



South Coast Air Quality Management District

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

A G E N D A

MEETING, JULY 10, 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 SCAQMD Governing Board begins at 9:00a.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.

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 5:30p.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) or contact the Clerk of the Board, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Barry R. Wallerstein, D. Env., Executive Officer
- Introduction of Sunline Transit Agency CEO/General Manager, **J. Benoit**
Lauren L. Skiver
- Presentation of Retirement Award to Ernest Lopez and **Burke**
Gwen Cole

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 27)

Note: Consent Calendar items held for discussion will be moved to Item No. 28

1. Approve Minutes of June 5, 2015 Board Meeting **McDaniel/2500**

2. Set Public Hearings September 4, 2015¹ to Consider **Wallerstein/3131**
Amendments to and/or Adoption of SCAQMD Rules and
Regulations

- A. Adopt Proposed Rule 415 - Odors from Rendering **Fine/2239**
Facilities

PR 415 is designed to reduce odors from facilities conducting inedible rendering operations. PR 415 is the result of an issue that was identified by the Working Group for the Clean Communities Plan in the pilot study area of Boyle Heights, a community near the City of Vernon rendering facilities. PR 415 includes implementation of Best Management Practices, enclosures for process areas that have high potential for odors, closed system requirements, as well as other measures to control odors from rendering operations. (Reviewed: Stationary Source Committee, February 20, May 15 and July 24, 2015)

¹ Note: At the June 5, 2015 Board Meeting, the Board set a public hearing for September 4, 2015 to Amend Rule 1156.

B. Amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities **Fine/2239**

In March 2015, the Board adopted amendments to Rule 1420.1, lowering the ambient lead concentration limit and adding other housekeeping and maintenance measures. At the March Board Hearing, staff was directed to return to the Board with a rule proposal to lower the point source lead emission rate to 0.003 lb/hr and other options. Proposed Amended Rule 1420.1 will lower the point source emission rate, clarify that the rule applies during closure, and include new provisions to ensure lead and arsenic emissions are appropriately controlled during closure and clean-up activities, and thereafter. (Reviewed: Stationary Source Committee, June 19, 2015)

C. Adopt Proposed Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities **Fine/2239**

On October 15, 2008, the U.S. EPA signed into legislation an amended National Ambient Air Quality Standard (NAAQS) for lead. This legislation lowered the NAAQS for lead from 1.5 µg/m³ to 0.15 µg/m³ averaged over a rolling 3-month period to protect public health and the environment. The SCAQMD staff is proposing Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities to protect public health from exposure to lead and help ensure and maintain attainment of the NAAQS. The SCAQMD staff is proposing an initial ambient air lead concentration limit of 0.150 µg/m³ averaged over any consecutive 30 days which will be lowered to a final limit of 0.100 µg/m³ by 2018. The proposed rule also establishes requirements for enclosures, point source lead emission limits, source testing, ambient air monitoring, housekeeping and maintenance activities, and submittal and implementation of a Compliance Plan, if the facility exceeds ambient air lead concentration limits set forth in the rule. (Reviewed: Stationary Source Committee, May 15 and June 19, 2015)

Budget/Fiscal Impact

3. Amend Contract for Media, Advertising and Public Outreach for Check Before You Burn Program **Atwood/3687**

On July 11, 2014, the Board exercised the option to renew for an additional year the contract with Sensis for Media, Advertising and Public Outreach for the FY 2014-15 Check Before You Burn season. The current contract with the firm will expire on September 30, 2015. This action is to extend the contract with Sensis for one final additional year as allowed in the Check Before You Burn outreach program approved by the Board in 2013. (Reviewed: Stationary Source Committee, June 19, 2015; Recommended for Approval)

4. **Execute Contracts for Two Heavy-Duty CNG Vehicles in Coachella Valley** **E** **Miyasato/3249**

