists of a notice of Final Records of Decision (ROD) for the Southern California National Forests Land Management Plan Amendment. The Final RODs identify Alternative 2a as the selected land use zone alternative and Alternative B as the selected monitoring alternative for each forest. Alternative 2a changes the zoning within select Inventoried Roadless Areas, increasing the area of Recommended Wilderness and Back Country Non-Motorized land use zones across the four forests. Alternative B changes the monitoring strategy to update the monitoring questions and clarify the process used for project monitoring. Comment Period: N/A Public Hearing: N/A	Other	US Department of Agriculture	Document screened - No further review conducted
<i>Transportation</i> <b>SBC141107-01</b> Grove Avenue Corridor Widening Project	The proposed project consists of widening Grove Avenue from four to six lanes from north of 4th Street to Airport Drive. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopgroveave.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopgroveave.pdf</a> Comment Period: 11/7/2014 - 12/4/2014 Public Hearing: N/A	Notice of Preparation	City of Ontario	SCAQMD staff commented 11/19/2014

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
NOVEMBER 1, 2014 TO NOVEMBER 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Institutional (schools, government, etc.)</i> <b>LAC141112-04</b> Archer Forward Campus Preservation and Improvement Plan	The proposed project consists of a six-year multi-phase Project that consists of improvements to the existing Archer campus totaling 75,930 square feet of net new floor area, including the replacement of the existing 30,071-square-foot North Wing of the Main Building with a 39,071 square-foot renovated North Wing, the development of a 41,400 square-foot Multipurpose Facility, a 22,600 square-foot Performing Arts Center, a 7,400 square-foot Visual Arts Center, and a 2,300 square-foot open-air Aquatics Center.  Comment Period: N/A  Public Hearing: 12/8/2014	Notice of a Public Hearing	City of Los Angeles	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> <b>LAC141113-06</b> ENV-2014-2608/ 9025 S. Lincoln Blvd.; Westchester-Playa Del Rey	The proposed project consists of student housing and educational uses for the Otis College of Art and Design. The project includes a 85,520 square-foot building with 124 dormitory-style student housing units and ground floor academic and residential support services, including dining hall, library, student affairs center, and study area; approximately 26,759 square feet of administrative and academic space; and an approximately 4,376 square-foot multi-purpose space for meetings, presentations, and other educational uses. Additionally, the project would include a 5,157 square-foot workshop building.  Comment Period: 11/13/2014 - 12/3/2014  Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> <b>LAC141113-09</b> ENV-2014-2695/ 5461 N. Louise Ave.; Encino-Tarzana	The proposed project consists of the construction of a two-story, 13,580 square-foot elementary school building, and a 25,750 square-foot gymnasium/multi-purpose building. Five buildings will be demolished. The project would include grading and 1,200 cubic yards of dirt to be exported.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/dmnd5461louise.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/dmnd5461louise.pdf</a>  Comment Period: 11/13/2014 - 12/3/2014  Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 11/25/2014
<i>Institutional (schools, government, etc.)</i> <b>LAC141118-05</b> Archer Forward: Campus Preservation and Improvement Plan	The proposed project consists of a six-year multi-phase Project that consists of improvements to the existing Archer campus totaling 75,930 square feet of net new floor area, including the replacement of the existing 30,071-square-foot North Wing of the Main Building with a 39,071 square-foot renovated North Wing, the development of a 41,400 square-foot Multipurpose Facility, a 22,600 square-foot Performing Arts Center, a 7,400 square-foot Visual Arts Center, and a 2,300 square-foot open-air Aquatics Center.  Comment Period: N/A  Public Hearing: N/A	Notice of Availability of a Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> <b>LAC141120-09</b> ENV-2014-2695/ 5461 N. Louise Ave.; Encino-Tarzana	The proposed project consists of constructing a two-story, 13,580 square-foot elementary school building, and a two-story over basement, 25,750 square-foot gymnasium/multi-purpose building. Five buildings totaling 12,312 square feet will be demolished to make room for the new buildings.  Comment Period: 11/20/2014 - 12/10/2014  Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
NOVEMBER 1, 2014 TO NOVEMBER 30, 2014**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Retail</i> <b>LAC141107-04</b> Commerce Retail Center Project	The proposed project consists of the removal of existing commercial and industrial uses on the project site and the development of a 142,511 square-foot commercial retail center.  Comment Period: 11/7/2014 - 12/22/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Commerce	Document under review as of 11/30/14
<i>Retail</i> <b>LAC141127-07</b> ENV-2014-1625/ 17700 W. Roscoe Bl.; Reseda-West Van Nuys	The proposed project consists of the construction, use and maintenance of a new 3,592 square-foot drive-thru fast food restaurant.  Comment Period: 11/27/2014 - 12/17/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
<i>Retail</i> <b>LAC141128-06</b> El Monte Walmart	The proposed project consists of the construction and operation of a new 182,429 square-foot Walmart within the 15.41 acre Project site.  Comment Period: 11/24/2014 - 1/8/2015 Public Hearing: N/A	Draft Environmental Impact Report	City of El Monte	Document under review as of 11/30/14
<i>General Land Use (residential, etc.)</i> <b>LAC141104-03</b> Zoning Case No. 852, Subdivision No. 93, Vesting Tentative Parcel Map No. 72232	The proposed project consists of subdividing an existing lot totaling 7,051 acres gross into two parcels.  Comment Period: 11/1/2014 - 12/5/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Rolling Hills	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> <b>LAC141105-04</b> 7500 Sunset Boulevard	The proposed project consists of developing a new mixed-use project with 236 residential dwelling units above 30,000 square feet of ground-floor commercial uses in the Hollywood community. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nop7500sunset.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nop7500sunset.pdf</a>  Comment Period: 11/5/2014 - 12/4/2014 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	SCAQMD staff commented 11/12/2014
<i>General Land Use (residential, etc.)</i> <b>LAC141106-02</b> ENV-2014-1499/ 7508 N. Jordan Ave. and 21717 W. Cohasset St.; Canoga Park-Winnetka-Woodland Hills-West Hills	The proposed project consists of subdividing one lot into four lots and the construction, use and maintenance of four single-family dwellings.  Comment Period: 11/6/2014 - 11/26/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>











**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
NOVEMBER 1, 2014 TO NOVEMBER 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<p><i>General Land Use (residential, etc.)</i> <b>LAC141128-10</b> 3931 S. Flower Drive Demolition Project</p>	<p>The proposed project consists of demolishing a multi-family residential building. No development is proposed following demolition and the project site would remain vacant.</p> <p align="center">Comment Period: 11/28/2014 - 12/22/2014                      Public Hearing: N/A</p>	<p>Notice of Preparation</p>	<p>City of Los Angeles</p>	<p>Document under review as of 11/30/14</p>
<p><i>General Land Use (residential, etc.)</i> <b>LAC141128-11</b> Martin Expo Town Center</p>	<p>The proposed project consists of removing all existing structures, and constructing a total of 807,200 square feet of new development. The Conceptual Plan includes 516 residential condominium units, 67,000 square feet of retail floor area, 200,000 square feet of creative office floor area, and associated subterranean parking. The proposed uses may also include an auto showroom.</p> <p align="center">Comment Period: 11/20/2014 - 1/15/2015                      Public Hearing: N/A</p>	<p>Draft Environmental Impact Report</p>	<p>City of Los Angeles</p>	<p>Document under review as of 11/30/14</p>
<p><i>General Land Use (residential, etc.)</i> <b>LAC141128-17</b> 500 Broadway Mixed-Use Housing Project</p>	<p>The proposed project consists of demolishing an existing one-story commercial building and a 92-space surface parking lot on two contiguous parcels totaling approximately 67,500 square feet of land area and the construction of 336,630 square feet of mixed-use development in an 84-foot-high building.</p> <p align="center">Comment Period: 11/28/2014 - 12/22/2014                      Public Hearing: N/A</p>	<p>Notice of Preparation</p>	<p>City of Santa Monica</p>	<p>Document under review as of 11/30/14</p>
<p><i>General Land Use (residential, etc.)</i> <b>ORC141107-02</b> El Toro Development Plan</p>	<p>The proposed project consists of a development plan which will include development standards and/or design guidelines that will establish parameters for all future development on the El Toro property. The proposed mixed-use low-impact development will maximize the benefits derived from proximity to the Regional Transportation Center.</p> <p align="center"><a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopeltoro.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopeltoro.pdf</a> Comment Period: 11/7/2014 - 12/8/2014                      Public Hearing: N/A</p>	<p>Notice of Preparation</p>	<p>County of Orange</p>	<p>SCAQMD staff commented 11/19/2014</p>
<p><i>General Land Use (residential, etc.)</i> <b>RVC141107-07</b> Altair Specific Plan (Formerly "Village West")</p>	<p>The proposed project consists of the approval of a Specific Plan, General Plan Amendment, Subdivision Maps, Development Agreement, and subsequent permits such as grading, infrastructure improvement permitting for on-site and off-site utilities, and resource agency permitting to allow for the development of up to 1,750 residential units, limited neighborhood-serving commercial, civic/institutional uses, parks, and open space within a 270-acre area in the southwesterly portion of the City of Temecula.</p> <p align="center"><a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopaltair.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopaltair.pdf</a> Comment Period: 11/7/2014 - 12/3/2014                      Public Hearing: N/A</p>	<p>Notice of Preparation</p>	<p>City of Temecula</p>	<p>SCAQMD staff commented 11/19/2014</p>
<p><i>General Land Use (residential, etc.)</i> <b>RVC141118-01</b> Tentative Tract Map No. 2014-225</p>	<p>The proposed project consists of a site plan for a gated residential townhouse project. The project includes eleven two-story buildings containing the nineteen units totaling 42,213 square feet of building area, wherein the buildings will range in size from 4,534 square feet to 6,629 square feet.</p> <p align="center"><a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/pcmenifee2014255.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/pcmenifee2014255.pdf</a> Comment Period: 11/18/2014 - 12/4/2014                      Public Hearing: N/A</p>	<p>Initial Project Consultation</p>	<p>City of Menifee</p>	<p>SCAQMD staff commented 11/21/2014</p>

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Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
NOVEMBER 1, 2014 TO NOVEMBER 30, 2014**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> <b>SBC141107-10</b> PL13-0745 (GPA), PL 13-0753 (ZC) and Addendum to the Chino General Plan EIR for the Central and Francis Residential Project	The proposed project consists of a request to change the existing General Plan land use designation and zoning district from General Commercial to Residential for 12.75 acres of land.  Comment Period: N/A Public Hearing: 12/16/2014	Notice of a Public Hearing	City of Chino	Document screened - No further review conducted
<i>Plans and Regulations</i> <b>LAC141104-02</b> Master Case No. 13-096, Zone Change 13-004; Initial Study 14-006	The proposed project consists of updating zoning regulations within the Unified Development Code to be consistent with the General Plan adopted in June 2011.  Comment Period: 10/28/2014 - 11/18/2014 Public Hearing: 11/18/2014	Draft Negative Declaration	City of Santa Clarita	Document screened - No further review conducted
<i>Plans and Regulations</i> <b>LAC141106-01</b> ENV-2013-2877/ 853-857 N. Hyperion Ave.; Silver Lake-Echo Park-Elysian Valley	The proposed project consists of a Tentative Tract Map for a Small Lot Subdivision to create eight lots for eight single-family dwellings on an approximately 14,956 square-foot lot.  Comment Period: 11/6/2014 - 11/26/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
<i>Plans and Regulations</i> <b>LAC141114-01</b> Text Amendment No. 2014-02	The proposed project consists of a Historical Preservation Ordinance.  Comment Period: 11/14/2014 - 12/1/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Walnut	Document screened - No further review conducted
<i>Plans and Regulations</i> <b>RVC141107-08</b> South Main Divide and Greater El Cariso Fuel Management Cleveland National Forest, Trabuco Ranger District	The proposed project consists of maintaining the existing South Main Divide fuel break and connect separated segments, extending along the South Main Divide Road from Ortega Highway past Elsinore Peak and east along the Hixon Truck Trail to the Forest boundary. On the north side, fuel management activities would occur in the immediate vicinity of Attachment Meadow, to entrance to Mystic Oaks, the El Cariso Hotshots Camp, the Los Pinos Conservation Camp, and the Blue Jay and Falcons Campgrounds. Finally, a stretch of vegetation along North Main Divide Road within a mile of the Ortega Highway also warrants management as a strategic cornerstone for the defense of El Cariso Village and Lake Elsinore.  Comment Period: 11/5/2014 - 12/4/2014 Public Hearing: N/A	Initial Project Consultation	US Department of Agriculture	Document reviewed - No comments sent

**TOTAL DOCUMENTS RECEIVED AND REVIEWED THIS REPORTING PERIOD: 107**

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>



**ATTACHMENT B**  
**ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS**  
**OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse &amp; Distribution Centers</i> <b>SBC141030-01</b> Goodman Logistics Center	The proposed project consists of constructing a new business park development totaling approximately 1,230,585 square feet of floor area. The project will involve the construction of three new concrete tilt-up industrial warehouse buildings. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopgoodman.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/nopgoodman.pdf</a> Comment Period: 10/30/2014 - 11/28/2014 Public Hearing: 12/1/2014	Notice of Preparation	City of Santa Fe Springs	SCAQMD staff commented 11/4/2014
<i>Waste and Water-related</i> <b>LAC141003-02</b> Royal Recycling and Transfer Facility	The proposed project consists of permitting the operation of a materials recovery facility. The proposed use will occupy a number of existing buildings that have a total floor area of 146,600 square feet. In addition, a new "receive building" consisting of 39,500 square feet will be constructed. Total floor area of the existing and new buildings will be 186,100 square feet. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/deirroyal.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/deirroyal.pdf</a> Comment Period: 10/2/2014 - 11/17/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Paramount	SCAQMD staff commented 11/14/2014
<i>Waste and Water-related</i> <b>LAC141016-08</b> Saugus Industrial Center, Former Keysor-Century Corporation Facility - Draft Remedial Action Plan	The proposed project consists of a Draft Remedial Action Plan for the cleanup of soil and groundwater at the Saugus Industrial Center, formerly known as the Keysor-Century Corporation Facility. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/drapsaugus.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/drapsaugus.pdf</a>  Comment Period: 10/15/2014 - 11/17/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	SCAQMD staff commented 11/4/2014
<i>Waste and Water-related</i> <b>RVC141030-03</b> Remedial Action Plan for Laborde Canyon (Lockheed Propulsion - Beaumont No. 2)	The proposed project consists of the cleanup on the Laborde Canyon Site, also known as Lockheed Propulsion - Beaumont No. 2, located in Riverside County. The proposed cleanup includes remediation of contaminated soil and groundwater. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/noplaborde.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/noplaborde.pdf</a>  Comment Period: 10/30/2014 - 12/4/2014 Public Hearing: N/A	Notice of Preparation	Department of Toxic Substances Control	SCAQMD staff commented 11/4/2014
<i>Utilities</i> <b>LAC141023-05</b> ENV-2014-2492/ 505 S. San Pedro St.: Central City	The proposed project consists of a permit to install, use and maintain a new unmanned wireless telecommunication facility comprised of 11 panel antennas, 24 remote radio units, three GPS antennas, with supportive equipment, all on the rooftop of an existing 75-foot-tall residential building. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/mndenv20142492.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/mndenv20142492.pdf</a>  Comment Period: 10/23/2014 - 11/12/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 11/4/2014
<i>Institutional (schools, government, etc.)</i> <b>LAC141021-13</b> Long Beach Courthouse Demolition Project	The proposed project consists of demolishing the former Long Beach Courthouse building and would entail the removal of reinforced concrete, structural steel, siding, glass, and other building materials from the project site. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/deirlbcourt.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/deirlbcourt.pdf</a>  Comment Period: 10/14/2014 - 12/1/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Long Beach	SCAQMD staff commented 11/21/2014

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>





**ATTACHMENT B  
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS  
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i>  <b>ORC141031-01</b> The Preserve at San Juan, Orange County, California	The proposed project consists of construction of 72 single-family residences on 583.3 acres in an unincorporated portion of Orange County. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/noppreservesj.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/november/noppreservesj.pdf</a>  Comment Period: 10/31/2014 - 12/1/2014  Public Hearing: N/A	Revised Notice of Preparation	County of Orange	SCAQMD staff commented 11/4/2014

<p><b>TOTAL NUMBER OF REQUESTS TO SCAQMD FOR DOCUMENT REVIEW THIS REPORTING PERIOD: 107</b></p> <p><b>TOTAL NUMBER OF COMMENT LETTERS SENT OUT THIS REPORTING PERIOD: 32</b></p> <p><b>TOTAL NUMBER OF DOCUMENTS REVIEWED, BUT NO COMMENTS WERE SENT: 14</b></p> <p><b>TOTAL NUMBER OF DOCUMENTS CURRENTLY UNDER REVIEW: 42</b></p> <p><b>TOTAL NUMBER OF DOCUMENTS THAT DID NOT REQUIRE COMMENTS: 3</b></p> <p><b>TOTAL NUMBER OF DOCUMENTS THAT WERE NOT REVIEWED: 0</b></p> <p><b>TOTAL NUMBER OF DOCUMENTS THAT WERE SCREENED WITHOUT ADDITIONAL REVIEW: 33</b></p>
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# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
 Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

**ATTACHMENT C  
ACTIVE SCAQMD LEAD AGENCY PROJECTS  
THROUGH NOVEMBER 30, 2014**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal state and SCAQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the SCAQMD had used an inappropriate baseline and directed the SCAQMD to prepare an EIR, even though the project has been built and has been in operation since 2006. The purpose of this CEQA document is to comply with the Supreme Court's direction to prepare an EIR.</p>	<p>Phillips 66 (formerly ConocoPhillips), Los Angeles Refinery</p>	<p>Environmental Impact Report</p>	<p>The Notice of Preparation was circulated for a 30-day public comment period on March 26, 2012. The comment period ended on April 26, 2012. The consultant submitted the administrative Draft EIR to SCAQMD in late July 2013. SCAQMD reviewed the Draft EIR and released for a 45-day public review and comment period on September 30, 2014 ending November 13, 2014. Two comment letters were received.</p>	<p>Environmental Audit, Inc.</p>
<p>The Phillips 66 Los Angeles Refinery operators are proposing to install one new 615,000-barrel crude oil storage tank with a geodesic dome to accommodate larger marine vessels delivering crude oil. The proposed project also includes increasing the throughput (i.e., frequency of filling and emptying tank) on two existing tanks and adding geodesic domes to these tanks, installing one new 14,000-barrel water draw surge tank and installing one new electrical power substation.</p>	<p>Phillips 66 Los Angeles Refinery Carson Plant</p>	<p>Negative Declaration</p>	<p>The Draft ND was released for a 30-day public review and comment period beginning on September 10, 2013 and ending on October 9, 2013. Three comment letters were received. SCAQMD reviewed the responses to the comment letters and the consultant is making edits to the responses and finalizing the Draft ND.</p>	<p>Environmental Audit, Inc.</p>
<p>Tesoro Refinery proposes to integrate the Tesoro Wilmington Operations with the Tesoro Carson Operations (former BP Refinery). The proposed project also includes modifications of storage tanks at both facilities, new interconnecting pipelines, and new electrical connections. In addition, Carson's Liquid Gas Rail Unloading facilities will be modified. The proposed project will be designed to comply with the federally mandated Tier 3 gasoline specifications and with State and local regulations mandating emission reductions.</p>	<p>Tesoro Refining and Marketing Company Los Angeles Refinery</p>	<p>EIR</p>	<p>A previous Draft ND was withdrawn in order for this project to be analyzed in a new CEQA document that also addresses the upcoming Tesoro-BP Refinery Integration Project. An NOP-IS has been prepared for the integration project and released for a 30-day public review and comment period on September 10, 2014 closing on October 10, 2014. 86 comment letters were received, and responses are being prepared.</p>	<p>Environmental Audit, Inc.</p>
<p>Operators of the KinderMorgan Lomita Terminal are proposing to deliver crude oil by expanding their rail facility.</p>	<p>KinderMorgan Lomita Terminal</p>	<p>To Be Determined</p>	<p>The consultants are preparing emission estimates to determine the type of CEQA document to be prepared.</p>	<p>SABS Consulting and TRC</p>

**ATTACHMENT C  
ACTIVE SCAQMD LEAD AGENCY PROJECTS  
THROUGH NOVEMBER 30, 2014**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Operators of the Petro Diamond Marine Terminal are proposing to increase the number of ship calls delivering ethanol.	Petro Diamond	To Be Determined	The consultant has prepared s Draft Negative Declaration. SCAQMD staff is currently reviewing the Draft Negative Declaration to determine if it is the appropriate type of CEQA document for the project.	SABS Consulting
Quemetco is proposing an increase in daily furnace feed rate.	Quemetco	To Be Determined	Initial Study under review by SCAQMD staff.	Trinity Consultants
Chevron is proposing modifications to its Product Reliability and Optimization (PRO) Project and has applied for a change of permit conditions to reduce NOx emissions and fired duty operating conditions of the Tail Gas Unit.	Chevron	Addendum	Under staff review and edits provided to the consultant. Chevron currently conducting BACT review for equipment.	Environmental Audit, Inc.
Signal Hill Petroleum is proposing to upgrade the existing natural gas processing plant and enhance their vapor recovery system. No new combustion equipment will be installed.	Signal Hill Petroleum Gas Plant	Subsequent Mitigated Negative Declaration	The SMND was released for a 35-day public comment and review period on November 26, 2014 ending December 30, 2014.	RBF Consulting
Exide Technologies is proposing a project to reduce toxic emissions of arsenic, benzene and 1,3-butadiene to comply with SCAQMD Rules and Regulations.	Exide Technologies	Mitigated Negative Declaration	SCAQMD Staff has prepared a Draft MND that was released for a 30-day public review and comment period on October 16, 2014 ending on November 14, 2014. No comment letters were received.	Environ
Breitburn Operating LP is proposing to upgrade their fluid handling systems to facilitate an increase in the amount of produced water that can be treated at the site in Sante Fe Springs.	Breitburn Operating LP	Environmental Impact Report	Staff is reviewing an NOP/IS prepared by the consultant.	Environ

[↑ Back to Agenda](#)

BOARD MEETING DATE: January 9 2015

AGENDA NO. 13

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2015, and provides a summary of rulemaking activities and other AQMP-related programs in 2014.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Barry R. Wallerstein, D.Env.  
Executive Officer

EC:PF:cg

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The following Rule and Control Measure Forecast Report provides the Board with a monthly update of SCAQMD's rulemaking and control measure implementation schedule, and constitutes a revision to the 2015 rule calendar.

1148.2	Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers
Rule 1148.2 is added to June as amendments may be needed to extend the implementation of requirements to submit emissions reports and other necessary changes to be consistent with SB 4.	
1420.1	Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities
Rule 1420.1 is moved from February to March. Staff is proposing a 60-day set hearing to seek Board direction and to complete the appropriate CEQA analysis.	

Reg. XX	Regional Clean Air Incentives Market (RECLAIM) (CMB-01)
Regulation XX is moved from March to May to allow additional time to work with stakeholders to review consultants' reports and to address other key rule development issues.	
---	Mobile Source Measures
Mobile Source Measures are added to TBD. The District may adopt measures to limit emissions from mobile sources, both on-road and off-road (nonroad) sources, consistent with the Board's direction to counsel at the October 2014 meeting to explore the District's regulatory authority over mobile sources. These measures may include but are not limited to, transportation control measures, operational limits, fleet rules, credit generation rules, and indirect source rules, such as an indirect source rule for railyards and/or other sources which attract mobile sources.	
---	SIP Implementation
SIP Implementation is added to TBD. The District may adopt additional measures to carry out the State Implementation Plan for PM2.5 or ozone, or other pollutants if required, as deemed necessary to meet commitments and federal requirements.	

The following provides a summary of rulemaking activities and other AQMP-related programs in 2014.

Summary of 2012 AQMP Implementation: In 2014, more rulemaking efforts were initiated to implement the 2012 AQMP. Specifically, rulemaking to implement control measure CMB-01 (Further Reductions from RECLAIM) was committed to achieve two tons per day of nitrogen oxides (NO<sub>x</sub>) emissions in the 2012 AQMP. The ongoing rulemaking process to amend Regulation XX - RECLAIM involves an evaluation of the Best Available Retrofit Control Technology (BARCT) as well as the RECLAIM trading credit (RTC) “shaving” methodology. As a result of the preliminary analysis, it was determined the programmatic RTC shave could range from five to 14 tons per day (tpd) of NO<sub>x</sub> emissions, thus expecting to meet or exceed the SIP commitment.

Other ongoing rulemaking efforts committed in the 2012 AQMP seek further volatile organic compound (VOC) reductions from sources such as adhesive and sealant applications (Rule 1168), mold release products (Rule 1161) and vacuum trucks (Rule 1188). However, these rules, and other VOC rules, were not adopted or implemented yet as staff works on policy challenges resulting from potential adverse toxic impacts from proposed VOC rule adoption and amendments. In lowering limits on the VOC content of coatings, solvents, adhesives, sealants, lubricants, inks and other VOC containing products, manufacturers, in many cases, are using compounds that have been exempted from the definition of VOC. These exemptions are based primarily on evidence that the compound does not significantly contribute to ozone formation, but may contribute other factors such as increased toxicity risk to the worker or nearby receptor. In order to gain different perspectives and the potential toxics trade-off in allowing the use of VOC-exempt compounds, a toxics symposium was held in October 2014 where risk assessment, risk management and feasible mitigation were discussed and debated. Presentations were given by experts in the regulatory, industrial, academic, and environmental communities exploring these critical issues from diverse viewpoints. The objective was to provide SCAQMD with expert advice and potential future directions regarding the analysis and mitigation of any potential toxic risks associated with the ongoing VOC control program. In addition, a working group has been formed, under the 2016 AQMP Advisory Group, to evaluate the need in regulating VOC to assist in meeting the ozone standard. More specifically, the working group has been discussing the role of VOCs in ozone and PM<sub>2.5</sub> formation, including the atmospheric chemistry and VOC/NO<sub>x</sub> ratios.

Rule 1161 has not been adopted yet to achieve the 0.8 tpd of VOC emission reductions committed in the 2012 AQMP however, in 2013, Rule 1114 - Petroleum Refinery Coking Operations was amended to achieved 0.4 tpd of VOC emission reductions beyond the commitment in the 2012 AQMP which will partially offset (by about one-half) the 0.8 tpd that was committed to be reduced.

In addition, there were 13 rule amendments approved by the SCAQMD Board in 2014. Five of these rules were amended as a result of SIP rule implementation issues (e.g., availability of advanced technology) and two of these rules were amended to strengthen public health with more stringent toxic emission requirements. The remaining rule amendments provided administrative revisions. Table 1 provides a more detailed comparison between AQMP commitments and rule adoption status in 2014.

In addition to the rulemaking activities to implement 2012 AQMP short-term measures, extensive research and development, demonstration, and deployment of clean air technologies were also implemented in 2014 to further assist in meeting the federal Clean Air Act Section 182(e)(5) reduction targets. Specifically, over \$10 million was invested in public-private partnership in 2014 for research and development of zero and near-zero emission technologies that are needed for meeting the ozone standards; and Table 2 shows a summary of technology incentive programs implemented in 2014 that deployed clean technologies for early emission reductions. Table 2 lists the number of affected equipment and emissions in tons per year (tpy). There was no additional funding for the school bus program in 2014, but the buses were continuing to be deployed in 2014. With regard to locomotives, the funding is still occurring but is included as part of the Carl Moyer program.

**TABLE 1**

2012 AQMP Emission Reduction (tons per day) Commitments for 2014

Control Measure #	CONTROL MEASURE TITLE	Adoption Date	COMMITMENT		ACHIEVED	
			2014	2023	2014	2023
<b>NO<sub>x</sub> EMISSIONS</b>						
CMB-01	Further Reductions from RECLAIM – Phase I [Reg XX]	Rulemaking Underway	2	--		--
<b>TOTAL NOX REDUCTIONS</b>			2		0	
<b>VOC EMISSIONS</b>						
CTS-02	Further Emission Reductions from Miscellaneous Coatings, Adhesives, Solvents and Lubricants	2014	--	TBD <sup>1</sup>		--
CTS-03	Further VOC Reduction from Mold Release Products [R1161]	2014	--	0.8		--
FUG-01	VOC Reductions from Vacuum Trucks [R1188]	2014	--	TBD <sup>1</sup>		--
<b>TOTAL VOC REDUCTIONS</b>			--	0.8	0	--
<b>MULTI-POLLUTANT</b>						
IND-01	Backstop Measures for Indirect Sources of Emissions from Ports and Port-Related Facilities [PR4001]	Rulemaking Underway	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
MCS-01	Application of All Feasible Measure Assessment	Ongoing	--	--		
MCS-03	Improved Start-Up, Shutdown and Turnaround Procedures [R1123]	2014	--	TBD <sup>1</sup>		TBD <sup>1</sup>

<sup>1</sup> Reductions to be determined once the technical assessment is complete, and inventory and control approach are identified

<sup>2</sup> Measure is designed to ensure reductions assumed to occur will in fact occur



**TABLE 2**

Summary of SCAQMD's 2014 Technology Incentive Programs

<b>Program</b>	<b>Funding Amount</b>	<b>No. of Equipment</b>	<b>NOx (tpy)</b>	<b>PM2.5 (tpy)</b>
Carl Moyer & SOON	\$30,340,909	410	231	6.8
Voucher Incentive (VIP)	\$2,935,000	92	59.3	0.01
Prop 1B Trucks	\$93,797,250	2,320	1,734	17
<b>TOTAL</b>	<b>\$127,073,159</b>	<b>2,822</b>	<b>2024.3</b>	<b>23.81</b>

## 2015 MASTER CALENDAR

Below is a list of all rulemaking activity scheduled for the year 2015. The last four columns refer to the type of rule adoption or amendment. A more detailed description of the proposed rule adoption or amendment is located in the Attachments (A through D) under the type of rule adoption or amendment (i.e. AQMP, Toxics, Other and Climate Change).

*\*An asterisk indicates that the rulemaking is a potentially significant hearing.*

*+This proposed rule will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*

*<sup>1</sup>Subject to Board approval*

*California Environmental Quality Act shall be referred to as "CEQA."*

*Socioeconomic Analysis shall be referred to as "Socio."*

### 2015

March		AQMP	Toxics	Other	Climate Change
Reg. IX	Standards of Performance for New Stationary Sources			√	
Reg. X	National Emission Standards for Hazardous Air Pollutants			√	
1304.2	Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets for Load Serving Entities			√	
1304.3	Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets for Municipalities			√	
1420.1 <sup>1</sup>	Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities		√		
1420.2	Emissions Standard for Lead from Medium Sources		√		
April					
415	Odors from Animal Rendering			√	
416	Odors from Kitchen Grease Processing			√	
1148.1	Oil and Gas Production Wells			√	
1401	New Source Review of Toxic Air Contaminants		√		

**2015 MASTER CALENDAR (continued)**

**2015**

<b>April</b>	<b>(continued)</b>	<b>AQMP</b>	<b>Toxics</b>	<b>Other</b>	<b>Climate Change</b>
2202	On-Road Motor Vehicle Mitigation Options			√	
4001	Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01)	√			
<b>May</b>					
219	Equipment Not Requiring a Written Permit Pursuant to Regulation II			√	
Reg. III	Fees			√	
1156	Further Reductions of Particulate Emissions from Cement Manufacturing Facilities		√		
1166	Volatile Organic Compound Emissions From Decontamination of Soil			√	
1188	VOC Reductions from Vacuum Trucks (FUG-01)	√			
Reg. XX <sup>1</sup>	Regional Clean Air Incentives Market (RECLAIM) (CMB-01)	√			
<b>June</b>					
1148.2 <sup>1</sup>	Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers		√	√	
1420	Emissions Standard for Lead		√		
2301	Control of Emissions from New or Redevelopment Projects (EGM-01)	√			
<b>July</b>					
1123	Refinery Process Turnarounds (MCS-03)	√			
1171	Solvent Cleaning Operations (CTS-02)	√			

**2015 MASTER CALENDAR (continued)**

**2015**

<b>July</b>	<b>(continued)</b>	<b>AQMP</b>	<b>Toxics</b>	<b>Other</b>	<b>Climate Change</b>
1430.1	Control of Toxic Air Contaminants from Grinding Operations at Forging Facilities		√		
<b>September</b>		<b>AQMP</b>	<b>Toxics</b>	<b>Other</b>	<b>Climate Change</b>
1106	Marine Coating Operations			√	
1106.1	Pleasure Craft Coating Operations			√	
<b>October</b>					
1110.2	Emissions from Gaseous and Liquid-Fueled Engines			√	
1161	VOC Reductions from Mold Release Agents (CTS-03)	√			
<b>November</b>					
1113	Architectural Coatings (CTS-01)	√			
1177	Liquefied Petroleum Gas Transfer and Dispensing (FUG-02)	√			
1402	Control of Toxic Air Contaminants from Existing Sources		√		
1450	Control of Methylene Chloride Emissions		√		
<b>December</b>					
1136	Wood Products Coatings (CTS-02)			√	
1430	Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations		√		

**2015 MASTER CALENDAR (continued)**

**2015 TO-BE DETERMINED**

<b>TBD</b>		<b>AQMP</b>	<b>Toxics</b>	<b>Other</b>	<b>Climate Change</b>
219	Equipment Not Requiring a Written Permit Pursuant to Regulation II			√	
222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I			√	
224	Incentives for Super-Compliant Technologies			√	
1107	Coating of Metal Parts and Products (CTS-02)			√	
1118	Control of Emissions from Refinery Flares			√	√
1147	NOx Reductions from Miscellaneous Sources			√	
1148.2	Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers		√	√	
1168	Adhesive and Sealant Applications (CTS-02)	√			
1190 Series	Fleet Vehicle Requirements			√	
Reg. XIII	New Source Review			√	
1403	Asbestos Emissions from Demolition/Renovation Activities		√		
1411	Recovery of Recycling of Refrigerants from Motor Vehicle Air Conditioners		√		
1902	Transportation Conformity – Preamble			√	
2511	Credit Generation Program for Locomotive Head End Power Unit Engines			√	
2512	Credit Generation Program for Ocean-Going Vessels at Berth			√	

**2015 MASTER CALENDAR (continued)**

**2015 TO-BE DETERMINED**

<b>TBD</b>	<b>(continued)</b>	<b>AQMP</b>	<b>Toxics</b>	<b>Other</b>	<b>Climate Change</b>
Reg. XXVII	Climate Change				√
Reg. IV, IX, X, XI, XIV, XX XXX and XXXV Rules	Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA revised risk assessment guidance, address variance issues/ technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitment. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 5, 2014 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 5, 2014 Rule and Control Measure Forecast. The CCP has been updated to include new measures to address toxic emissions in the basin. The CCP includes a variety of measures that will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 5, 2014 Rule and Control Measure Forecast). Rule amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures.	√	√	√	√
---	Mobile Source Measures <sup>1</sup>	√	√		
---	SIP Implementation <sup>1</sup>	√			

# ATTACHMENT A

## AQMP Rule Activity Schedule

This attachment lists those control measures that are being developed into rules or rule amendments for Governing Board consideration that are designed to implement the amendments to the 2012 Air Quality Management Plan.

### 2015

<b>April</b>	
4001	<p><b>Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01)</b>  <i>[Projected Emission Reduction: TBD]</i>                      If triggered, the proposed rule will address cost-effective NO<sub>x</sub>, SO<sub>x</sub>, and PM<sub>2.5</sub> emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the 2012 AQMP for the 24-hour PM<sub>2.5</sub> standard are maintained.  <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>May</b>	
1188	<p><b>VOC Reductions from Vacuum Trucks (FUG-01)</b>  <i>[Projected Emission Reduction: TBD]</i>                      The proposed rule will establish VOC emission standards and other requirements associated with the operation of vacuum trucks not covered by Rule 1149 – Storage Tank and Pipeline Cleaning and Degassing.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XX <sup>1</sup>	<p><b>Regional Clean Air Incentives Market (RECLAIM) (CMB-01)</b>  <i>[Projected Emission Reduction: 3-5 TPD]</i>                      Proposed amendments to Regulation XX will seek to implement a minimum contingency measure CMB-01 of the 2012 AQMP and possibly Phase II of the control measure if the technology assessment can be completed within the allotted time for this rulemaking.  <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>June</b>	
2301	<p><b>Control of Emissions from New or Redevelopment Projects (EGM-01)</b>  <i>[Projected Emission Reduction: Committed to reduce 0.5 tons per day of VOC, 0.8 tons per day of NO<sub>x</sub>, and 0.5 tons per day of PM<sub>2.5</sub> in 2023.]</i>                      The proposed rule will implement AQMP Control Measure EGM-01 – Emission Reductions from New or Redevelopment Projects. Proposed Rule 2301 will consider the co-benefits of VOC, NO<sub>x</sub>, and PM 2.5 emission reductions from the 2012 Regional Transportation Plan/Sustainable Communities Strategy and San Joaquin Valley Air Pollution Control District’s Rule 9510 to meet the “all feasible measure” requirement.  <i>Carol Gomez 909.396.3264 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

# ATTACHMENT A

## AQMP Rule Activity Schedule (continued)

**2015**

<b>July</b>	
1123	<p><b>Refinery Process Turnarounds (MCS-03)</b>  <i>[Projected Emission Reduction: N/A]</i>                      Proposed amendments, if needed, will implement Control Measure MSC-03 of the 2007 AQMP by establishing procedures that better quantify emission impacts from start-up, shutdown or turnaround activities.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1171	<p><b>Solvent Cleaning Operations (CTS-02)</b>  <i>[Projected Emission Reduction: Some VOC]</i>                      The proposed amendments will review existing exemptions and include clarifications that may arise due to compliance verification activities or manufacturer and public input, including the sales prohibition clause.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>October</b>	
1161	<p><b>VOC Reductions from Mold Release Agents (CTS-03)</b>  <i>[Projected Emission Reduction: TBD]</i>                      The proposed rule will establish requirements for mold release products used in composite, fiberglass, metal and plastic manufacturing, and concrete stamping operations.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>November</b>	
1113	<p><b>Architectural Coatings (CTS-01)</b>  <i>[Projected Emission Reduction: N/A]</i>                      Potential amendments may include a backstop provision to address additional potential VOC emission reductions from the small container exemption, high volume categories, and increased fees in Rule 314 – Fees for Architectural Coatings. Additional clarifications will also be considered to address ongoing compliance issues.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1177	<p><b>Liquefied Petroleum Gas Transfer and Dispensing (FUG-02)</b>  <i>[Projected Emission Reduction: N/A]</i>                      Potential amendments may be proposed to include additional sources of emissions from the dispensing and transfer of LPG.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>



# ATTACHMENT A

## AQMP Rule Activity Schedule (continued)

**2015**

<b>To-Be Determined</b>	
1168	<p><b>Adhesive and Sealant Applications (CTS-02)</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments to Rule 1168 will partially implement CTS-02 and reflect improvements in adhesive and sealants technology, as well as remove outdated provisions and include minor clarifications.  <i>Naveen Berry 909.396.236 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XIV, XX, XXX AND XXXV Rules	<p>Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA revised risk assessment guidance, address variance issues/ technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments and/or long-term emission reduction commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 5, 2014 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 5, 2014 Rule and Control Measure Forecast.</p>
---	<p><b>Mobile Source Measures <sup>1</sup></b>  <i>[Projected Emission Reduction:TBD]</i>                      The District may adopt measures to limit emissions from mobile sources, both on-road and off-road (nonroad) sources, consistent with the Board’s direction to counsel at the October 2014 meeting to explore the District’s regulatory authority over mobile sources. These measures may include but are not limited to, transportation control measures, operational limits, fleet rules, credit generation rules, and indirect source rules, such as an indirect source rule for railyards and/or other sources which attract mobile sources.  <i>Henry Hogo 909.396.3184 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
---	<p><b>SIP Implementation <sup>1</sup></b>  <i>[Projected Emission Reduction:TBD]</i>                      The District may adopt additional measures to carry out the State Implementation Plan for PM2.5 or ozone, or other pollutants if required, as deemed necessary to meet commitments and federal requirements.  <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

# ATTACHMENT B

## Toxics Rule Activity Schedule

This attachment lists those rules or rule amendments for Governing Board consideration that are designed to implement the Air Toxics Control Plan.