In 2009, the MSRC awarded the City of Desert Hot Springs \$25,000 in match funds to purchase one heavy-duty CNG-powered truck. Financial constraints have prevented the City from purchasing this vehicle. Additionally, the Coachella Valley Association of Governments (CVAG) has requested funding for the purchase of a paratransit vehicle for deployment at Roy's Desert Resource Center, the first comprehensive resource center for the transitionally homeless in Coachella Valley. This action is to award contracts from the Clean Fuels Fund (31) to: 1) the City of Desert Hot Springs to cost-share the purchase of a CNG truck with the MSRC in an amount not to exceed \$38,000; and 2) CVAG to purchase a heavy-duty CNG paratransit vehicle in an amount not to exceed \$140,000. (Reviewed: Technology Committee, June 19, 2015; Recommended for Approval)

5. **Amend Contract to Provide Additional Funding to Develop and Demonstrate Plug-In Hybrid Vehicles** **E** **Miyasato/3249**

The Board previously recognized \$45,443,332 from the DOE for the development and demonstration of a fleet of medium-duty plug-in hybrid vehicles at utilities and other fleets across the nation, and a contract was executed with the Electric Power Research Institute (EPRI) to conduct the project. This action is to amend the contract with EPRI to continue data collection in order to further evaluate performance and operational benefits while providing feedback for optimization of these plug-in hybrid vehicles in an amount not to exceed \$250,000 from the Clean Fuels Fund (31). (Reviewed: Technology Committee, June 19, 2015; Recommended for Approval)

6. **Amend Contract to Provide Additional Funding for Hydrogen Fueling Station Demonstration** **E** **Miyasato/3249**

The Board previously approved a contract with Linde, LLC, for \$250,000 to design and build a hydrogen station in Laguna Niguel. Subsequently, due to the inability to come to an agreement with site owners, a new site in Orange County was identified for the hydrogen station. The permitting requirements for the new site, however, have increased costs by \$160,000. To ensure the station moves forward, Linde, LLC has requested additional funds to equally share the higher costs. This action is to amend the contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration in an amount not to exceed \$80,000 from the Clean Fuels Fund (31). (Reviewed: Technology Committee, June 19, 2015; Recommended for Approval)

7. Issue Program Announcement for Low-Emission Leaf Blower Vendors **Minassian/2641**

To follow up on the successful Leaf Blower Exchange Programs, staff proposes a similar incentive in the fall of 2015 to generate cost-effective emission reductions. This action is to issue a Program Announcement to solicit competitive bids from manufacturers of low-emission leaf blowers in sufficient quantities and at the lowest possible price. (Reviewed: Mobile Source Committee, June 19, 2015)

8. Issue Program Announcement for Proposition 1B-Goods Movement Emission Reduction Program **Minassian/2641**

In June 2015, CARB approved updates to the Proposition 1B–Goods Movement Emission Reduction Program Guidelines identifying new specifications and funding levels for eligible heavy-duty truck projects. The updates include funding for new and used diesel trucks for small fleets and near-zero and zero emission trucks for large fleets. In order to maximize participation statewide, air districts plan to release Program Announcements in a synchronized manner. A release date has not yet been established. This action is to issue a Program Announcement for heavy-duty truck projects once CARB has finalized the solicitation criteria in consultation with air districts. (Reviewed: Technology Committee, June 19, 2015; Recommended for Approval)

9. Recognize Revenue and Appropriate Funds from Clean Fuels, Carl Moyer AB 923 and Proposition 1B-Goods Movement Programs for Administrative Support, Outreach and Education, Capital Outlays, and Related Activities **Minassian/2641**