**2015**

<b>March</b>	
1420.1 <sup>1</sup>	<p><b>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities</b>  <i>[Projected Emission Reduction: TBD]</i>                      The proposed amendment will reduce arsenic, benzene, and 1,3-butadiene emissions from large lead-acid battery recycling facilities.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1420.2	<p><b>Emissions Standard for Lead from Medium Sources</b>  <i>[Projected Emission Reduction: TBD]</i>                      In October 2008, U.S. EPA lowered the National Ambient Air Quality Standard (NAAQS) for lead from 1.5 to 0.15 ug/m<sup>3</sup>. Proposed Rule 1420.2 will establish requirements for medium lead emitting sources to ensure compliance with the lead NAAQS.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>April</b>	
1401	<p><b>New Source Review of Toxic Air Contaminants</b>  <i>[Projected Emission Reduction: TBD]</i>                      The Office of Environmental Health Hazard Assessment (OEHHA) is updating its Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments. The proposed amendment will address revisions to OEHHA’s updated guidance.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>May</b>	
1156	<p><b>Further Reductions of Particulate Emissions from Cement Manufacturing Facilities</b>  <i>[Projected Emission Reduction: N/A]</i>                      As part of the 2009 amendments to Rule 1156, cement manufacturing facilities were required to establish and maintain a monitoring network to ensure that the surrounding areas were not exposed to unhealthful levels of hexavalent chromium emanating from the facilities. Since establishing the monitoring networks, no exceedances of the standard established in the amended rule has occurred. Pursuant to the adoption resolution, the proposed rule amendments will address the conditions by which the existing monitoring requirements could be reduced, particularly as they pertain to partial or full facility shutdown and any change in ownership and land use.  <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

## ATTACHMENT B

### Toxics Rule Activity Schedule (continued)

2015

<b>June</b>	
1148.2 <sup>1</sup>	<p><b>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments to Rule 1148.2 may be needed to extend the implementation of requirements to submit emissions reports and other necessary changes to be consistent with SB 4.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1420	<p><b>Emissions Standard for Lead</b>  <i>[Projected Emission Reduction: TBD]</i>                      In October 2008, U.S. EPA lowered the National Ambient Air Quality Standard (NAAQS) for lead from 1.5 to 0.15 ug/m<sup>3</sup>. Proposed Rule 1420 will establish requirements for smaller lead emitting sources that are not covered under Rules 1420.1 and Rule 1420.2 to ensure compliance with the lead NAAQS.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>July</b>	
1430.1	<p><b>Control of Toxic Air Contaminants from Grinding Operations at Forging Facilities</b>  <i>[Projected Emission Reduction: TBD]</i>                      Proposed Rule 1430.1 will establish emission reduction requirements to control toxic emissions from grinding operations at forging facilities.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>November</b>	
1402	<p><b>Control of Toxic Air Contaminants from Existing Sources</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments to Rule 1402 will address new or revised toxic air contaminants that have been approved by OEHHA.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1450	<p><b>Control of Methylene Chloride Emissions</b>  <i>[Projected Emission Reduction: N/A]</i>                      Proposed Rule 1450 will establish requirements to control methylene chloride from furniture stripping operations and other sources.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>December</b>	
1430	<p><b>Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations</b>  <i>[Projected Emission Reduction: TBD]</i>                      Proposed Rule 1430 will establish emission reduction requirements to control toxic emissions from grinding operations.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

## ATTACHMENT B

### Toxics Rule Activity Schedule (continued)

#### To-Be Determined 2015

<b>To-Be Determined</b>	
1148.2	<p><b>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</b>  <i>[Projected Emission Reduction: N/A]</i>                      Revisions to Rule 1148.2 may be needed based on information collected through implementation of Rule 1148.2.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1403	<p><b>Asbestos Emissions from Demolition/Renovation Activities</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments to Rule 1403 will include specific requirements when conducting asbestos emitting demolition/renovation activities at schools, daycares, and possibly establishments that have sensitive populations. Amendments may include other provisions to improve the implementation of the rule.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1411	<p><b>Recovery of Recycling of Refrigerants from Motor Vehicle Air Conditioners</b>  <i>[Projected Emission Reduction: TBD]</i>                      The proposed amendments to Rule 1411 will align with existing Clean Air Act requirements to minimize the release of refrigerants during the servicing of motor vehicle air conditioning, incorporate other clarifications and enhance enforceability.  <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XIV, XX, XXX AND XXXV Rules	<p>The Clean Communities Plan has been updated to include new measures to address toxic emissions in the basin. The CCP includes a variety of measures that will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 5, 2014 Rule and Control Measure Forecast). Rule amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures.</p>

# ATTACHMENT B

## Toxics Rule Activity Schedule (continued)

### To-Be Determined 2015

---	<p><b>Mobile Source Measures<sup>1</sup></b> <i>[Projected Emission Reduction:TBD]</i></p> <p>The District may adopt measures to limit emissions from mobile sources, both on-road and off-road (nonroad) sources, consistent with the Board's direction to counsel at the October 2014 meeting to explore the District's regulatory authority over mobile sources. These measures may include but are not limited to, transportation control measures, operational limits, fleet rules, credit generation rules, and indirect source rules, such as an indirect source rule for railyards and/or other sources which attract mobile sources.</p> <p><i>Henry Hogo 909.396.3184 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
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# ATTACHMENT C

## Other Rule Activity Schedule

This attachment lists those rules or rule amendments for the Governing Board consideration that are designed to improve rule enforceability, SIP corrections, or implementing state or federal regulations.

**2015**

<b>March</b>	
Reg. IX Reg. X	<p><b>Standards of Performance for New Stationary Sources (NSPS) National Emission Standards for Hazardous Air Pollutants (NESHAPS)</b> <i>[Projected Emission Reduction: N/A]</i> Regulation IX - Standards of Performance for New Stationary Sources and Regulation X - National Emission Standards for Hazardous Air Pollutants, incorporate by reference the corresponding federal requirements. Amendments are being proposed to incorporate the latest federal revisions. <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1304.2	<p><b>Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets for Load Serving Entities</b> <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1304.2 would provide for new, greenfield or additions at existing electrical generating facilities access to the SCAQMD’s internal offset account, subject to qualifying conditions, eligibility, and the payment of a fee to invest in air quality improvement projects consistent with the AQMP. This rule is a companion provision to recently adopted Rule 1304.1 and will provide that new, proposed and other existing electrical generating facilities can compete on a level playing field with existing generating facilities with utility steam boilers, and implement the State’s plan to maintain grid reliability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1304.3	<p><b>Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets for Municipalities</b> <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1304.3 would provide for new, greenfield or additions at existing electrical generating facilities to access the SCAQMD’s internal offset account, subject to qualifying conditions, eligibility, and the payment of a fee to invest in air quality improvement projects consistent with the AQMP. This rule is a companion provision to recently adopted Rule 1304.1 and will provide that new, proposed and other existing electrical generating facilities run by local municipalities to meet the reliable electric needs of their customers. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

# ATTACHMENT C

## Other Rule Activity Schedule (continued)

**2015**

<b>April</b>	
415	<p><b>Odors from Animal Rendering</b>  <i>[Projected Emission Reduction: TBD]</i>                      Proposed Rule 415 will provide protection to the public from odors created during animal rendering operations. The proposed rule will incorporate a preventative approach to odors by establishing Best Management Practices (BMP) and will consider enclosures for operations and processes that generate odors, such as receiving, cooking, processing of oils, tallow and meat, and from wastewater treatment. The proposed rule will also examine requirements for an Odor Mitigation Plan for continuing odor issues at facilities impacted by the rule.  <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
416	<p><b>Odors from Kitchen Grease Processing</b>  <i>[Projected Emission Reduction: TBD]</i>                      Proposed Rule 416 will provide protection to the public from odors created during kitchen grease processing operations. The proposed rule will establish Best Management Practices (BMP) to address odors created during delivery and processing of trap grease to affected facilities. In addition, the proposed rule will examine enclosure for wastewater treatment operations and filter cake storage. The proposed rule will also examine requirements for an Odor Mitigation Plan for continuing odor issues at facilities impacted by the rule.  <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1148.1	<p><b>Oil and Gas Production Wells</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments may be necessary to improve rule effectiveness in reducing emissions from production wells and associated equipment and improving housekeeping activities to minimize potential nuisance.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2202	<p><b>On-Road Motor Vehicle Mitigation Options</b>  <i>[Projected Emission Reduction: N/A]</i>                      The Employee Commute Reduction Program (ECRP) Guidelines to Rule 2202 will be amended to streamline the annual reporting process, and to add clarification to specific guideline sections as requested by the regulated community.  <i>Carol Gomez 909.396.3264 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

# ATTACHMENT C

## Other Rule Activity Schedule (continued)

**2015**

<b>May</b>	
219	<p><b>Equipment Not Requiring a Written Permit Pursuant to Regulation II</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments to Rule 219 may be proposed to exclude equipment with de minimis emissions from the requirement to obtain written permits and clarify provisions pertaining to super-compliant technologies.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. III	<p><b>Fees</b>  <i>[Projected Emission Reduction: N/A]</i>                      Regulation III is being amended with a primary goal to increase fees, at a minimum by the Consumer Price Index. Other minor amendments may also be proposed to correct typos, eliminate out-of-date references, and improve consistency and clarity.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1166	<p><b>Volatile Organic Compound Emissions from Decontamination of Soil</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments to Rule 1166 will expand the applicability to decontamination of soils containing toxic metals. The proposed amended rule would establish additional requirements to control emissions from activities containing storing, handling, and transporting soil contaminated with toxic metals.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>June</b>	
1148.2 <sup>1</sup>	<p><b>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments to Rule 1148.2 may be needed to extend the implementation of requirements to submit emissions reports and other necessary changes to be consistent with SB 4.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>September</b>	
1106 1106.1	<p><b>Marine Coating Operations</b>  <b>Pleasure Craft Coating Operations</b>  <i>[Projected Emission Reduction: N/A]</i>                      The proposed amendments will include any clarifications that may arise due to the compliance verification activities or manufacturer and public input, including the sales prohibition clause.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>



## ATTACHMENT C

### Other Rule Activity Schedule (continued)

**2015**

<b>October</b>	
1110.2	<p><b>Emissions from Gaseous- and Liquid-Fueled Engines</b>  <i>[Projected Emission Reduction: N/A]</i>                      The proposed amendments to Rule 1110.2 would potentially extend the compliance date for biogas used to fuel power generators at landfills and municipal waste facilities. The amendment would result in a delay in emission reductions.  <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
<b>December</b>	
1136	<p><b>Wood Products Coatings</b>  <i>[Projected Emission Reduction: TBD]</i>                      The proposed amendments will include any clarification that may arise due to compliance verification activities or manufacturer and public input, including the sales prohibition clause.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

### To-Be Determined 2015

<b>To-Be Determined</b>	
219	<p><b>Equipment Not Requiring a Written Permit Pursuant to Regulation II</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments to Rule 219 may be proposed to exclude equipment with de minimis emissions from the requirement to obtain written permits.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
222	<p><b>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments for Rule 222 may be proposed to add additional equipment categories to the streamlined filing/registration program of Rule 222.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
224	<p><b>Incentives for Super-Compliant Technologies</b>  <i>[Projected Emission Reduction: TBD]</i>                      This proposed rule will outline strategies and requirements to incentivize the development, establishment and use of super-compliant technologies. It can be considered as a part of Rule 219 amendments or proposed as a separate incentive rule.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

# ATTACHMENT C

## Other Rule Activity Schedule (continued)

### To-Be Determined 2015

<b>To-Be Determined</b>	<b>(continued)</b>
1107	<p><b>Coating of Metal Parts and Products</b>  <i>[Projected Emission Reduction: N/A]</i>                      Potential amendments to Rule 1107 would further reduce VOC emissions and improve rule clarity and enforceability.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1118	<p><b>Control of Emissions from Refinery Flares</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments may be necessary to address results of the additional analysis required by the adopting resolution for the last amendment. Amendments may also be necessary to implement an AB 32 measure.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1147	<p><b>NOx Reductions from Miscellaneous Sources</b>  <i>[Projected Emission Reduction: N/A]</i>                      Amendments may be necessary to address findings of ongoing technology assessment.  <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1148.2	<p><b>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</b>  <i>[Projected Emission Reduction: N/A]</i>                      Revisions to Rule 1148.2 may be needed based on information collected through implementation of Rule 1148.2.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1190 Series	<p><b>Fleet Vehicle Requirements</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments to Rule 1190 series fleet rules may be necessary to address remaining outstanding implementation issues and in the event the court's future action requires amendments. In addition, the current fleet rules may be expanded to achieve additional air quality and air toxic benefits.  <i>Dean Saito 909.396.2647 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XIII	<p><b>New Source Review</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments may be necessary to address U.S. EPA comments on SIP approvability issues and/or requirements. Amendments may also be proposed for clarity and improved enforceability.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

### To-Be Determined 2015

## ATTACHMENT C

### Other Rule Activity Schedule (continued)

<b>To-Be Determined</b>	<b>(continued)</b>
1902	<p><b>Transportation Conformity</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments to Rule 1902 may be necessary to bring the District’s Transportation Conformity rule in line with current U.S. EPA requirements.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2511	<p><b>Credit Generation Program for Locomotive Head End Power Unit Engines</b>  <i>[Projected Emission Reduction: TBD]</i>                      Develop a rule to allow generation of PM mobile source emission reduction credits from Locomotive Head End Power Unit Engines. Credits will be generated by retrofitting engines with PM controls or replacing the engines with new lower-emitting engines.  <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2512	<p><b>Credit Generation Program for Ocean-Going Vessels at Berth</b>  <i>[Projected Emission Reduction: TBD]</i>                      Develop a rule to allow generation of PM, NOx and SOx emission reduction credits from ocean-going vessels while at berth. Credits will be generated by controlling the emissions from auxiliary engines and boilers of ships while docked.  <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XX, XXX AND XXXV Rules	<p>Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA revised risk assessment guidance, address variance issues/ technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitment. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 5, 2014 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 5, 2014 Rule and Control Measure Forecast. The CCP has been updated to include new measures to address toxic emissions in the basin. The CCP includes a variety of measures that will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 5, 2014 Rule and Control Measure Forecast). Rule amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures.</p>

# ATTACHMENT D

## Climate Change

This attachments lists rules or rule amendments for Governing Board consideration that are designed to implement SCAQMD’s Climate Change Policy or for consistency with state or federal rules.

### To-Be Determined 2015

<b>To-Be Determined</b>	
1118	<p><b>Control of Emissions from Refinery Flares</b>  <i>[Projected Emission Reduction: TBD]</i>                      Amendments may be necessary to address findings from the additional analysis required by the adopting resolution for the last amendment. Amendments may also be necessary to implement an AB 32 measure.  <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XXVII	<p><b>Climate Change</b>  <i>[Projected Emission Reduction: TBD]</i>                      Additional protocols may be added to Rules 2701 and 2702 and amendments to existing rules may be needed to address implementation issues.  <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XX, XXX and XXXV Rules	<p>Rule developments/amendments may be needed to meet the requirements of state and federal laws related to climate change air pollutants.</p>

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 14

PROPOSAL: Report of RFQs Scheduled for Release in January

SYNOPSIS: This report summarizes the RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of January.

COMMITTEE: Administrative, December 13, 2014; Recommended for Approval

**RECOMMENDED ACTION:**

Approve the release of RFQs for the month of January.

Barry R. Wallerstein, D.Env.  
Executive Officer

MBO:lg

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**Background**

At its January 8, 2010 meeting, the Board approved a revised Procurement Policy and Procedure. Under the revised policy, RFQs for budgeted items over \$75,000, which follow the Procurement Policy and Procedure, no longer require individual Board approval. However, a monthly report of all RFQs over \$75,000 is included as part of the Board agenda package and the Board may, if desired, take individual action on any item. The report provides the title and synopsis of the RFQ, the budgeted funds available, and the name of the Deputy Executive Officer/Asst. Deputy Executive Officer responsible for that item. Further detail including closing dates, contact information, and detailed proposal criteria will be available online at <http://www.aqmd.gov/grants-bids> following Board approval on January 9, 2015.

**Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFQs and inviting bids will be 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.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFQs will be e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

**Proposal Evaluation**

Proposals received will be evaluated by applicable diverse panels of technically-qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector or academic community expertise.

**Attachment**

Report of RFQs Scheduled for Release in January 2015

**January 9, 2015 Board Meeting  
Report on RFQs Scheduled for Release on January 9, 2015**

**(For detailed information visit SCAQMD's website at  
<http://www.aqmd.gov/grants-bids> following Board approval on January 9, 2015)**

**STANDARDIZED SERVICES**

RFQ #Q2015-14	Issue Request for Quotation for Leasing Mailing Equipment	JOHNSON/3018
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This action is to issue a RFQ to solicit vendor quotations for the lease of mailing equipment. SCAQMD operates an in-house mail center that handles 149,000 pieces of outgoing mail annually. The current mailing system lease expires June 30, 2015. Sufficient funds have been included in the FY 2014-15 Budget request.

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 15

**PROPOSAL:** Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2014-15

**SYNOPSIS:** Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to report on major automation contracts and projects to be initiated by Information Management during the last six months of FY 2014-15.

**COMMITTEE:** Administrative, December 12, 2014, Recommended for Approval

**RECOMMENDED ACTION:**  
Receive and file.

Barry R. Wallerstein, D.Env.  
Executive Officer

JCM:MAH:OSM:nv

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### **Background**

Information Management (IM) provides a wide range of information systems and services in support of all SCAQMD 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 specifies projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

### **Summary of Report**

The attached report identifies each of the major projects/contracts or purchases that are expected to come before the Board between January 1 and June 30, 2015. Information provided for each project includes a brief project description, FY 2014-15 Budget, and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

### **Attachment**

Information Management Major Projects for Period January 1 through June 30, 2015



**ATTACHMENT**  
**January 9, 2015 Board Meeting**  
**Information Management Major Projects**  
**for the Period of January 1 through June 30, 2015**

Item	Brief Description	Budgeted Funds	Schedule of Board Actions	Status
Systems Development, Maintenance and Support	Provide Development, Maintenance and Support for: <ul style="list-style-type: none"> <li>• Web Application Development</li> <li>• E-Commerce Infrastructure</li> <li>• CLASS System Replacement</li> <li>• CLASS System(s) Enhancements</li> <li>• Version Upgrades</li> </ul>	TBD	March 6, 2015	On Schedule

Double-lined Rows - Board Agenda items current for this month

Shaded Rows - activities completed

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 17

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, December 12, 2014. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, January 16, 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 December 12, 2014 meeting were Committee Members Chairman William Burke, Mayor Dennis Yates, Supervisor Josie Gonzales and Dr. Clark E. Parker, Sr. at SCAQMD headquarters.

**ACTION/DISCUSSION ITEMS:**

1. **Board Members' Concerns:** Dr. Burke commented that our new website was vastly improved; however, he inquired whether the website was Section 508 compliant. (Section 508 is an amendment to federal law mandating that all information technology used by governmental bodies be accessible to people with disabilities.) Staff responded that was one of the requirements in the contract and provide a report at the next Administrative Committee meeting. Dr. Burke added that he would also like to know whether the recommendations mentioned in the assessment report had been done and whether an evaluation had been completed to see if the website was doing the job it was designed to do.
2. **Chairman's Report of Approved Travel:** Executive Officer Barry Wallerstein reported that Councilman Buscaino went to China, South Korea and Japan and has some ideas about moving forward to strengthen some of the policy work

between those countries and this agency. In addition, there were two Sacramento trips noted, one for the Chairman to meet with state legislators and one for Mayor Judith Mitchell to attend the monthly CARB Board meeting.

3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** None to report.
4. **Report of Approved Out-of-Country Travel:** None to report.
5. **Airing SCAQMD Governing Board Monthly Meetings on Local Public Affairs Channels:** Deputy Executive Officer Lisha Smith advised that during the July 2014 Administrative Committee meeting, she reported on staff's progress regarding broadcasting the monthly Governing Board meetings on local public access channels throughout the four-county area. Some cities were interested in airing the full meetings; however, others preferred not to air the entire Board meetings. At that time, Dr. Parker and Supervisor Gonzales suggested doing an abbreviated version of the meetings. Ms. Smith had also suggested producing a video segment that highlights major portions of the meetings and adding PSAs and promotions of our agency programs and services. She mentioned that she had spoken to Time Warner's Director of Public Relations about the idea and he encouraged the concept of an abbreviated video, with a suggested length of about nine minutes. As an example of what can be produced in-house, staff created a video recapping the July Governing Board meeting, which was introduced by Ms. Smith and viewed by the Committee. In order to develop and produce such a video, it would take about a two-week timeframe; however, staff will continue to streamline that time.

Dr. Burke thought the video was very positive and only expressed concern about showing charts on TV. Dr. Parker also thought it was very good and suggested that, when showing charts, soft background music could be added that would better enable people to concentrate more on what the charts reflect. Dr. Burke suggested shortening the video to five minutes for greater distribution.

Supervisor Gonzales also thought the video was very good and requested that staff draft a letter explaining what the agency is offering that could be mailed to her cities and she would ensure that her county public access channel include a scheduled airing of the video. She also suggested that it be sent to the county unified school districts to get as much participation and support as possible. A reminder could be sent to them once a year to include airing of the video in their schedule. Dr. Burke thought that was an excellent idea and commented that each Supervisor on our Board should do that in their county. Dr. Wallerstein added that a second follow-up letter can be given to those participating, which says thank you and we appreciate their participation.

The Committee was in full agreement to move forward with the project.

6. **Amend Existing Contracts for Legislative Representation in Washington, D.C.:** Ms. Smith reported that the first-year contracts for our two federal consultants, Kadesh & Associates and the Carmen Group, will expire January 14, 2015. Both groups have been effective in advancing our agency's interests on Capitol Hill and the White House as well as bringing to our attention issues on which the agency must stay engaged.

Moved by Yates; seconded by Parker; unanimously approved.

7. **Resolution of Support in Concept for Salton Sea Restoration and Renewable Energy Initiative (SSRREI):** Dr. Wallerstein reported that Supervisor Benoit asked that SCAQMD consider a resolution of 'support in concept' for the SSRREI being proposed by the Imperial Irrigation District, including Salton Sea restoration and dust mitigation efforts linked with development of renewable energy resources including geothermal, solar, wind, and biofuels. The initiative seeks to avert dire public-health, environmental, and economic consequences looming for the region as the sea level drops, exposing large expanses of playa (beach) where sediment is exposed to windstorms and poses a major air pollution issues.

Moved by Gonzales; seconded by Yates; unanimously approved.

8. **Approve Memorandum of Agreement among the Division of Oil, Gas, and Geothermal Resources ("DOGGR"), CARB and SCAQMD Regarding Well Stimulation Treatments and Well Stimulation Treatment – Related Activities:** Chief Deputy Counsel Barbara Baird reported that this item is to approve and forward to the full Board authorization for the Executive Officer to enter into a Memorandum of Agreement with the Department of Conservation Division of Oil, Gas and Geothermal Resources (DOGGR) and the California Air Resources Board. The Legislature enacted SB 4 by Senator Fran Pavley in 2013 related to hydraulic fracturing. In the bill there is a requirement for DOGGR to enter into agreements with CARB and the air districts setting forth the various responsibilities and authorities of those agencies. Staff has negotiated the terms of the agreement with CARB and DOGGR and the key remaining issue to be resolved is our request to remove language indicating that the air district should comment on DOGGR-proposed well stimulation treatment permits within 14 days. Staff is concerned that these permits will likely cover a number of wells often located in highly populated areas and require extensive and careful analysis.

Dr. Wallerstein commented that, given the Board's significant concerns about issues related to well stimulation and concerns raised by various communities, he requested that we be given 45 days to review the permits which is granted to review an EIR. Ms. Baird added that although DOGGR has accepted the idea that we could have up to 45 days in special cases, they have insisted on having a basic requirement that we comment on their permits in 14 days. Staff does not believe that is realistic and we should not mislead the public to think that they are going to get comments in 14 days when that is not likely to happen. Dr. Wallerstein also mentioned that he wanted to negotiate some clarifications regarding the Board's existing authority and the ability to modify the MOA if circumstances change. Thus, clarifying language was added that allows our Board to either revise the agreement or draft another agreement applicable to DOGGR, CARB, and SCAQMD with no party unreasonably withholding approval.

Moved by Yates; seconded by Parker; forwarded to Board without recommendation.

9. **Execute Contracts to Conduct 2015 Lawn Mower Exchange Program:** Deputy Executive Officer Matt Miyasato reported that this action is to execute contracts with two lawn mower vendors, Black & Decker, Inc. and The Greenstation, to purchase cordless electric lawn mowers and to conduct the "Mow Down Air Pollution" 2015 Lawn Mower Exchange Program in an amount not to exceed \$640,000.

Moved by Parker; seconded by Yates; unanimously approved.

10. **Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2014-15:** Assistant Deputy Executive Officer Chris Marlia advised that this action is to report on major automation contracts and projects to be initiated by Information Management during the last six months of FY 2014-15.

Moved by Yates; seconded by Parker; unanimously approved.

11. **Issue RFP to Verify Inventory of Atmospheric Pressure Relief Devices at Refineries and Check for Existence of Refinery Fuel Supply Lines(s) that By-pass Fuel Monitors:** Deputy Executive Officer Mohsen Nazemi reported that this item is to request approval to issue an RFP for bids from third parties to verify the number of pressure relief devices in refineries and inspect the fuel supply lines around the monitoring systems.

Moved by Gonzales; seconded by Yates; unanimously approved.

12. **Report of RFQs Scheduled for Release in January:** Mr. O'Kelly advised that this item requests the release of an RFQ for the lease of mailing equipment.

Moved by Yates; seconded by Parker; unanimously approved.

13. **Review of the January 9, 2015 Governing Board Agenda:** There were no questions regarding the January 9, 2015 Governing Board Agenda.

14. **Other Business:** None

15. **Public Comment:** None

Meeting adjourned at 11:00 a.m.

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 18

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, December 12, 2014. The next Legislative Committee meeting is scheduled for Friday, January 16, 2015 at 9 a.m. in Conference Room CC8.

The Committee deliberated on agenda items for Board consideration and recommended the following actions:

<b>Agenda Item</b>	<b>Recommendation</b>
H.R. 5101 (Hahn) National Freight Network Trust Fund Act of 2014	Develop Proposed Language and Return To Committee
H.R. 5624 (Lowenthal) Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act	Support and Recommend Amendments

**RECOMMENDED ACTION:**

Receive, file this report, and approve agenda items as specified in this letter.

Josie Gonzales  
Chair  
Legislative Committee

### **Attendance [Attachment 1]**

The Legislative Committee met on December 12, 2014. Committee Members, Chair Supervisor Josie Gonzales, Dr. Clark E. Parker, Sr. and Governing Board Chair Dr. William A. Burke, who was appointed as a member to the Committee, were present at SCAQMD's Diamond Bar headquarters. Committee Member Supervisor Michael Antonovich, attended via videoconference.

### **Update on Federal Legislative Issues**

SCAQMD federal legislative consultant Mia O'Connell, of the Carmen Group, updated the Committee on Key Washington D.C. issues, beginning with an update on the "Lame Duck" session in the House. The House passed a budget bill covering all government operations through September 2015. The only exception being the U.S. Immigration and Customs Enforcement (ICE) which is funded only through February 2015, noting the House's disapproval of the President's stance on immigration issues.

Major legislation relevant to SCAQMD includes the Targeted Airshed Grant language which Congressman Ken Calvert included in the final omnibus appropriations bill. It provides up to \$10 million in funding targeted to the five most polluted air basins based on ozone and particulate matter (PM 2.5). SCAQMD is well positioned to successfully compete for these grant dollars. Discussions regarding the update to the Moving Ahead for Progress in the 21st Century Act (MAP-21) continue and the challenge is to identify the funding source that will provide \$100 billion over existing gas tax revenues to fund the six year transportation bill. Senator James Inhofe and the incoming staff to the Environment and Public Works Committee have advised the Carmen Group of their plan to move a multiyear funding bill quickly in coordination with Chairman Bill Schuster in the House before the full MAP 21 reauthorization moves later in the year. The bill is intended to include a major freight title designed to minimize emissions.

SCAQMD federal legislative consultant Mark Kadesh, of Kadesh & Associates, updated the Committee on key Washington D.C. issues with a focus on the Senate. He further explained that U.S. EPA would be taking a small \$60 million cut in the omnibus appropriations bill; however, since 2010, funding for the agency has been cut by 21%.

In regards to the \$10 million in additional funding included in the omnibus bill for the Zero-Emission Cargo Transport program, Kadesh noted that successful use of the current funding will help the agency secure additional resources in the future. Executive Officer Barry Wallerstein informed the Committee how staff was working closely with the Department of Energy, keeping it fully apprised of the program's implementation at SCAQMD.

SCAQMD federal legislative consultant Warren Weinstein, of Kadesh & Associates, reported on upcoming U.S. EPA rules. U.S. EPA is about to release its Cross-State Air Pollution Rule (CSAPR), which requires states to significantly improve air quality by



reducing power plant emissions that contribute to ozone and/or fine particle pollution in other states. This rule as well as anticipated greenhouse gas rules will be under close congressional scrutiny. Congress may move to defund regulatory activities it does not agree with and lessen regulatory requirements in other instances. Dr. Wallerstein noted that the climate related rules will face the greatest resistance in the Southeastern states. Consequently, messaging on the issue needs to be more comprehensive so that even if members are not convinced about climate change, they can still support the rules because of the other air pollution cobenefits.

To avoid states working against each other on these issues, Supervisor Gonzales directed staff and the consultants to look at policies where states with special needs such as California could be provided the resources and policy latitude to address their problems without unnecessarily burdening those states whose needs are not similar. Mia O'Connell responded that she would look for opportunities within the transportation bill that could address high pollution impact areas.

#### **Recommend Position on Bills [Attachment 2]**

Marc Carrel, Program Supervisor presented on H.R. 5101 and H.R. 5624, both bills relate to funding freight infrastructure improvements.

#### **H.R. 5101 (Hahn) The National Freight Network Trust Fund Act of 2014**

This bill transfers five percent of all import duties collected by the U.S. Customs and Border Protections to a Freight Network Trust Fund for freight infrastructure improvements. It is anticipated that the bill would generate \$1.9 billion annually for this purpose. Staff recommended that the Committee adopt a position of SUPPORT WITH AMENDMENTS that would enable local and regional air quality to be eligible for grant funding on projects that would reduce the environmental impacts of freight movement.

#### **H.R. 5624 (Lowenthal) Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act**

In a more comprehensive fashion, H.R. 5624 dedicates \$8 billion a year to freight-related infrastructure and emission reduction and mitigation projects. Fifty percent of the funding would be divided among the states pursuant to a formula based on the state's existing freight infrastructure and fifty percent would be available through a competitive grant system open to all local, regional and state governments. Staff recommended that the Committee adopt a position of SUPPORT WITH AMENDMENTS that change the five percent annual set aside for freight electrification demonstration project to a fuel neutral program for "zero-emission" freight demonstration projects.

Relative to H.R. 5101 (Hahn), Dr. Parker recommended that the bill language explicitly define how much of the funding should be dedicated to air quality improvement, much

like it was done in California's Proposition 1B. Supervisor Gonzales recommended that the Agency needed to better demonstrate to the transportation community how addressing air quality issues would facilitate their infrastructure projects move towards groundbreaking. Following a brief discussion regarding board positions on bills, SCAQMD Executive Officer Dr. Barry Wallerstein clarified that the positions provide staff with direction as to what opportunities should be explored and confirms the Board's preferred policy choices.

***The Legislative Committee took no position on H.R. 5101 (Hahn) and instead directed staff to develop proposed amendments to the bill that could be considered in the next Committee meeting.***

***AYES:*** Antonovich, Burke, Gonzales, and Parker

***NOES:*** None

***The Legislative Committee adopted staff's recommended position of SUPPORT WITH AMENDMENTS FOR H.R. 5624.***

***AYES:*** Antonovich, Burke, Gonzales, and Parker

***NOES:*** None

### **Update on State Legislative Issues**

State legislative consultant, Will Gonzalez of Gonzalez, Quintana and Hunter, reported on the newly announced Assembly leadership team.

Speaker Toni Atkins, of San Diego, named her floor leadership team for the 2015-2016 Legislative Session:

- Speaker pro Tempore Assemblyman Kevin Mullin, D-South San Francisco
- Assistant Speaker pro Tempore Assemblyman David Chiu, D-San Francisco
- Majority Floor Leader Assemblyman Chris Holden, D-Pasadena
- Assistant Majority Floor Leader Assemblywoman Cristina Garcia, D-Bell Gardens
- Majority Whip Assemblyman Miguel Santiago, D-Los Angeles
- Assistant Majority Whips Assembly Members Evan Low, D-San Jose, and Jim Cooper, D-Elk Grove

Similarly, Assembly Republican Leader Kristin Olsen, of Modesto, announced her leadership team:

- Assembly Republican Caucus Chair: Assembly Member Scott Wilk, R-Santa Clarita
- Assistant Republican Leader, Strategic Advancement: Assembly Member Travis Allen, R-Huntington Beach
- Assistant Republican Leader, Finance: Assembly Member Frank Bigelow, R-O'Neals

- Assistant Republican Leader, Innovation and the New Economy: Assembly Member Jay Obernolte, R-Big Bear Lake
- Republican Floor Leader: Assembly Member Marie Waldron, R-Escondido
- Deputy Republican Floor Leader: Assembly Member James Gallagher, R-Nicolaus
- Chief Republican Whip: Assembly Member Chad Mayes, R-Yucca Valley
- Republican Whips: Assembly Member Ling Ling Chang, R-Diamond Bar, Assembly Member Beth Gaines, R-Roseville

SCAQMD state legislative consultant Paul Gonsalves, of Joe A. Gonsalves and Son, updated the state election results, Rules Committee Members, the newly named Chairs of the Assembly Committees, and key legislative deadlines.

The last election had a low voter turnout of 42% and resulted in 27 new members of the Legislature. Of the 120 member Legislature, 102 members have two years or less experience.

The Senate Rules Committee consists of:

- Pro Tem Kevin de León (Chair), D-Los Angeles
- Senator Jean Fuller (Vice Chair), R-Bakersfield
- Senator Anthony Cannella, R-Ceres
- Senator Connie M. Leyva, D-Chino
- Senator Holly J. Mitchell, D-Los Angeles

The Assembly Rules Committee consists of:

- Assembly Member Richard S. Gordon, D-Menlo Park, Chair
- Assembly Member Autumn R. Burke, D-Inglewood
- Assembly Member Nora Campos, D-San Jose
- Assembly Member Ken Cooley, D-Rancho Cordova
- Assembly Member Bill Dodd, D-Napa
- Assembly Member Freddie Rodriguez, D-Pomona
- Assembly Member Jim Wood, D-North Coast
- Assembly Member Patty Lopez, D-San Fernando, Democratic Alternate

While the Chairs of the Senate Committees had not yet been named, the Speaker announced the Chairs of the Assembly Committees:

- Appropriations – Assembly Member Jimmy Gomez, D-Northeast Los Angeles
- Budget – Assembly Member Shirley N. Weber, D-San Diego
- Environmental Safety and Toxic Materials – Assembly Member Luis A. Alejo, D-Salinas
- Natural Resources – Assembly Member Das Williams, D-Carpinteria

- Transportation – Assembly Member Jim Frazier, D-Oakley
- Utilities and Commerce – Assembly Member Anthony Rendon, D-Lakewood
- Water, Parks and Wildlife - Assembly Member Marc Levine, D-San Rafael

Key legislative deadline in the first quarter of 2015 include:

- Jan. 5 - Legislature reconvenes
- Jan. 10 - Budget must be submitted by Gov
- Jan. 30 - Last day to submit bill requests to Legislative Counsel
- Feb. 27 - Last day for bills to be introduced

**Report from SCAQMD Home Rule Advisory Group [Attachment 3]**

Please refer to Attachment 3 for written report.

**Other Business:**

None

**Public Comment Period:**

No public comment.

**Attachments**

1. Attendance Record
2. Bill and Bill Analyses
3. SCAQMD Home Rule Advisory Group Report

## **ATTACHMENT 1**

ATTENDANCE RECORD –December 12, 2014

### **DISTRICT BOARD MEMBERS:**

Dr. William A. Burke  
Supervisor Josie Gonzales  
Supervisor Michael Antonovich (Videoconference)  
Dr. Clark E. Parker, Sr.

### **STAFF TO COMMITTEE:**

Lisha B. Smith, Deputy Executive Officer  
Derrick Alatorre, Assistant Deputy Executive Officer/Public Advisor  
Guillermo Sanchez, Senior Public Affairs Manager (teleconference)  
Julie Franco, Senior Administrative Secretary

### **DISTRICT STAFF:**

Barry R. Wallerstein, Executive Officer  
Barbara Baird, Chief Deputy Counsel  
Phil Fine, Assistant Deputy Executive Officer  
Peter Greenwald, Sr. Policy Advisor  
Chris Marlia, Assistant Deputy Executive Officer  
Mohsen Nazemi, Deputy Executive Officer  
Marc Carrel, Program Supervisor  
Tina Cox, Senior Public Information Specialist  
Robert Paud, Telecommunications Technician II  
Kim White, Public Affairs Specialist  
Patti Whiting, Staff Specialist

### **OTHERS PRESENT:**

Mark Abramowitz, Governing Board Member Consultant (Lyou)  
Tricia Almiron, SANBAG  
Leila Barker, Los Angeles Department of Water and Power  
Jason Gonsalves, Joe A. Gonsalves & Son (teleconference)  
Paul A. Gonsalves, Joe A. Gonsalves & Son (teleconference)  
Will Gonzalez, Gonzalez, Quintana & Hunter, LLC (teleconference)  
Chris Kierig, Kadesh & Associates (teleconference)  
Rita Loof, RadTech  
Debra Mendelsohn, Governing Board Assistant (Antonovich)  
David Rothbart, Los Angeles County Sanitation District  
Andy Silva, Governing Board Assistant (Gonzales)  
Susan Stark, Tesoro  
Warren Weinstein, Kadesh & Associates (teleconference)

## **ATTACHMENT 2a**

### **H.R. 5101 (Hahn)**

#### The National Freight Network Trust Fund Act of 2014

#### **Summary:**

Transfers 5 percent of all import duties collected by U.S. Customs and Border Protection to a Freight Trust Fund for freight transportation projects.

#### **Background:**

Freight transportation is an essential part of the global economy. The U.S. freight sector is expected to grow dramatically in the coming years. By 2020, 90.1 million tons per day of freight are expected to move throughout the United States, a 70% increase over 2002.

This freight movement is critical to a robust economy but comes at a high price for the environment and local communities that suffer from its impacts. The freight sector alone represents nearly a quarter of the transportation sector's greenhouse gas emissions, or approximately 8% of total U.S. carbon dioxide emissions. The fine particle pollution from U.S. diesel engines, the most common engines used in freight, is estimated to shorten the lives of nearly 21,000 people each year nationwide.<sup>1</sup> The projected trade increases could place even greater strains on public health and the environment, and add more congestion to the already overburdened and deteriorating highway, rail, and waterway system.