The Technology Advancement Office executes hundreds of contracts annually to implement incentive, demonstration and technology transfer projects, involving ongoing administrative support, outreach and education, capital outlays, and related activities. This action is to recognize up to \$1,585,000 in revenue into the General Fund and appropriate \$1,585,000 to the Science & Technology Advancement FY 2015-16 Budget from the following special revenue funds: \$1,185,000 from the Clean Fuels Program Fund (31); \$100,000 from the Carl Moyer Program AB 923 Fund (80); and \$300,000 from the Proposition 1B-Goods Movement Program Fund (81). These appropriations will ensure flexibility and expediency in administering and implementing these programs and in procuring and maintaining equipment required by the programs. Publication requirements will be waived for advanced technology vehicle acquisitions as they are available from limited dealerships. (Reviewed: Technology Committee, June 19, 2015; Recommended for Approval)

10. **Issue RFP for Enhancement of Web-Based Annual Emissions Reporting Tool** **Whynot/3104**
- Under the Annual Emission Reporting (AER) program, facilities subject to Rule 301(e) and the AB 2588 Program are required to report toxics and criteria pollutant emissions to the SCAQMD. SCAQMD developed a new AER Reporting Tool which allows facilities to report their emissions on a device/equipment basis. The new reporting tool was available as an option for testing and reporting 2013 emissions. Starting calendar year 2015, the use of this tool became mandatory for the AER facilities. During the reporting period, additional fixes and enhancements have been identified by facilities. This action is to release an RFP for enhancements to the existing tool features based on user feedback. The total funding for this project shall not exceed \$150,000, which is included in the FY 2015-16 Budget. Additionally, staff is requesting to have an option to renew the contract for up to two additional years for an estimated amount not to exceed \$150,000 per year. (Reviewed: Administrative Committee, June 12, 2015; Recommended for Approval)
11. **Transfer and Appropriate Funds and Issue RFQs and Purchase Orders for Laboratory and Field Equipment** **Tisopulos/3123**
- Air quality monitoring and laboratory-based sample analysis at SCAQMD continues to be an integral part of ongoing efforts to better characterize air quality. Staff is requesting funding of up to \$835,400 for Capital Outlays and up to \$148,200 in Services and Supplies to provide for new more reliable laboratory and field equipment that will enhance instrument performance, rapid response, and near-real time monitoring and reporting. These actions are to transfer and appropriate funding to Science & Technology Advancement's FY 2015-16 Budget and to issue RFQs and purchase orders for laboratory and field equipment. (Reviewed: Administrative Committee, June 12, 2015; Recommended for Approval)
12. **Recognize Revenue and Appropriate Funds for Enhanced Particulate Monitoring Programs, NATTS, PAMS, PM2.5, Near-Road NO2 and AQ-SPEC Programs; Issue RFQs and Purchase Orders for Air Monitoring Equipment and CNG Vehicles** **Tisopulos/3123**
- SCAQMD has applied for \$2,836,157 in U.S. Government Enhanced Particulate Monitoring Program funds for FY 2015-16. In addition, U.S. EPA has allocated \$242,318 for the NATTS Program for FY 2015-16. These actions are to: 1) recognize revenue and appropriate funds for the Enhanced Particulate Monitoring and NATTS Programs; 2) recognize revenue and appropriate funding for remaining balances of the NATTS, PAMS, PM2.5, Near-Road NO2 and AQ-SPEC Programs; and 3) issue RFQs and purchase orders for air monitoring equipment and CNG vehicles. (Reviewed: Administrative Committee, June 12, 2015; Recommended for Approval)

13. **Execute Contract for Health Insurance Brokerage and Consultant Services** **Johnson/3018**

To ensure SCAQMD continues to provide a cost-effective employee health insurance program, an RFP was released on April 3, 2015, to solicit proposals from firms interested in providing health insurance brokerage services. This action is to execute a contract with Alliant Insurance Services, Inc. effective August 1, 2015 through July 31, 2018. This is a no-cost contract as payment for services is through insurance carrier commissions. (Reviewed: Administrative Committee, June 12, 2015. Less than a quorum was present; the Committee Members concurred that this item be approved by the Board.)