Southern California's South Coast Air Basin, home to five percent of the U.S. population and over forty percent of the State of California's population is a global gateway for trade. Approximately 40% of all the nation's containerized goods enter through the Ports of Los Angeles and Long Beach then are transported by highways and railways to the rest of the nation. These goods are placed on store shelves nationwide, thus having an economic impact on every U.S. Congressional district. The burden of this national economic benefit, disproportionately impacts the health of Southern California communities along our freight transportation system corridors.

While the freight system is important to the health of Southern California's economy, it takes a significant toll on the health and quality of life of local communities. Increasing volumes of freight movement require simultaneous and continuous improvement in pollution control strategies to reduce health impacts.

Southern California residents who live near transportation corridors and facilities served by ships, trains, and heavy-duty trucks have higher risks of asthma and other health related impacts, and cancer risks are elevated in communities miles from the ports. Diesel emissions from freight activities in the region are also major contributors to regional air pollution that the California Air Resources Board estimates annually cause approximately 5,000 premature deaths, 2,400 hospitalizations, and 980,000 lost work days, and 140,000 cases of asthma and lower respiratory symptoms.

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<sup>1</sup> Schneider, C., L. B. Hill, "Diesel and Health in America: The Lingering Threat." Clean Air Task Force, Feb. 2005, [http://catf.us/publications/reports/Diesel\\_Health\\_in\\_America.pdf](http://catf.us/publications/reports/Diesel_Health_in_America.pdf).

Zero and near-zero-emission advanced technologies, along with land use approaches, and policy and regulatory initiatives are important tools for reducing these impacts and improving community health, and will be needed for the region to attain national air quality standards as required by federal law.

MAP-21, the surface transportation authorization law, was enacted in 2012. That law contains several provisions related to freight, but did not establish a funding source for most freight programs. In addition, the Highway Trust Fund (HTF), the major federal funding source for highway and transit projects is nearing insolvency. Funded from federal fuel taxes on gasoline and diesel fuel, the fund is used for highway construction and maintenance, highway safety, and transit projects. Due to the imminent threat of running out of money in August 2014, Congress passed a stopgap plan on July 31, 2014 to prevent a funding lapse. But this stopgap measure does not provide funding beyond May 2015.

There is no clear solution for increasing the funds in the HTF, which have diminished since cars are more fuel efficient (and thus using less gasoline), cars have been driven less during the recent recession, and drivers with alternative-fueled vehicles do not pay into the HTF if their cars do not use gasoline or diesel. Because of the lack of HTF funding, there is little support for expanding the HTF to fund freight projects, particularly those not directly related to highway transportation.

Thus, there has been an effort, strongly supported by Southern California transportation stakeholders, to establish a sustainable, dedicated source of funding for freight projects. This bill would provide a dedicated funding source for freight that is stable and sustainable.

This bill would transfer five percent of all import duties collected by U.S. Customs and Border Protection (U.S. CBP) to a Freight Trust Fund for transportation projects. U.S. CBP currently collects \$38 billion in import duties annually. If passed, the measure would generate approximately \$1.9 billion for the fund each year. This legislation also would direct the U.S. Department of Transportation to work with the National Freight Advisory Committee to identify necessary improvements to the nation's freight system and provide grants for the improvements.

**Status:**

On July 14, 2014, the bill was introduced and referred to the House Committee on Transportation and Infrastructure and the House Committee on Ways and Means. No hearings are set on this bill.

**Specific Provisions:**

H.R. 5101, The National Freight Network Trust Fund Act of 2014, amends the Internal Revenue Code to establish the National Freight Network Trust Fund. Under this bill, five percent of the import duties imposed under the Harmonized Tariff Schedule of the United States (Customs duties) would be appropriated to this Trust Fund. The Trust Fund would be used to provide grants under the newly-created National Freight Network Grant Program.

Under this grant program, the Secretary of Transportation would make competitive grants to states,

regional or local transportation organizations, or port authorities to assist “any project that improves the performance of the national freight network.”

Projects would be evaluated and selected on a competitive basis by considering their potential to:

- generate national economic benefits,
- improve the performance of key corridors and gateways,
- reduce congestion,
- improve transportation safety, and
- enhance the network.

The Federal share of the cost of a project assisted with a grant under the program shall be 90 percent of the total project cost.

This bill uses a much more expansive definition of the National Freight Network than that used in MAP-21. Under this bill, the national Freight Network would be defined as all routes included in the national freight network established by U.S. DOT pursuant to MAP-21, but would also include: roads and rail lines that connect such network to a port; on-dock rail; projects that appear in a State freight plan; projects that appear in a regional transportation plan; railway-highway grade separations, and high freight volume roadway or rail corridors that provide connectivity for ports, intermodal connectors, multimodal freight facilities, multistate freight corridors, international borders, or airports.

**Impacts on SCAQMD’s Mission, Operations or Initiatives:**

This legislation would have an impact on the South Coast Air Basin as it would fund projects related to improving the national freight network. In Southern California, I-405, I-710, I-210, I-605, I-215, I-10, I-5 and SR 91 have all been proposed to be designated as part of the Draft Highway Primary Freight Network. So funding dedicated to improving aspects of these routes would be beneficial to reducing congestion and increasing mobility across these freeways.

In addition, at its May 2014 meeting, the SCAQMD Governing Board approved a set of eight federal legislative proposals related to the federal transportation law and the upcoming reauthorization of the MAP-21 law and the federal passenger rail law. The set contains five proposals that seek to create a more sustainable goods movement supply chain and the infrastructure that supports it, namely infrastructure improvement projects to complement local, state and private investment for ports, key freight corridors and assets, as well as efforts to reduce environmental impacts imposed upon local communities. Two other proposals relate to providing funding to replace existing commuter rail with the cleanest (Tier 4) locomotives. The last proposals would amend the Clean Air Act by requiring U.S. EPA to address emissions from federal sources that could not be addressed by the SIP.

SCAQMD’s proposals use incentives and grant programs to increase the number of zero- and near-zero emission trucks, freight locomotives and cargo handling equipment, seek to expand the number of refueling and recharging facilities for those vehicles, and promote highway infrastructure that promotes the use of cleaner freight vehicles (such as dedicated zero-emission truck lanes).



The commitment made to the region's transportation agencies is that SCAQMD would not support using existing HTF funds for these proposals, but would look for other sustainable funding sources, and would try to identify funding from other sources. H.R. 5101 provides a sustainable funding source.

However, H.R. 5101, despite its innovative approach to using a portion of existing U.S. Customs fees for improvements to the nation's freight system, does not go far enough. Its language is too limiting for our purposes. For instance, none of the SCAQMD MAP-21 proposals would be eligible under its existing language, SCAQMD would not be eligible to use funds, and the current bill does nothing to reduce or mitigate the environmental impacts of freight on local communities.

### **Recommended Position: SUPPORT AND RECOMMEND AMENDMENTS**

As the bill moves forward, it should be strengthened by adding language that will enable local and regional air quality agencies to receive grants and allow grant funding to be spent on projects that reduce the environmental impacts of freight movement.

Proposed amendments are as follows:

#### SEC. 3. NATIONAL FREIGHT NETWORK GRANT PROGRAM.

(a) Establishment.--There is hereby established in the Department of Transportation a National Freight Network Grant Program (in this section referred to as the "Program") to improve the performance of the national freight network.

(b) Grant Authority.--Under the Program, the Secretary of Transportation, in accordance with the national freight strategic plan developed under section 167 of title 23, United States Code, may make a grant to assist any project that improves the performance of a segment of the national freight network or reduces the environmental impacts of freight movement on the national freight network.

(c) Grant Recipients.--Under the Program, the Secretary may make a grant to the following:

- (1) A State.
- (2) A regional or local transportation organization.
- (3) A port authority.

(4) A local or regional air quality agency.

(d) Applications.--To be eligible for a grant under the Program, an entity specified in subsection (c) shall submit to the Secretary an application regarding a proposed project at such time, in such form, and containing such information as the Secretary determines is appropriate.

(e) Selection Criteria.--In making grants under the Program, the Secretary shall evaluate and select projects on a competitive basis by considering the potential of the projects to--

- (1) generate national economic benefits;
- (2) improve the performance of key corridors and gateways;
- (3) reduce congestion;
- (4) improve transportation safety; ~~and~~
- (5) enhance the national freight network; and

(6) reduce the environmental impacts of freight movement.

(f) Federal Share.--The Federal share of the cost of a project assisted with a grant under the Program shall be 90 percent.

(g) Authorization of Appropriations.--There is authorized to be appropriated each fiscal year to carry out the Program the amounts available in the National Freight Network Trust Fund established under section 9512 of the Internal Revenue Code of 1986.

(h) National Freight Network Defined.--In this section, the term "national freight network" means--

- (1) the national freight network established under section 167 of title 23, United States Code;
- (2) roads and rail lines that connect such network to a port;
- (3) on-dock rail;
- (4) projects that appear in a State freight plan;

South Coast Air Quality Management District  
Legislative Analysis Summary – H.R. 5101 (Hahn)  
Version: As introduced 7/14/2014

MC: 10/24/14

- (5) projects that appear in a regional transportation plan;
- (6) high freight volume roadway or rail corridors that provide connectivity for--
  - (A) ports;
  - (B) intermodal connectors;
  - (C) multimodal freight facilities;
  - (D) multistate freight corridors;
  - (E) international borders; or
  - (F) airports; and
- (7) railway-highway grade separations.

113TH CONGRESS  
2D SESSION

# H. R. 5101

To establish a National Freight Network Trust Fund to improve the performance of the national freight network, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2014

Ms. HAHN (for herself, Mr. POE of Texas, Mr. RICHMOND, Mr. LOWENTHAL, Mr. GENE GREEN of Texas, Mr. NOLAN, Mr. RUSH, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish a National Freight Network Trust Fund to improve the performance of the national freight network, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Freight Net-  
5 work Trust Fund Act of 2014”.

1 **SEC. 2. NATIONAL FREIGHT NETWORK TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
3 Internal Revenue Code of 1986 is amended by adding at  
4 the end the following new section:

5 **“SEC. 9512. NATIONAL FREIGHT NETWORK TRUST FUND.**

6 “(a) CREATION OF TRUST FUND.—There is hereby  
7 established in the Treasury of the United States a trust  
8 fund to be known as the ‘National Freight Network Trust  
9 Fund’, consisting of such amounts as may be appropriated  
10 or credited to such Trust Fund as provided in this section  
11 and section 9602(b).

12 “(b) TRANSFERS TO TRUST FUND.—There are here-  
13 by appropriated to the National Freight Network Trust  
14 Fund amounts equivalent to 5 percent of the import duties  
15 imposed under the Harmonized Tariff Schedule of the  
16 United States.

17 “(c) EXPENDITURES.—Amounts in the National  
18 Freight Network Trust Fund shall be available as pro-  
19 vided in appropriations Acts only for making expenditures  
20 to fund awards under the National Freight Network Grant  
21 Program established under section 3(a) of the National  
22 Freight Network Trust Fund Act of 2014.”.

23 (b) CLERICAL AMENDMENT.—The table of sections  
24 for subchapter A of chapter 98 of such Code is amended  
25 by adding at the end the following new item:

“Sec. 9512. National Freight Network Trust Fund.”.

1 **SEC. 3. NATIONAL FREIGHT NETWORK GRANT PROGRAM.**

2 (a) ESTABLISHMENT.—There is hereby established in  
3 the Department of Transportation a National Freight  
4 Network Grant Program (in this section referred to as the  
5 “Program”) to improve the performance of the national  
6 freight network.

7 (b) GRANT AUTHORITY.—Under the Program, the  
8 Secretary of Transportation, in accordance with the na-  
9 tional freight strategic plan developed under section 167  
10 of title 23, United States Code, may make a grant to as-  
11 sist any project that improves the performance of a seg-  
12 ment of the national freight network.

13 (c) GRANT RECIPIENTS.—Under the Program, the  
14 Secretary may make a grant to the following:

15 (1) A State.

16 (2) A regional or local transportation organiza-  
17 tion.

18 (3) A port authority.

19 (d) APPLICATIONS.—To be eligible for a grant under  
20 the Program, an entity specified in subsection (c) shall  
21 submit to the Secretary an application regarding a pro-  
22 posed project at such time, in such form, and containing  
23 such information as the Secretary determines is appro-  
24 priate.

25 (e) SELECTION CRITERIA.—In making grants under  
26 the Program, the Secretary shall evaluate and select

1 projects on a competitive basis by considering the potential  
2 of the projects to—

- 3 (1) generate national economic benefits;
- 4 (2) improve the performance of key corridors  
5 and gateways;
- 6 (3) reduce congestion;
- 7 (4) improve transportation safety; and
- 8 (5) enhance the national freight network.

9 (f) FEDERAL SHARE.—The Federal share of the cost  
10 of a project assisted with a grant under the Program shall  
11 be 90 percent.

12 (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated each fiscal year to carry out  
14 the Program the amounts available in the National  
15 Freight Network Trust Fund established under section  
16 9512 of the Internal Revenue Code of 1986.

17 (h) NATIONAL FREIGHT NETWORK DEFINED.—In  
18 this section, the term “national freight network” means—

- 19 (1) the national freight network established  
20 under section 167 of title 23, United States Code;
- 21 (2) roads and rail lines that connect such net-  
22 work to a port;
- 23 (3) on-dock rail;
- 24 (4) projects that appear in a State freight plan;

1           (5) projects that appear in a regional transpor-  
2           tation plan;

3           (6) high freight volume roadway or rail cor-  
4           ridors that provide connectivity for—

5                   (A) ports;

6                   (B) intermodal connectors;

7                   (C) multimodal freight facilities;

8                   (D) multistate freight corridors;

9                   (E) international borders; or

10                   (F) airports; and

11           (7) railway-highway grade separations.

12 **SEC. 4. NATIONAL FREIGHT POLICY.**

13           Section 167(c)(1) of title 23, United States Code, is  
14 amended by inserting “, and update every 5 years there-  
15 after,” after “shall establish”.

○

## **ATTACHMENT 2c**

### **H.R. 5624 (Lowenthal)**

#### **Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act**

##### **Summary:**

This bill would dedicate roughly \$8 billion a year to freight-related infrastructure projects throughout the nation, with a focus on intermodal projects and projects that help relieve the bottlenecks in the freight transportation system.

##### **Background:**

Freight transportation is an essential part of the global economy. The U.S. freight sector is expected to grow dramatically in the coming years. By 2020, 90.1 million tons per day of freight are expected to move throughout the United States, a 70% increase over 2002.

This freight movement is critical to a robust economy but comes at a high price for the environment and local communities that suffer from its impacts. The freight sector alone represents nearly a quarter of the transportation sector's greenhouse gas emissions, or approximately 8% of total U.S. carbon dioxide emissions. The fine particle pollution from U.S. diesel engines, the most common engines used in freight, is estimated to shorten the lives of nearly 21,000 people each year nationwide.<sup>1</sup> The projected trade increases could place even greater strains on public health and the environment, and add more congestion to the already overburdened and deteriorating highway, rail, and waterway system.

Southern California's South Coast Air Basin, home to five percent of the U.S. population and over forty percent of the State of California's population is a global gateway for trade. Approximately 40% of all the nation's containerized goods enter through the Ports of Los Angeles and Long Beach then are transported by highways and railways to the rest of the nation. These goods are placed on store shelves nationwide, thus having an economic impact on every U.S. Congressional district. The burden of this national economic benefit, disproportionately impacts the health of Southern California communities along our freight transportation system corridors.

While the freight system is important to the health of Southern California's economy, it takes a significant toll on the health and quality of life of local communities. Increasing volumes of freight movement require simultaneous and continuous improvement in pollution control strategies to reduce health impacts.

Southern California residents who live near transportation corridors and facilities served by ships, trains, and heavy-duty trucks have higher risks of asthma and other health related impacts, and cancer risks are elevated in communities miles from the ports. Diesel emissions from freight activities in the region are also major contributors to regional air pollution that the California Air

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<sup>1</sup> Schneider, C., L. B. Hill, "Diesel and Health in America: The Lingering Threat." Clean Air Task Force, Feb. 2005, [http://catf.us/publications/reports/Diesel\\_Health\\_in\\_America.pdf](http://catf.us/publications/reports/Diesel_Health_in_America.pdf).



Resources Board estimates annually cause approximately 5,000 premature deaths, 2,400 hospitalizations, and 980,000 lost work days, and 140,000 cases of asthma and lower respiratory symptoms

Zero and near-zero-emission advanced technologies, along with land use approaches, and policy and regulatory initiatives are important tools for reducing these impacts and improving community health, and will be needed for the region to attain national air quality standards as required by federal law.

MAP-21, the surface transportation authorization law, was enacted in 2012. That law contains several provisions related to freight, but did not establish a funding source for most freight programs. In addition, the Highway Trust Fund (HTF), the major federal funding source for highway and transit projects is nearing insolvency. Funded from federal fuel taxes on gasoline and diesel fuel, the fund is used for highway construction and maintenance, highway safety, and transit projects. Due to the imminent threat of running out of money in August 2014, Congress passed a stopgap plan on July 31, 2014 to prevent a funding lapse. But this stopgap measure does not provide funding beyond May 2015.

There is no clear solution for increasing the funds in the HTF, which have diminished since cars are more fuel efficient (and thus using less gasoline), cars have been driven less during the recent recession, and drivers with alternative-fueled vehicles do not pay into the HTF if their cars do not use gasoline or diesel. Because of the lack of HTF funding, there is little support for expanding the HTF to fund freight projects, particularly those not directly related to highway transportation.

Thus, there has been an effort, strongly supported by Southern California transportation stakeholders, to establish a sustainable, dedicated source of funding for freight projects. This bill would provide a dedicated funding source for freight that is stable and sustainable.

**Status:**

On September 18, 2014, the bill was introduced and referred to the House Committee on Transportation and Infrastructure and the House Committee on Ways and Means. No hearings are set on this bill.

**Specific Provisions:**

H.R. 5624, “Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act,” creates two freight specific grant programs. The first is a formula system, in which each state would receive funds each year based on the amount of existing freight infrastructure within the state. To be eligible, states must develop comprehensive State Freight Plans. They must also have, or form, state freight advisory committees, as encouraged under MAP-21.

California would be eligible as it has established the California Freight Advisory Committee (CFAC) and that committee is currently developing a state freight plan, expected to be completed later this year.

Eligible uses for these funds would be the development of corridor freight plans or regional freight plans; or one or more phases of capital projects, equipment, or operational improvements on roads, rails, landside infrastructure on ports and airports, and intermodal connectors included in a State freight plan for projects that --

- (A) maintain or improve the efficiency and reliability of freight supply chains;
- (B) demonstrate public freight benefits;
- (C) improve modal components of a multimodal corridor that is critical to a State or region;
- (D) address freight needs to facilitate a regionally or nationally significant economic development issue;
- (E) in accordance with the State freight plan, decrease greenhouse gas emissions or local air pollution (including ozone and ozone precursors, nitrogen oxides, sulfur dioxide, particulate matter, carbon monoxide, and lead); water runoff and other adverse water impacts; wildlife habitat loss; and corridor-based and address freight needs;
- (F) are multimodal, multi-jurisdictional, or corridor-based and address freight needs;
- (G) relieve freight or non-freight access, congestion, or safety issues;
- (H) mitigate the adverse impact of freight movement on communities traversed by freight railroads, such as through grade separations; or
- (I) address first and last mile connectors.

The bill authorizes the Freight Transportation Infrastructure Trust Fund to distribute up to \$4 billion of these funds through the formula.

A second funding mechanism is a competitive grant program that would be open to all local, regional, and state governments. Projects would be eligible for a grant if they are a capital investment project for a transportation infrastructure facility significantly used for the movement of freight, they improve the efficiency, reliability and safety of freight transportation, and they reduce the costs of transporting freight, congestion in the freight transportation system, and they reduce the adverse environmental and community impacts of freight transportation. Projects must also have non-Federal sources of funding committed and must be included in their state's freight plan.

Projects selected for grants will be prioritized based on a number of factors including its cost-benefit; its use of innovative technology, strategies, and practices; and the extent to which it will reduce greenhouse gas emissions, criteria pollutants, and water impacts. Grant recipients will be required to collect data and annually report to U.S. DOT and U.S. EPA, the progress made toward greenhouse gas emission reductions and local air pollution reductions in fulfillment of the State freight plan.

The bill also provides that a minimum of five percent of funds awarded under the grant program each year shall be provided to freight electrification demonstration projects, as defined by the Secretary of Transportation, in consultation with the Administrator of U.S. EPA.

These freight programs would be funded through a national one percent waybill fee on the cost of

transporting goods. In other words, the manufacturers would pay a tax to the rail and trucking companies moving their goods to market. The fee would be one percent of the cost of moving the goods. The Federal share of the cost of a project assisted with a grant under the program shall be no more than 80 percent of the total project cost.

The bill also adds much more detail to what would be required by U.S. DOT and the states on what they must include in the national freight plan required by MAP-21 and the state freight plans recommended by MAP-21.

**Impacts on SCAQMD’s Mission, Operations or Initiatives:**

At its May 2014 meeting, the SCAQMD Governing Board approved a set of eight federal legislative proposals related to the federal transportation law and the upcoming reauthorization of the MAP-21 law and the federal passenger rail law. The set contains five proposals that seek to create a more sustainable goods movement supply chain and the infrastructure that supports it, namely infrastructure improvement projects to complement local, state and private investment for ports, key freight corridors and assets, as well as efforts to reduce environmental impacts imposed upon local communities. Two other proposals relate to providing funding to replace existing commuter rail with the cleanest (Tier 4) locomotives. The last proposals would amend the Clean Air Act by requiring U.S. EPA to address emissions from federal sources that could not be addressed by the SIP.

SCAQMD’s proposals use incentives and grant programs to increase the number of zero- and near-zero emission trucks, freight locomotives and cargo handling equipment, seek to expand the number of refueling and recharging facilities for those vehicles, and promote highway infrastructure that promotes the use of cleaner freight vehicles (such as dedicated zero-emission truck lanes).

The commitment made to the region’s transportation agencies is that SCAQMD would not support using existing HTF funds for these proposals, but would look for other sustainable funding sources, and would try to identify funding from other sources. H.R. 5624 establishes such a sustainable funding source for freight programs, and promotes cleaner freight in the process. It does this by prioritizing grants based on several factors including the extent to which a project will reduce greenhouse gas emissions, criteria pollutants, and water impacts.

This bill makes its formula funding eligible for spending on projects that “mitigate the adverse impact of freight movement on communities traversed by freight railroads, such as through grade separations” and makes grants eligible to be spent on projects that “use the environmental strategies to meet the goals described in the State freight plan and reduce the adverse environmental and community impacts of freight transportation.”

In addition, since grant recipients will be required to collect data and annually report the progress made toward greenhouse gas emission reductions and local air pollution reductions, this will help the region achieve greater emission reductions, provide data useful to evaluating projects, and

increase the ability of similar future projects to replicate or improve on those emission reductions.

The five percent set-aside awarded as grants each year for freight electrification demonstration projects will also help establish federal support for a market for clean freight vehicles, and help to move the technology forward.

**Recommended Position: SUPPORT AND RECOMMEND AMENDMENTS**

The five percent annual set-aside for freight electrification demonstration projects should be fuel neutral by changing it to a demonstration program for “zero-emission freight demonstration projects.”

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5624

To amend title 49, United States Code, to establish a Multimodal Freight Funding Formula Program and a National Freight Infrastructure Competitive Grant Program to improve the efficiency and reliability of freight movement in the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2014

Mr. LOWENTHAL introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 49, United States Code, to establish a Multimodal Freight Funding Formula Program and a National Freight Infrastructure Competitive Grant Program to improve the efficiency and reliability of freight movement in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economy in Motion:  
5 The National Multimodal and Sustainable Freight Infra-  
6 structure Act”.

1 **SEC. 2. FREIGHT FUNDING PROGRAMS.**

2 (a) IN GENERAL.—Subchapter I of chapter 55 of title  
3 49, United States Code, is amended by adding at the end  
4 the following:

5 **“§ 5506. Multimodal Freight Funding Formula Pro-**  
6 **gram**

7 “(a) IN GENERAL.—The Secretary shall establish a  
8 Multimodal Freight Funding Formula Program under  
9 which the Secretary shall distribute funds to States to im-  
10 prove the efficiency and reliability of freight movement in  
11 the United States.

12 “(b) FORMULA APPORTIONMENT.—On October 1 of  
13 each fiscal year, the Secretary shall apportion among eligi-  
14 ble States the amount made available to the Secretary for  
15 that fiscal year to carry out the Multimodal Freight Fund-  
16 ing Formula Program as follows:

17 “(1) 6.25 percent in the ratio that—

18 “(A) the number of ports in each State;  
19 bears to

20 “(B) the number of ports in all States.

21 “(2) 6.25 percent in the ratio that—

22 “(A) the number of rail track-miles used  
23 for the movement of freight in each State; bears  
24 to

25 “(B) the number of such rail track-miles in  
26 all States.

1 “(3) 6.25 percent in the ratio that—

2 “(A) the number of cargo-handling air-  
3 ports in each State; bears to

4 “(B) the number of such airports in all  
5 States.

6 “(4) 6.25 percent in the ratio that—

7 “(A) the number of Interstate system  
8 miles in each State; bears to

9 “(B) the number of Interstate system  
10 miles in all States.

11 “(5) 37.5 percent in the ratio that—

12 “(A) the tonnage of rail, waterborne, high-  
13 way, and airport freight moved in each State;  
14 bears to

15 “(B) the tonnage of such freight moved in  
16 all States.

17 “(6) 37.5 percent in the ratio that—

18 “(A) the value of rail, waterborne, highway  
19 and airport freight moved in each State; bears  
20 to

21 “(B) the value of such freight moved in all  
22 States.

23 “(c) TIER I ELIGIBILITY.—A State shall be eligible  
24 for an apportionment under subsection (b) if the State—

1           “(1) has an established a freight advisory com-  
2           mittee in accordance with section 1117 of MAP-21  
3           (Public Law 112-141);

4           “(2) developed any analyses or plans required  
5           for the completion of a State freight plan, as deter-  
6           mined by the Secretary and in consultation with the  
7           Administrator of the Environmental Protection  
8           Agency in the case of environment goals and strate-  
9           gies, in accordance with section 1118 of MAP-21  
10          (Public Law 112-141);

11          “(3) has an approved State freight plan;

12          “(4) has conducted a statewide analysis of  
13          freight needs and bottlenecks on all modes of trans-  
14          portation, including intermodal and last mile needs;

15          “(5) demonstrates use of the statewide analysis  
16          of freight needs in prioritizing projects in the State  
17          freight plan;

18          “(6) demonstrates that the State will use the  
19          funding that it is apportioned under this paragraph  
20          for the highest priority projects identified in the  
21          freight investment plan described under section 1118  
22          of MAP-21 (Public Law 112-141); and

23          “(7) demonstrates that the projects will use the  
24          strategies and contribute to the goals described in  
25          the State freight plan to decrease—



1           “(A) greenhouse gas emissions;

2           “(B) local air pollution, including ozone  
3           and ozone precursors, nitrogen oxides, sulfur di-  
4           oxide, particulate matter, carbon monoxide, and  
5           lead;

6           “(C) water runoff and other adverse water  
7           impacts; and

8           “(D) wildlife habitat loss.

9           “(d) TIER II ELIGIBILITY.—

10           “(1) WITHHOLDING.—The Secretary shall with-  
11           hold 60 percent of the amount required to be appor-  
12           tioned to a State under subsection (b) on October 1  
13           of a fiscal year if the State does not meet the re-  
14           quirements of paragraph (2) on that date.

15           “(2) TIER II REQUIREMENTS.—A State meets  
16           the requirements of this paragraph if the State—

17           “(A) has met the eligibility criteria of sub-  
18           section (c);

19           “(B) has conducted, in cooperation with at  
20           least 1 other State, a multistate analysis of  
21           freight needs and bottlenecks on all modes of  
22           transportation, including intermodal and last  
23           mile needs along a multistate freight corridor;  
24           and

1           “(C) has developed, in cooperation with at  
2           least one other State or a relevant entity in  
3           Canada or Mexico, a regional freight investment  
4           plan that focuses on the end-to-end investment  
5           needs of critical multistate freight corridors  
6           based on the multistate analysis of freight  
7           needs and bottlenecks on all modes of transpor-  
8           tation, including intermodal and last mile  
9           needs.

10           “(3) PERIOD OF AVAILABILITY OF WITHHELD  
11           FUNDS.—Any funds withheld from apportionment to  
12           a State under paragraph (1) shall remain available  
13           until the end of the fiscal year in which the funds  
14           are made available to the Secretary.

15           “(4) APPORTIONMENT OF FUNDS WITHHELD  
16           AFTER COMPLIANCE.—If, before the last day of the  
17           period for which funds withheld under paragraph (1)  
18           are to remain available for apportionment to a State  
19           under paragraph (3), the State meets the require-  
20           ments of paragraph (2), the Secretary shall, on the  
21           first day that the State meets the requirements, ap-  
22           portion to the State the funds withheld under para-  
23           graph (1) that remain available for apportionment to  
24           the State.

1           “(5) EFFECT OF NONCOMPLIANCE.—Notwith-  
2           standing the limitation of funding under section  
3           5507(k), if, at the end of the period for which funds  
4           withheld under paragraph (1) from apportionment  
5           are available for apportionment to a State under  
6           paragraph (3), the State does not meet the require-  
7           ments of paragraph (2), the funds shall be available  
8           to the Secretary for making grants under the Na-  
9           tional Freight Competitive Grant Program estab-  
10          lished under section 5507.

11          “(e) PERIOD OF AVAILABILITY.—Any funds appor-  
12          tioned to a State under subsection (c) and (d)(4) shall  
13          remain available for expenditure until the last day of the  
14          third fiscal year following the fiscal year in which the  
15          funds are so apportioned. Notwithstanding the limitation  
16          of funding under section 5507(k), funds not obligated at  
17          the end of that period shall be available to the Secretary  
18          for making grants under the National Freight Competitive  
19          Grant Program established under section 5507.

20          “(f) ELIGIBLE USES.—A State may use funds appor-  
21          tioned under this section only for—

22                 “(1) the development of corridor freight plans  
23                 or regional freight plans; or

24                 “(2) one or more phases of capital projects,  
25                 equipment, or operational improvements on roads,

1 rails, landside infrastructure on ports and airports,  
2 and intermodal connectors included in a State  
3 freight plan for projects that—

4 “(A) maintain or improve the efficiency  
5 and reliability of freight supply chains;

6 “(B) demonstrate public freight benefits;

7 “(C) improve modal components of a  
8 multimodal corridor that is critical to a State or  
9 region;

10 “(D) address freight needs to facilitate a  
11 regionally or nationally significant economic de-  
12 velopment issue;

13 “(E) in accordance with the State freight  
14 plan, decrease—

15 “(i) greenhouse gas emissions;

16 “(ii) local air pollution, including  
17 ozone and ozone precursors, nitrogen ox-  
18 ides, sulfur dioxide, particulate matter,  
19 carbon monoxide, and lead;

20 “(iii) water runoff and other adverse  
21 water impacts; and

22 “(iv) wildlife habitat loss;

23 “(F) are multimodal, multi-jurisdictional,  
24 or corridor-based and address freight needs;

1           “(G) relieve freight or non-freight access,  
2 congestion, or safety issues;

3           “(H) mitigate the adverse impact of  
4 freight movement on communities traversed by  
5 freight railroads, such as through grade separa-  
6 tions; or

7           “(I) address first and last mile connectors.

8           “(g) FEDERAL SHARE.—The Federal share of the  
9 cost of a project carried out by a State using funds appor-  
10 tioned under this section may not be more than 80 per-  
11 cent.

12          “(h) LIMITATION ON FUNDING.—The Secretary shall  
13 make available not more than \$4,000,000,000 per fiscal  
14 year from the Freight Trust Fund established under sec-  
15 tion 6 of the Economy in Motion: The National  
16 Multimodal and Sustainable Freight Infrastructure Act to  
17 carry out this section.

18          “(i) ADMINISTRATION AND OVERSIGHT COSTS.—The  
19 Secretary may retain up to one-half of 1 percent of the  
20 amounts available to carry out this section for each fiscal  
21 year for the cost of administration and oversight of  
22 projects funded under this section.

23          “(j) DATE AVAILABLE FOR OBLIGATION.—Amounts  
24 from the Freight Trust Fund made available to a State

1 under this section shall be available for obligation on Octo-  
2 ber 1 of the fiscal year for which they are apportioned.

3 “(k) DEFINITIONS.—

4 “(1) STATE.—In this section, the term ‘State’  
5 means each of the 50 States, the District of Colum-  
6 bia, and Puerto Rico.

7 “(2) STATE FREIGHT PLAN.—The term ‘State  
8 freight plan’ means the State freight plan described  
9 under section 1118 of MAP–21 (Public Law 112–  
10 141).

11 **“§ 5507. National Freight Infrastructure Competitive**  
12 **Grant Program**

13 “(a) ESTABLISHMENT.—The Secretary shall estab-  
14 lish a National Freight Infrastructure Competitive Grant  
15 Program under which the Secretary may make grants, on  
16 a competitive basis, to designated entities for eligible  
17 projects to improve the efficiency and reliability of freight  
18 movement in the United States.

19 “(b) PROJECT GOALS.—In carrying out the Program,  
20 the Secretary shall prioritize projects that—

21 “(1) improve the efficiency and reliability of  
22 freight transportation;

23 “(2) reduce the cost of freight transportation;

24 “(3) improve the safety of freight transpor-  
25 tation;

1           “(4) relieve bottlenecks in the freight transpor-  
2           tation system;

3           “(5) improve the state of good repair of the  
4           freight transportation system; and

5           “(6) use the environmental strategies to meet  
6           the goals described in the State freight plan and re-  
7           duce the adverse environmental and community im-  
8           pacts of freight transportation.

9           “(c) GRANT APPLICATIONS.—To be eligible to receive  
10          a grant under the Program a designated entity shall sub-  
11          mit to the Secretary an application at such time, in such  
12          form, and containing such information as the Secretary  
13          may require.

14          “(d) ELIGIBLE PROJECT.—A project is eligible for a  
15          grant under the Program only if the Secretary determines  
16          that the project—

17                 “(1) is a capital investment project for a trans-  
18                 portation infrastructure facility significantly used for  
19                 the movement of freight, including—

20                         “(A) a road, rail, air, or water facility;

21                         “(B) an intermodal facility such as a sea-  
22                         port or port on the inland waterway system, an  
23                         airport, or a highway and rail intermodal facil-  
24                         ity;

1           “(C) a facility related to an international  
2 border crossing; or

3           “(D) is for an operational improvement or  
4 equipment of a facility described in this para-  
5 graph;

6           “(2) will help to achieve the goals set out in  
7 subsection (b), except that in the case of any envi-  
8 ronmental strategies and goals, the Secretary shall  
9 make a determination in consultation with the Ad-  
10 ministrator of the Environmental Protection Agency;

11           “(3) has non-Federal source or sources of com-  
12 mitted financing, along with any Federal funds, suf-  
13 ficient to complete the project;

14           “(4) has independent utility;

15           “(5) is included in the State freight plan; and

16           “(6) includes the development of project plans  
17 and analysis.

18           “(e) GRANT CRITERIA.—The Secretary shall select  
19 eligible projects for funding based on the following cri-  
20 teria:

21           “(1) The extent to which the project is likely to  
22 advance the goals described in subsection (b).

23           “(2) The likely benefits of the project relative  
24 to its costs.



1           “(3) The extent to which the project dem-  
2           onstrates the use of innovative technology, strate-  
3           gies, and practices.

4           “(4) The extent to which the project dem-  
5           onstrates effective reductions (in accordance with  
6           the State freight plan) in—

7                   “(A) greenhouse gas emissions;

8                   “(B) local air pollution, including ozone  
9                   and ozone precursors, nitrogen oxides, sulfur di-  
10                  oxide, particulate matter, carbon monoxide, and  
11                  lead;

12                  “(C) water runoff and other adverse water  
13                  impacts; and

14                  “(D) wildlife habitat loss.

15           “(5) The likely effect of the project on increas-  
16           ing United States exports.

17           “(6) The consistency of the project with the na-  
18           tional freight strategic plan described under section  
19           5508.

20           “(7) The extent to which the project leverages  
21           Federal funds by matching State, local, tribal, or  
22           private funds to the Federal funding requested  
23           under the Program.

24           “(8) The extent to which funds for the project  
25           are not available from other Federal sources.

1       “(f) SPECIAL RULE.—A minimum of 5 percent of  
2 funds awarded under the Program for a fiscal year shall  
3 be provided to freight electrification demonstration  
4 projects, as defined by the Secretary of Transportation,  
5 in consultation with the Administrator of the Environ-  
6 mental Protection Agency.

7       “(g) RETROSPECTIVE ANALYSIS.—A grant agree-  
8 ment made under the Program shall require that the re-  
9 cipient collect data and report to the Secretary, at an ap-  
10 propriate time as determined by the Secretary, on—

11               “(1) the actual cost of constructing the project;

12               “(2) the time required to complete the project  
13 and put it into service;

14               “(3) the level of usage of the facility built or  
15 improved by the project;

16               “(4) the benefits of the project, measured in a  
17 way that is consistent with the benefits that were es-  
18 timated in the application for funding that was sub-  
19 mitted to the Secretary; and

20               “(5) any costs resulting from the project in ad-  
21 dition to the costs of constructing the project.

22       “(h) EPA REPORT.—A grant agreement made under  
23 the Program shall require that the recipient collect data  
24 and annually report to the Secretary and the Adminis-  
25 trator of Environmental Protection Agency on progress

1 made toward greenhouse gas emission reductions and local  
2 air pollution reductions in fulfillment of the State freight  
3 plan.

4 “(i) PERIOD OF AVAILABILITY.—In entering into  
5 agreements under this section, the Secretary shall ensure  
6 that any funds made available for a project that are not  
7 obligated or expended before the last day of the third fiscal  
8 year following the fiscal year in which the funds are made  
9 available are transferred back to the Secretary for making  
10 grants under the Program.

11 “(j) FEDERAL SHARE.—The Federal share of the  
12 cost of a project for which a grant is made under the Pro-  
13 gram, as estimated by the Secretary, shall be not more  
14 than 80 percent.

15 “(k) ADMINISTRATION AND OVERSIGHT COSTS.—  
16 The Secretary may retain up to one-half of 1 percent of  
17 the amounts made available to carry out this section for  
18 each fiscal year for the cost of administration and over-  
19 sight of projects funded under the Program.

20 “(l) CONTRACT AUTHORITY.—

21 “(1) DATE AVAILABLE FOR OBLIGATION.—  
22 Amounts from the Freight Trust Fund to carry out  
23 this Act shall be available for obligation on October  
24 1 of the fiscal year for which they are transferred  
25 to the Secretary.

1           “(2) GRANTS AS CONTRACTUAL OBLIGA-  
 2           TIONS.—A grant made under the Program is a con-  
 3           tractual obligation of the Government to pay the  
 4           Federal share of the cost of the project.

5           “(m) DEFINITIONS.—In this section:

6           “(1) DESIGNATED ENTITY.—The term ‘des-  
 7           ignated entity’ means—

8                   “(A) a State;

9                   “(B) a unit of local government;

10                  “(C) a metropolitan planning organization;

11                  “(D) a public transportation authority (in-  
 12                  cluding a port authority);

13                  “(E) a tribal government; or

14                  “(F) or a consortium of the entities de-  
 15                  scribed in this paragraph.

16           “(2) STATE.—The term ‘State’ has the mean-  
 17           ing given such term in section 101(a) of title 23.

18           “(3) STATE FREIGHT PLAN.—The term ‘State  
 19           freight plan’ means the State freight plan described  
 20           under section 1118 of MAP–21 (Public Law 112–  
 21           141).