14. **Amend Salary Resolution to Provide Paid Sick Leave for SCAQMD Employees Not Currently Eligible to Receive Such Leave Benefits** **Johnson/3018**

AB 1522 (Gonzalez) requires California employers to implement the Healthy Workplaces, Healthy Families Act of 2014. This Act provides that effective July 1, 2015, eligible employees not currently provided with a minimum level of paid sick leave benefits are entitled to receive such benefit for prescribed purposes. This action is to amend the Salary Resolution to implement the provisions of AB 1522 to provide paid sick leave for specific SCAQMD employees not currently covered by the Salary Resolution or an MOU. (Reviewed: Administrative Committee, June 12, 2015; Recommended for Approval)

15. **Authorize Purchase of OnBase Software Support** **Marlia/3148**

SCAQMD uses the OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2015. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year. Funds for this purchase (\$122,980) are included in the FY 2015-16 Budget. (Reviewed: Administrative Committee, June 12, 2015; and Special Administrative Committee, June 17, 2015; Recommended for Approval)

16. **Authorize Purchase of Oracle PeopleSoft Software and Support** **Marlia/3148**

The SCAQMD uses Oracle's PeopleSoft Integrated Financial/Human Resources System. The software package provides purchasing, accounting, asset management, financial management, project reporting, payroll and human resources functionality for the SCAQMD. The maintenance support for this system expires August 13, 2015. In addition, acquisition of the PeopleSoft eApps software is needed to implement online employee benefits self-service. This action is to obtain approval for a five-year contract with Oracle America Inc. for the Oracle PeopleSoft maintenance support, including purchase of the eApps in the first year. Funds (\$328,800) for these purchases are included in the FY 2015-16 Budget and will be included in subsequent fiscal year budget requests. (Reviewed: Administrative Committee, June 12, 2015, Recommended for Approval)

17. **Issue RFP for Legislative Representation in Washington, D.C.** **Smith/3242**
- The current contracts for legislative representation in Washington, D.C. will expire on January 14, 2016. This action calls for the issuance of an RFP for legislative representation and consulting services for SCAQMD in Washington, D.C. for 2016. The RFP will also indicate that the services contract(s) may be extended for up to two additional one-year terms. (Reviewed: Legislative Committee, June 12, 2015; Recommended for Approval)
18. **Issue RFP for Consultant Services for SCAQMD Environmental Justice Outreach and Initiatives** **Smith/3242**
- This action is to issue an RFP to solicit proposals from individuals and organizations to provide assistance with community and stakeholder outreach efforts related to SCAQMD's Environmental Justice Program, including but not limited to, the Environmental Justice Community Partnership Initiative announced in February 2015 during the SCAQMD's Environmental Justice Conference. (Reviewed: Administrative Committee, June 12, 2015; Recommended for Approval)
19. **Approve Methodology for Maximum Support Level Expenditure and Amendments to Board Member Assistant and Board Member Consultant Policy** **O'Kelly/2828**
- The Board Member Assistant and Board Member Consultant Policy (Policy) is proposed to be amended to adjust the maximum support level expenditure the District may make per Board Member, per fiscal year, based on an assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings, role (Chair/Vice-Chair), etc. This item also incorporates the Policy into the SCAQMD Administrative Code. (Reviewed: Personnel Committee, June 5, 2015; Recommended for Approval)
20. **Approve Replacement Contract, Exercise Option for Technical Advisor Services, and Approve Fund Transfer for Miscellaneous Costs in FY 2015-16 as Approved by MSRC** **Pettis**
- The MSRC approved a replacement contract with Mineral LLC to continue hosting and maintenance of the MSRC website, and exercised a contract option clause to continue technical advisor services for two additional years from October 2015 through September 2017 and augmented funding to carry out the work. Additionally, every year the MSRC adopts an Administrative Budget, which includes transference of funds to the SCAQMD Budget to cover administrative expenses. At this time the MSRC seeks Board approval of the replacement contract, the allocation and the fund transfer as part of the FYs 2014-16 Work Program, and approval of the contract option as part of the FYs 2014-16 and 2016-18 Work Programs. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, June 18, 2015; Recommended for Approval)