22           **“§ 5508. National freight policy, network, plan, and**  
 23                   **data**

24           “(a) IN GENERAL.—It is the policy of the United  
 25           States to improve the condition and performance of the

1 national freight system to ensure that the national freight  
2 system provides the foundation for the United States to  
3 compete in the global economy and achieve each goal de-  
4 scribed in subsection (b).

5 “(b) GOALS.—The goals of the national freight policy  
6 are—

7 “(1) to increase the productivity and efficiency  
8 of the national freight system so as to enhance the  
9 economic competitiveness of the United States;

10 “(2) to improve the safety, security, and resil-  
11 ience of freight transportation; and

12 “(3) to improve quality of life by reducing,  
13 eliminating or reversing adverse environmental and  
14 community impacts of freight projects and goods  
15 movement in the United States.

16 “(c) NATIONAL FREIGHT SYSTEM DEFINED.—In  
17 this section, the term ‘national freight system’ means the  
18 publicly and privately owned transportation facilities that  
19 are used in transporting freight within the United States,  
20 including roads, railroads, ports, waterways, locks and  
21 dams, airports, airways, warehouses, distribution centers,  
22 and intermodal facilities.

23 “(d) MULTIMODAL NATIONAL FREIGHT NET-  
24 WORK.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish a multimodal national freight network in ac-  
3           cordance with this section to inform public and pri-  
4           vate planning, to prioritize for Federal investment,  
5           to aid the public and private sector in strategically  
6           directing resources, and to support Federal decision  
7           making to achieve the national freight policy goals  
8           set forth in subsection (b).

9           “(2) NETWORK COMPONENTS.—The national  
10          freight network shall consist of such connectors, cor-  
11          ridors, and facilities in all freight transportation  
12          modes as most critical to the current and future  
13          movement of freight within the national freight sys-  
14          tem.

15          “(3) INITIAL DESIGNATION OF THE NATIONAL  
16          FREIGHT NETWORK.—

17                 “(A) DESIGNATION.—The Secretary shall  
18                 designate a national freight network—

19                         “(i) using measurable data to assess  
20                         the significance of goods movement, includ-  
21                         ing consideration of points of origin, des-  
22                         tination, and linking components of the  
23                         United States global and domestic supply  
24                         chains;

1           “(ii) fostering network connectivity;  
2           and

3           “(iii) reflecting input collected from  
4           stakeholders through a public process, in-  
5           cluding input from metropolitan planning  
6           organizations and States, to identify crit-  
7           ical freight facilities that are vital links in  
8           national or regionally significant goods  
9           movement and supply chains.

10           “(B) FACTORS FOR DESIGNATION.—In  
11           designating the national freight network, the  
12           Secretary may consider—

13           “(i) volume, tonnage, and value of  
14           freight;

15           “(ii) origins and destinations of  
16           freight movement in, to, and from the  
17           United States;

18           “(iii) land and maritime ports of  
19           entry;

20           “(iv) population centers;

21           “(v) economic factors or other inputs  
22           determined to be relevant by the Secretary;

23           “(vi) bottlenecks and other impedi-  
24           ments contributing to significant measur-

1           able congestion and delay in freight move-  
2           ment;

3           “(vii) facilities of future freight im-  
4           portance based on input from stakeholders  
5           and analysis of projections for future  
6           growth and changes to the freight system;  
7           and

8           “(viii) elements of the freight system  
9           identified and documented by a metropoli-  
10          tan planning organization and State using  
11          national or local data as having critical  
12          freight importance to the region.

13          “(4) REDESIGNATION OF THE NATIONAL  
14          FREIGHT NETWORK.—Not later than 5 years after  
15          the designation of the national freight network  
16          under paragraph (2) and every 5 years thereafter,  
17          using the designation factors described in paragraph  
18          (1), the Secretary shall redesignate the national  
19          freight network.

20          “(e) NATIONAL FREIGHT STRATEGIC PLAN.—

21          “(1) ESTABLISHMENT OF PLAN.—Not later  
22          than October 1, 2015, the Secretary shall, in con-  
23          sultation with the Secretary of Homeland Security,  
24          Secretary of Commerce, Assistant Secretary of the  
25          Army for Civil Works, the Administrator of the En-



1 vironmental Protection Agency, State departments  
2 of transportation, and other appropriate public and  
3 private transportation stakeholders, develop, main-  
4 tain, and post on the Department of Transportation  
5 public website a national freight strategic plan that  
6 includes—

7 “(A) an assessment of the condition and  
8 performance of the national freight system;

9 “(B) an identification of bottlenecks on the  
10 national freight system that create significant  
11 freight congestion problems, based on a quan-  
12 titative methodology developed by the Secretary,  
13 which shall, at a minimum, include—

14 “(i) information from the Freight  
15 Analysis Framework of the Federal High-  
16 way Administration; and

17 “(ii) to the maximum extent prac-  
18 ticable, an estimate of the cost of address-  
19 ing each bottleneck and any operational  
20 improvements that could be implemented;

21 “(C) forecasts of freight volumes for 10-  
22 year and 20-year periods beginning in the year  
23 during which the plan is issued;

24 “(D) an identification of major trade gate-  
25 ways and national freight corridors that connect

1 major population centers, trade gateways, and  
2 other major freight generators for current and  
3 forecasted traffic and freight volumes, the iden-  
4 tification of which shall be revised, as appro-  
5 priate, in subsequent plans;

6 “(E) an assessment of statutory, regu-  
7 latory, technological, institutional, financial,  
8 and other barriers to improved freight transpor-  
9 tation performance (including opportunities for  
10 overcoming the barriers);

11 “(F) an identification of routes providing  
12 access to energy exploration, development, in-  
13 stallation, or production areas;

14 “(G) best practices for improving the per-  
15 formance of the national freight system;

16 “(H) best practices for addressing the im-  
17 pacts of freight movement on communities;

18 “(I) a process for addressing multistate  
19 projects and encouraging jurisdictions to col-  
20 laborate; and

21 “(J) strategies to improve freight  
22 connectivity between modes of transportation.

23 “(2) UPDATES TO NATIONAL FREIGHT STRA-  
24 TEGIC PLAN.—Not later than 5 years after the date  
25 of completion of the first national freight strategic

1 plan under paragraph (1), and every 5 years there-  
2 after, the Secretary shall update and repost on the  
3 Department of Transportation public website a re-  
4 vised national freight strategic plan.

5 “(f) FREIGHT TRANSPORTATION CONDITIONS AND  
6 PERFORMANCE REPORTS.—Not later than October 1,  
7 2015, and biennially thereafter, the Secretary shall pre-  
8 pare a report that contains a description of the conditions  
9 and performance of the national freight system in the  
10 United States.

11 “(g) TRANSPORTATION INVESTMENT DATA AND  
12 PLANNING TOOLS.—

13 “(1) IN GENERAL.—The Secretary shall develop  
14 new tools and improve existing tools to support an  
15 outcome-oriented, performance-based approach to  
16 evaluate proposed freight-related and other transpor-  
17 tation projects, including—

18 “(A) methodologies for systematic analysis  
19 of benefits and costs;

20 “(B) freight forecasting models;

21 “(C) tools for ensuring that the evaluation  
22 of freight-related and other transportation  
23 projects can consider safety, economic competi-  
24 tiveness, environmental sustainability, and sys-

1           tem condition in the project selection process;  
2           and

3           “(D) other elements to assist in effective  
4           transportation planning.

5           “(2) FREIGHT DATA.—In support of these  
6           tools, and to support a broad range of evaluation  
7           methods and techniques to assist in making trans-  
8           portation investment decisions, the Secretary shall—

9           “(A) direct the collection of appropriate  
10          transportation-related data, including data to  
11          measure the condition and performance of the  
12          national freight system; and

13          “(B) consider any improvements to exist-  
14          ing freight data collection efforts that could re-  
15          duce identified freight data gaps and defi-  
16          ciencies and help improve forecasts of freight  
17          transportation demand.

18          “(3) CONSULTATION.—The Secretary shall con-  
19          sult with Federal, State, and other stakeholders to  
20          develop, improve, and implement the tools and col-  
21          lect the data identified pursuant to this subsection.

22          “(4) MULTIMODAL FREIGHT MEASURE.—The  
23          Secretary shall evaluate the analyses and plans re-  
24          quired under section 5506(c)(2) and consider devel-  
25          opment of a national performance measure to assess

1 the efficiency of the multimodal freight network in  
2 accordance with the national freight strategic plan.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) TABLE OF SECTIONS.—The table of sections  
5 for chapter 55 of title 49, United States Code, is  
6 amended by adding after the item related to section  
7 5505 the following:

“5506. Multimodal Freight Funding Formula Program.

“5507. National Freight Infrastructure Competitive Grant Program.

“5508. National freight policy, network, plan, and data.”.

8 (2) REPEAL.—Section 167 of title 23, United  
9 States Code, is repealed.

10 (3) CROSS-REFERENCE.—Section 505(a)(3) of  
11 title 23, United States Code, is amended by striking  
12 “149, and 167” and inserting “and 149, and section  
13 5405 of title 49”.

14 **SEC. 3. STATE FREIGHT ADVISORY COMMITTEE.**

15 Section 1117 of MAP–21 (Public Law 112–141) is  
16 amended to read as follows:

17 **“SEC. 1117. STATE FREIGHT ADVISORY COMMITTEES.**

18 “(a) IN GENERAL.—The Secretary shall encourage  
19 each State to establish and maintain a freight advisory  
20 committee consisting of a representative cross-section of  
21 public and private sector freight entities, including—

22 “(1) any modes of freight transportation active  
23 in the State, including airports, highways, ports, and  
24 rail;

1 “(2) shippers;

2 “(3) carriers;

3 “(4) freight-related associations;

4 “(5) the freight industry workforce;

5 “(6) the transportation department of the  
6 State;

7 “(7) metropolitan planning organizations;

8 “(8) local governments;

9 “(9) the environmental protection department  
10 of the State, if applicable; and

11 “(10) the air resources board of the State, if  
12 applicable.

13 “(b) QUALIFICATIONS.—Members of a committee es-  
14 tablished under subsection (a) shall be widely recognized  
15 to have qualifications sufficient to represent the interests  
16 of their specific stakeholder group, including—

17 “(1) a general business and financial experi-  
18 ence;

19 “(2) experience or qualifications in the areas  
20 freight transportation and logistics;

21 “(3) experience in transportation planning;

22 “(4) experience representing employees of the  
23 freight industry; or

24 “(5) experience representing a State, local gov-  
25 ernment, or metropolitan planning organization.

1       “(c) ROLES OF COMMITTEE.—The freight advisory  
2 committee shall—

3               “(1) advise the State on freight-related prior-  
4 ities, issues, projects, and funding needs;

5               “(2) serve as a forum for discussion for State  
6 transportation decisions affecting freight mobility;

7               “(3) communicate and coordinate regional pri-  
8 orities with other organizations;

9               “(4) promote the sharing of information be-  
10 tween the private and public sectors on freight  
11 issues;

12               “(5) participate in the development of the State  
13 freight plan under section 1118, including advising  
14 on the development of the freight investment plan;  
15 and

16               “(6) approve the State freight plan under sec-  
17 tion 1118, including the freight investment plan.”.

18 **SEC. 4. STATE FREIGHT PLANS.**

19       Section 1118 of MAP-21 (Public Law 112-141) is  
20 amended to read as follows:

21 **“SEC. 1118. STATE FREIGHT PLANS.**

22       “(a) IN GENERAL.—The Secretary shall encourage  
23 each State to develop a freight plan that provides a  
24 multimodal, comprehensive plan for the immediate and  
25 long-range planning activities and investments of the

1 State with respect to freight. The freight plan shall include  
2 a strategic, long-term component and a tactical, short-  
3 term component.

4 “(b) PLAN CONTENTS.—The freight plan described  
5 in subsection (a) shall consider all modes of freight trans-  
6 portation in the State and include, at a minimum—

7 “(1) an identification of significant freight sys-  
8 tem trends, needs, and issues with respect to a  
9 State;

10 “(2) a description of the freight policies, strate-  
11 gies, and performance measures that will guide the  
12 freight-related transportation investment decisions of  
13 the State;

14 “(3) a description of how the plan will improve  
15 the ability of the State to meet the national freight  
16 goals established under section 5508 of title 49,  
17 United States Code;

18 “(4) evidence of consideration of innovative  
19 technologies and operational strategies, including in-  
20 telligent transportation systems, that improve the  
21 safety and efficiency of freight movement;

22 “(5) in the case of routes on which travel of  
23 heavy vehicles (including mining, agricultural, en-  
24 ergy cargo or equipment, and timber vehicles) is pro-  
25 jected to substantially deteriorate the condition of



1 the roadways, a description of improvements that  
2 may be required to reduce or impede the deteriora-  
3 tion;

4 “(6) an inventory of facilities with freight mo-  
5 bility issues, such as truck bottlenecks, within the  
6 State, and a description of the strategies the State  
7 is employing to address those freight mobility issues;

8 “(7) strategies and goals to decrease—

9 “(A) greenhouse gas emissions;

10 “(B) local air pollution, including ozone  
11 and ozone precursors, nitrogen oxides, sulfur di-  
12 oxide, particulate matter, carbon monoxide, and  
13 lead;

14 “(C) water runoff and other adverse water  
15 impacts; and

16 “(D) wildlife habitat loss; and

17 “(8) a freight investment plan that includes a  
18 list of projects in order of priority and describes how  
19 multimodal freight investment funds under the  
20 Economy in Motion: The National Multimodal and  
21 Sustainable Freight Infrastructure Act would be in-  
22 vested and matched.

23 “(c) REQUIREMENT OF ANTICIPATED FULL FUND-  
24 ING.—The freight investment plan required under sub-  
25 section (b)(8) may only include a project, or an identified

1 phase of a project, if funding for completion of the project  
2 can reasonably be anticipated to be available for the  
3 project within the time period identified in the freight in-  
4 vestment plan.

5 “(d) RELATIONSHIP TO LONG-RANGE PLAN.—The  
6 freight plan described in subsection (a) may be developed  
7 separate from, or incorporated into, the long-range state-  
8 wide transportation plan required under section 135(f) of  
9 title 23, United States Code.

10 “(e) CERTIFICATION.—The Secretary shall approve a  
11 freight plan if such plan meets the requirements of this  
12 section and is consistent with the National freight stra-  
13 tegic plan described in section 5508 of title 49, United  
14 States Code. The Secretary, in consultation with the Ad-  
15 ministrator of the Environmental Protection Agency shall  
16 certify any environmental goal or strategy provisions of  
17 the plan.

18 “(f) FORECAST PERIOD.—The freight plan described  
19 in subsection (a) shall address a 10-year and 20-year fore-  
20 cast period.

21 “(g) UPDATES.—A State shall update the freight  
22 plan at least every 5 years.”.

1 **SEC. 5. FREIGHT TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
3 Internal Revenue Code of 1986 is amended by adding at  
4 the end the following new section:

5 **“SEC. 9512. FREIGHT TRUST FUND.**

6 “(a) CREATION OF TRUST FUND.—There is estab-  
7 lished in the Treasury of the United States a trust fund  
8 to be known as the ‘Freight Trust Fund’ (hereinafter in  
9 this section referred to as the ‘Fund’) consisting of such  
10 amounts as may be appropriated or credited to such Fund  
11 as provided in this section or section 9602(b).

12 “(b) TRANSFERS TO THE FUND.—There are hereby  
13 appropriated to the Fund amounts equivalent to taxes re-  
14 ceived in the Treasury under section 4286.

15 “(c) EXPENDITURES FROM FUND.—Amounts in the  
16 Fund shall be made available to the Secretary of Trans-  
17 portation on October 1 of each fiscal year without further  
18 appropriation for making expenditures to meet the obliga-  
19 tions of the United States to carry out sections 5506 and  
20 5507 of title 49, United States Code, not more than 1  
21 percent of which for any fiscal year may be used for ad-  
22 ministrative expenses.”.

23 (b) CLERICAL AMENDMENT.—The table of sections  
24 for subchapter A of chapter 98 of the Internal Revenue

1 Code of 1986 is amended by adding at the end the fol-  
 2 lowing new item:

“Sec. 9512. Freight Trust Fund.”.

3 **SEC. 6. FREIGHT MOBILITY INFRASTRUCTURE TAX.**

4 (a) IMPOSITION OF TAX.—Chapter 33 of the Internal  
 5 Revenue Code of 1986 is amended by adding after sub-  
 6 chapter C the following new subchapter:

7 **“Subchapter D—Transportation by Freight**  
 8 **and Highway**

“Sec. 4286. Imposition of tax.

9 **“SEC. 4286. IMPOSITION OF TAX.**

10 “(a) IN GENERAL.—There is hereby imposed upon  
 11 taxable ground transportation of property within the  
 12 United States a tax equal to 1 percent of the amount paid  
 13 for such transportation.

14 “(b) BY WHOM PAID.—

15 “(1) IN GENERAL.—Except as provided by  
 16 paragraph (2), the tax imposed by subsection (a)  
 17 shall be paid—

18 “(A) by the person making the payment  
 19 subject to tax, or

20 “(B) in the case of transportation by a re-  
 21 lated person, by the person for whom such  
 22 transportation is made.

23 “(2) PAYMENTS MADE OUTSIDE THE UNITED  
 24 STATES.—If a payment subject to tax under sub-

1 section (a) is made outside the United States and  
2 the person making such payment does not pay such  
3 tax, such tax—

4 “(A) shall be paid by the person to whom  
5 the property is delivered in the United States  
6 after the final segment of transportation in the  
7 United States, and

8 “(B) shall be collected by the person fur-  
9 nishing the last segment of such transportation.

10 “(3) DETERMINATIONS OF AMOUNTS PAID IN  
11 CERTAIN CASES.—For purposes of this section, rules  
12 similar to the rules of section 4271(c) shall apply.

13 “(c) TRANSPORTATION BY RELATED PERSONS.—In  
14 the case of transportation of property by the taxpayer or  
15 a person related to the taxpayer, the fair market value  
16 of such transportation shall be the amount which would  
17 be paid for transporting such property if such property  
18 were transported by an unrelated person, determined on  
19 an arms’ length basis.

20 “(d) DEFINITIONS.—For purposes of this sub-  
21 chapter—

22 “(1) TAXABLE GROUND TRANSPORTATION.—

23 “(A) IN GENERAL.—The term ‘taxable  
24 ground transportation’ means transportation of  
25 property by—

1 “(i) freight rail, or

2 “(ii) commercial motor vehicle (as de-  
3 fined in section 31101(1) of title 49,  
4 United States Code) for a distance of more  
5 than 50 miles.

6 “(B) PASSENGER BAGGAGE EXCLUDED.—  
7 For purposes of subparagraph (A), the term  
8 ‘property’ does not include baggage accom-  
9 panying a passenger traveling on an established  
10 line.

11 “(2) RELATED PERSON.—A person (hereinafter  
12 in this paragraph referred to as the ‘related person’)  
13 is related to any person if—

14 “(A) the related person bears a relation-  
15 ship to such person specified in section 267(b)  
16 or 707(b)(1), or

17 “(B) the related person and such person  
18 are engaged in trades or businesses under com-  
19 mon control (within the meaning of subsections  
20 (a) and (b) of section 52).

21 For purposes of the preceding sentence, in applying  
22 sections 267(b) and 707(b)(1), ‘10 percent’ shall be  
23 substituted for ‘50 percent’ each place it appears.

24 “(e) TRANSFER OF AMOUNTS EQUIVALENT TO TAX  
25 TO FREIGHT TRUST FUND.—There are hereby appro-

1 priated to the Freight Trust Fund amounts equivalent to  
2 the taxes received in the Treasury under subsection (a).

3 “(f) EXEMPTION FOR UNITED STATES AND POSSES-  
4 SIONS AND STATE AND LOCAL GOVERNMENTS.—The tax  
5 imposed by subsection (a) shall not apply to the transpor-  
6 tation of property purchased for the exclusive use of the  
7 United States, or any State or political subdivision there-  
8 of.”.

9 (b) CREDITS OR REFUNDS TO PERSONS WHO COL-  
10 LECTED CERTAIN TAXES.—Section 6415 of such Code is  
11 amended by striking “or 4271” each place it appears and  
12 inserting “4271, or 4286”.

13 (c) REGULATIONS.—Not later than 180 days after  
14 the date of the enactment of this Act, the Secretary of  
15 the Treasury shall issue regulations to carry out the  
16 amendments made by this section.

17 (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to transportation beginning on or  
19 after the last day of the 180-day period beginning on the  
20 date of the issuance of regulations under subsection (c).

○

# ATTACHMENT 3

## SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

### LEGISLATIVE REPORT FROM HOME RULE ADVISORY GROUP MEETING OF NOVEMBER 19, 2014

HRAG members present:

Dr. Joseph Lyou, Chairman

Dr. Elaine Chang, SCAQMD

Elizabeth Adams, EPA (participated by phone)

Curt Coleman, Southern California Air Quality Alliance

Jaclyn Ferlita, ClimeCo

Chris Gallenstein, CARB (participated by phone)

Jayne Joy, Eastern Municipal Water District

Bill LaMarr, California Small Business Alliance

Rongsheng Luo, SCAG (participated by phone)

Bill Quinn, CCEEB

Terry Roberts, American Lung Association of California

David Rothbart, Los Angeles County Sanitation Districts

Lee Wallace, So Cal Gas and SDG&E

Mike Wang, WSPA

AQMD Staff: Philip Crabbe, Amir Dejbakhsh, Bill Wong, and Marilyn Traynor

Others: Mark Abramowitz (Board Consultant to Dr. Lyou); Daniel McGivney (SoCalGas/SDG&E); Noel Muyco (SoCalGas/SDG&E); Rita Loof (RadTech), Scott King (CARB/by phone)

#### **LEGISLATIVE UPDATE**

Philip Crabbe reported on the following items that were discussed at the Legislative Committee meeting on November 14, 2014:

#### **Federal**

The elections on November 4, 2014, strengthened Republican control of the House and gave them a majority in the U.S. Senate. The Republicans now hold at least 53 seats in the Senate. Because of the shift in power, new chairs will preside over various Senate committees of interest to SCAQMD which include:

- Senator Jim Inhofe (R-OK) to chair the Environment and Public Works Committee
- Senator John Thune (R-SD) to chair the Commerce Committee
- Senator Orrin Hatch (R-UT) to chair the Finance Committee
- Senator Thad Cochran (R-MS) to chair the Appropriations Committee
- Senator Lisa Murkowski (R-AK) to chair the Energy Committee

In the short term, during the lame-duck session for Congress, two issues will dominate Capitol Hill: (1) the vote on the controversial Keystone Pipeline; and (2) whether a new Omnibus



Appropriations bill will be passed to fund the government or whether another Continuing Resolution will be passed to temporarily maintain funding at last year's level. In the longer term, the new Senate and House leadership will consider whether to attempt to cancel, delay or express disapproval of a variety of U.S. Environmental Protection Agency (EPA) rules that are scheduled to come out in the next few months, which include:

- New Ozone Standard
- Toxic Ash Disposal Rule
- Cross-State Air Pollution Rule
- New Source Emissions Controls for New Power Plants
- Greenhouse Gas Rule for Existing Power Plants

### **Discussion**

Mr. Quinn asked whether Congress will need legislation if they choose to intervene on the ozone standard issue. Mr. Crabbe responded that he was not aware of what process might be possible; however, the President has a certain amount of executive power and EPA is currently working on regulations. Mr. Wallace added that, although unlikely, Congress could intervene by including a specific directive in the Continuing Resolution to stop all activities for creation, adoption, or implementation of the new ozone standard. Mr. Coleman noted that Congress may consider utilizing the Congressional Review Act which would essentially provide both Houses the opportunity to veto. Dr. Lyou noted that the Administration is under a court-imposed deadline to issue a new standard. Elizabeth Adams added that EPA is under a court-ordered deadline to present the proposed new ozone standard in December 2014; and the proposal would then need to undergo review and comment. Dr. Lyou thought that the consent decree included a deadline for adopting a final rule, sometime in the October 2015 time frame.

Mr. LaMarr asked whether the shift of power in Congress would present the opportunity for SCAQMD to gain support from the new California delegation for SCAQMD's Rule 317 and SJVAPCD's 3170. Mr. Wong replied that the Ninth Circuit Court of Appeal will likely decide on the Rule 317 and Rule 3170 lawsuits before any resolution by Congress would be enacted; further, Congress would most likely abide by the decision of the court. Mr. LaMarr asked if the case has been assigned to panel yet. Mr. Wong responded that the brief has been completed; and, although the case has not been assigned to a panel, this is likely to occur soon.

Mr. Quinn asked whether the shift of power in Congress may create an opportunity to reopen the Clean Air Act. Mr. Crabbe responded that this would be a major undertaking, especially given the small majority held by the Republicans in the Senate, which amounts to about a 53-47 advantage.

With regard to a possible adverse ruling in the Section 185 litigation, Mr. Rothbart asked whether fees would be applied retroactively. Mr. Wong responded that he did not have a sense of the court's intentions. He added that, if the Plaintiffs argue that the fees be applied retroactively, SCAQMD would oppose; further, if the court should decide in the Plaintiffs' favor, SCAQMD would appeal. Mr. Rothbart noted that there may be an opportunity to brief the newly elected officials on the Section 185 fee situation to gain support.

State

At the November Legislative Committee meeting, interviews for possible state legislative consultants were conducted. Representatives from the following three firms were interviewed:

- Joe A. Gonsalves & Son
- Gonzalez, Quintana & Hunter, LLC
- Sloat, Higgins, Jensen & Associates

After the interviews were concluded, the Legislative Committee members unanimously recommended that the Governing Board authorize the execution of contracts with Gonzalez, Quintana & Hunter, LLC and with Joe A. Gonsalves & Son. This item will go before the Board for approval on December 5, 2014.

Mr. Quinn extended congratulations to Autumn Burke who was elected to represent Assembly District 62, with 75% of the vote.

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 19

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on December 18, 2014, in Sacramento. The following is a summary of this meeting.

RECOMMENDED ACTION:

Receive and file.

Judith Mitchell, Member  
SCAQMD Governing Board

dg

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The Air Resources Board's (ARB or Board) December meeting was held on December 18 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

### **1. Fiscal Year 2015-2016 Research Plan**

The Board approved the Fiscal Year 2015-2016 Research Plan, which allocates \$6.5 million toward 17 project concepts that support ARB program needs in health and exposure assessment, air quality improvement, and climate change programs. Health and exposure studies will evaluate women's cardiovascular risk from particulate matter exposure and whether health effects from air pollution exposure can be passed from mother to child. Air quality projects will study air pollution episodes in the San Joaquin Valley, and provide additional data about in-use heavy duty vehicle emissions. Climate change projects include studies that track the benefits of sustainable land use planning, evaluate emissions reduction strategies for short-lived climate pollutants and nitrous oxide, and analyze climate pollutant reductions from passenger cars.

### **2. Imperial County 24-hour PM<sub>2.5</sub> State Implementation Plan**

The Board approved the proposed Imperial County 2013 State Implementation Plan (SIP) for the 35 µg/m<sup>3</sup> 24-hour PM<sub>2.5</sub> standard. The Imperial PM<sub>2.5</sub> SIP was developed under a provision of the Clean Air Act that allows states to take into

consideration the contribution of cross-border transport of pollutants. Staff presented the technical demonstration that Imperial County would have attained the PM2.5 standard absent the impacts of international emissions from Mexicali Mexico. The SIP complies with all the other Clean Air Act requirements to demonstrate appropriate local and State actions have been taken to reduce emissions. Staff also discussed the collaborative efforts ARB and Mexico are pursuing to improve air quality in the border region.

### **3. Update on International Coordination**

The Board heard an update on ARB's work as a world leader on climate policy and air pollution. Drawing on its experience in developing programs to lower greenhouse gases ARB has formed collaborations with more than a dozen national, sub-national and other U.S. state governments on cap-and-trade programs, increased penetration of electric vehicles and decreased deforestation. The update also covered how countries such as India and China are looking to ARB for guidance on addressing their air quality issues. For example, ARB is working with India on their air monitoring system and with several Mexican states on developing smog-check programs. These collaborations on climate change and air quality provide benefits to California in its effort to address global warming and to create markets for the technology needed for California to meet our air quality goals.

### **4. Amendments to the Cap and Trade Regulation and Market-Based Compliance Mechanisms**

The Board was briefed on the development of amendments to the forest management offset protocol and development of a new rice cultivation offset protocol. The amendments to the forest management offset protocol will expand project eligibility to parts of Alaska, and the rice cultivation offset protocol will promote farming practices that reduce methane emissions from rice cultivation. Offsets developed under the protocols can be used by regulated entities for compliance with the cap and trade program. The Board will consider final approval of the amendments and the accompanying environmental analysis in 2015.

### **5. Technology and Fuels Assessment**

The Board heard an update on Staff's assessment of heavy duty Technology and Fuels (Assessment). The Assessment results will inform many of the Board's upcoming planning efforts and policy decisions, including the Sustainable Freight Strategy, State Implementation Plan, Scoping Plan update, incentive funding plans, and the Governor's ZEV Action Plan.

The Assessment considers both tailpipe and upstream emissions, and examines available and emerging technologies, including zero emission battery and fuel cell technologies, hybrid engines and technologies that reduce main engine use, technologies that maximize efficiency from combustion engines, and low carbon fuels.

Public testimony focused on the need for technology transformation within the freight movement industry. The Board expressed its desire for staff to develop policy concepts for addressing freight emissions as part of the Sustainable Freight Initiative.

**SCAQMD Staff Comments/Testimony:** Staff indicated that the technology assessments are one of the most comprehensive to date and thanked the ARB staff for facilitating the SCAQMD staff's involvement with the technology assessments. Staff indicated that the assessments will provide a strong foundation for the development of the Sustainable Freight Strategy and the next round of measures needed for the upcoming 2016 SIP development. There are many advanced technologies that are currently being demonstrated and early commercialization is critical for the South Coast region to meet federal ozone air quality standards by 2023 and 2032. With only eight years to attain the federal ozone standard in 2023, there is a need to develop actions in parallel to the completion of the technology assessments and Sustainable Freight Strategy, that will send strong market signals to technology providers and engine manufacturers, and provide certainty for end users as they replace their legacy vehicles. Staff commented that early actions are needed and expressed appreciation for the recognition for such actions in the overview presentation. Additional avenues to pursue early actions may be identified as the Sustainable Freight Strategy is developed. The Sustainable Freight Strategy will set the tone for the future of sustainable freight movement. As such, the Sustainable Freight Strategy needs to be as aggressive as possible recognizing the need to meet the federal air quality standards and climate change goals, and a vibrant economy.

## **6. Assembly Bill 8 Carl Moyer Program Evaluation**

The Board heard an update from ARB staff and CAPCOA president Alan Abbs on the joint ARB/CAPCOA Incentive Program Advisory Group (IPAG) report with recommendations on changes to the Carl Moyer Memorial Air Quality Standards Attainment Program. The IPAG concluded that there were five areas that could be improved to help the program better achieve State and local air quality and climate goals, referred to as the five pillars for change. These dealt with raising outdated cost-effectiveness limits, recognizing projects with GHG co-benefits, allowing greater leveraging from other funding sources, expanding approvable project types (such as infrastructure), and increasing the efficiency of the program.

### **Attachment**

CARB December 18, 2014 Meeting Agenda

**LOCATION:**

Air Resources Board  
Byron Sher Auditorium, Second Floor  
1001 I Street  
Sacramento, California 95814  
<http://www.calepa.ca.gov/EPAbldg/location.htm>

**PUBLIC MEETING AGENDA**

**December 18, 2014**

[Webcast](#)

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(This facility is accessible to persons with disabilities.)

**TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:** <http://www.arb.ca.gov/lispub/comm/bclist.php>

**Thursday**  
**December 18, 2014**  
**9:00 a.m.**

**DISCUSSION ITEMS:**

**Note:** The following agenda items may be heard in a different order at the Board meeting.

**Agenda Item #**

**14-10-1: Public Meeting to Consider Approval of Draft Report: Proposed Research Plan, Fiscal Year 2015-2016**

*Staff will present to the Board the proposed 2015-2016 Research Plan. This Research Plan reflects a concerted effort to identify the Air Resources Board's (ARB) highest priority research needs, and the research projects included in this Plan will support attainment of upcoming air quality and greenhouse gas targets. Research included in this plan will examine the extent and effects of air pollution exposure and associated mitigation strategies, enhance modeling techniques for criteria pollutants, inform future improvements to ARB's clean vehicle programs, improve estimates of emissions from heavy-duty vehicles, conduct economic assessments of ARB's climate programs, evaluate sustainable communities strategies, and investigate the potential to lower emissions of short-lived climate pollutants.*

[More Information](#)

[Staff Presentation](#)

**14-10-2: Public Meeting to Consider Approval of the Imperial County 2013 State Implementation Plan for the 2006 24-Hour PM<sub>2.5</sub> Moderate Nonattainment Area**

*Staff will present to the Board the proposed Imperial County 2013 State Implementation Plan for the 35 µg/m<sup>3</sup> 24-hour PM<sub>2.5</sub> standard. The Plan shows Imperial County would have attained the standard but for transport of international emissions from Mexicali, Mexico and addresses all requirements under the federal Clean Air Act.*

[More Information](#)

[Staff Presentation](#)

**14-10-3: Update to the Board on International Coordination**

*Staff will update the Board on the Air Resources Board's climate and air quality collaborations with foreign jurisdictions.*

[More Information](#)

[Staff Presentation](#)

**14-10-4: Public Hearing to Consider Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms**

*Staff will present to the Board updates to the Cap and Trade Regulation to include a new Rice Cultivation Compliance Offset Protocol and an update to the United States Forest Compliance Offset Protocol that would include project eligibility in parts of Alaska.*

[More Information](#)

[Staff Presentation](#)

**14-10-5: Draft Overview and Status Update of the Technology and Fuels Assessment**

*Staff will update the Board on the current status, results, and conclusions from the Air Resources Board staff's Technology and Fuels Assessment being conducted to support development of the Sustainable Freight Strategy, future State Implementation Plan measures, incentive funding programs, and future climate change scoping plan updates. The Assessment includes trucks, buses, transport refrigerators, locomotives, ocean-going vessels, commercial harbor craft, cargo-handling equipment, aviation, and conventional and alternative fuels.*

[More Information](#)

[Staff Presentation](#)

**14-10-6: Update and Report to the Board on the Joint Air Resources Board/California Air Pollution Control Officers Association Assembly Bill 8 Carl Moyer Program Evaluation**

*Staff will update the Board on its joint Air Resources Board/California Air Pollution Control Officers Association report on the findings and recommendations of potential changes to the Carl Moyer Memorial Air Quality Standards Attainment Program designed to help the program better achieve State and local air quality and climate goals.*

[More Information](#)

[Staff Presentation](#)

**CLOSED SESSION**

*The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation, and as authorized by Government Code section 11126(a):*

*POET, LLC, et al. v. Corey, et al., Superior Court of California (Fresno County), Case No. 09CECG04850; plaintiffs' appeal, California Court of Appeal, Fifth District, Case No. F064045; California Supreme Court, Case No. S213394. [remanded to trial court].*

*Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; ARB interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 09-CV-02234 [remanded to trial court].*

*American Fuels and Petrochemical Manufacturing Associations, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; ARB's interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 10-CV-00163 [remanded to trial court].*

*California Dump Truck Owners Association v. Nichols*, U.S. District Court (E.D. Cal. Sacramento), Case No. 2:11-CV-00384-MCE-GGH; plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 13-15175.

*Engine Manufacturers Association v. California Air Resources Board*, Sacramento Superior Court, Case No. 34-2010-00082774; ARB's appeal, California Court of Appeal, Third District, Case No. C071891.

*Truck and Engine Manufacturers Association v. California Air Resources Board*, Sacramento Superior Court, Case No. 34-2013-00150733.

*Alliance of Automobile Manufacturers v. California Air Resources Board*; Sacramento Superior Court, Case No. 34-2013-00152974.

*Citizens Climate Lobby and Our Children's Earth Foundation v. California Air Resources Board*, San Francisco Superior Court, Case No. CGC-12-519554, plaintiffs' appeal, California Court of Appeal, First District, Case No. A138830.

*California Chamber of Commerce et al. v. California Air Resources Board*, Sacramento Superior Court, Case No. 34-2012-80001313; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075930.

*Morning Star Packing Company, et al. v. California Air Resources Board, et al.*, Sacramento Superior Court, Case No. 34-2013-800001464; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075954.

*Delta Construction Company, et al. v. United States Environmental Protection Agency*, U.S. Court of Appeals, District of Columbia Circuit, Case No. 11-1428.

*City of Los Angeles through Department of Water and Power v. California Air Resources Board, et al.*, Los Angeles Superior Court, Case No. BS140620 (transferred to Sacramento Superior Court, Case No. 34-2013-80001451-CU-WM-GDS).

*Alliance for California Business v. Nichols et al.*, Glenn County Superior Court, Case No. 13CV01232.

*Dalton Trucking, Inc. v. United States Environmental Protection Agency*, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283.

*Owner-Operator Independent Drivers Association Inc. et al. v. Richard W. Corey et al.*, U.S. District Court, (E.D. Cal. Fresno) Case No. 1:13-CV-01998-LJO-SAB (transferred by court to E.D. Cal. Sacramento, Case No. 2:14-CV-00186-MCE-AC).

*John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al.*, Fresno County Superior Court, Case No. 14-CECG01494.

*Transportation Solutions Defense and Education Fund v. California Air Resources Board*, Fresno County Superior Court, Case No. 14CECG01788 (plaintiff's transfer to Sacramento Superior).

*California Nozzle Specialists, Inc. v. California Air Resources Board*, Los Angeles County Superior Court, Case No. BC564965.



**OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST**

*Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.*

**OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD**

*Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.*

**TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:**

<http://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

**IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:**

**1001 I Street, 23<sup>rd</sup> Floor, Sacramento, California 95814**

**(916) 322-5594**

**ARB Homepage: [www.arb.ca.gov](http://www.arb.ca.gov)**

**SPECIAL ACCOMMODATION REQUEST**

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

**SMOKING IS NOT PERMITTED AT MEETINGS OF THE CALIFORNIA AIR RESOURCES BOARD**

BOARD MEETING DATE: January 9, 2015

AGENDA NO. 20

PROPOSAL: Establish BP/SCAQMD Public Benefits Oversight Special Revenue Fund

SYNOPSIS: This item is to establish a Special Revenue Fund to receive the remaining unspent \$177,802 from the 2005 BP Settlement Agreement public benefits payments. These funds will continue to be expended through the approval of the BP/SCAQMD Public Benefits Oversight Committee.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to establish a BP/SCAQMD Public Benefits Oversight Special Revenue Fund and recognize \$177,802 in revenues from BP West Coast Products LLC and Atlantic Richfield Company, and
2. Authorize expenditures from this fund as approved by the BP/SCAQMD Public Benefits Oversight Committee.

Barry R. Wallerstein, D.Env.  
Executive Officer

MBO:cv

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**Background**

Pursuant to Section 5 of the 2005 BP Settlement Agreement, BP agreed to commit \$3 million per year for 10 years to fund community benefit programs. BP has honored that commitment, and at the present time \$177,802 remains for BP to pay. In an effort to complete its payment commitment under the terms of the Agreement, BP has proposed to pay that balance to SCAQMD. SCAQMD will receive these funds in a special revenue fund until such time as the BP/SCAQMD Public Benefits Oversight Committee authorizes their expenditure for additional projects.

**Proposal**

Staff proposes that the Board authorize the Executive Officer to establish a BP/SCAQMD Public Benefits Oversight Special Revenue Fund and recognize \$177,802 in revenues from BP West Coast Products LLC and Atlantic Richfield Company. The funds will continue to be expended as approved by the BP/SCAQMD Public Benefits Oversight Committee.

**Resource Impact**

These funds will be expended as approved by the BP/SCAQMD Public Benefits Oversight Committee and the special revenue fund will be closed upon completion of expenditures.