Items 21 through 27 - Information Only/Receive and File

21. Legislative and Public Affairs Report **Smith/3242**
- This report highlights the May 2015 outreach activities of Legislative and Public Affairs, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, and Outreach to Business and Federal, State, and Local Government. (No Committee Review)
22. Report to Legislature and CARB on SCAQMD's Regulatory Activities for Calendar Year 2014 **Smith/3242**
- The SCAQMD is required by law to submit a report to the Legislature on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by SCAQMD, number of permits issued, denied, or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015: Backstop Provisions. (No Committee Review)
23. Hearing Board Report **Camarena/2500**
- This reports the actions taken by the Hearing Board during the period of May 1 through May 31, 2015. (No Committee Review)
24. Civil Filings and Civil Penalties Report **Wiese/3460**
- This reports the monthly penalties from May 1 through May 31, 2015, and legal actions filed by the General Counsel's Office from May 1 through May 31, 2015. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, June 19, 2015)
25. Lead Agency Projects and Environmental Documents Received by SCAQMD **Fine/2239**
- This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between May 1, 2015 and May 31, 2015, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, June 19, 2015)
26. Rule and Control Measure Forecast **Fine/2239**
- This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2015 and portions of 2016. (No Committee Review)

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

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to report on major automation contracts and projects to be initiated by Information Management during the first six months of FY 2015-16. (Reviewed: Administrative Committee, June 12, 2015; Recommended for Approval)

28. Items Deferred from Consent Calendar

BOARD CALENDAR

29. Administrative Committee (Receive & File) **Chair: Burke** **Wallerstein/3131**
30. Special Administrative Committee (Receive & File) **Chair: Burke** **Wallerstein/3131**
31. Investment Oversight Committee (Receive & File) **Chair: Antonovich** **O’Kelly/2828**
32. Legislative Committee (Receive & File) **Chair: Mitchell** **Smith/3242**

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

Agenda Item	Recommendation
Issue RFP for Legislative Representation in Washington, D.C	Approve
SB 398 (Leyva) Green Assistance Program	Support
SB 400 (Lara) California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund	Support with Amendments
Greenhouse Gas Reduction Fund Investment Principles	Approve

33. Mobile Source Committee (Receive & File) **Chair: Parker** **Fine/2239**
34. Stationary Source Committee (Receive & File) **Chair: Yates** **Nazemi/2662**
35. Technology Committee (Receive & File) **Chair: J. Benoit** **Miyasato/3249**

36. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Antonovich** **Hogo/3184**
37. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell** **McDaniel/2500**

PUBLIC HEARINGS

38. Amend Rule 1148.1 – Oil and Gas Production Wells (*Continued from June 5, 2015 Board Meeting*) **Fine/2239**

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

39. Amend Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers (*Continued from June 5, 2015 Board Meeting*) **Fine/2239**

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

OTHER BUSINESS

40. Request to U.S. EPA to Reclassify South Coast Air Basin as Serious Nonattainment for 24-hour PM_{2.5} NAAQS Fine/2239

Based on validated 2014 and first quarter 2015 ambient 24-hour PM_{2.5} measurements at the Mira Loma monitoring station, the Basin will not attain the NAAQS by the moderate area statutory deadline of 2015, largely due to the lack of rainy days over the last two winters. Under the Clean Air Act, the U.S. EPA may reclassify an area as serious nonattainment if the area cannot practicably attain the NAAQS by the attainment date. This action is to request approval to transmit a letter to U.S. EPA to request this “bump up” to a Serious classification, while emphasizing the need for the federal government to do its fair share to control air pollution sources under their jurisdiction. (No Committee Review)

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

BOARD MEMBER TRAVEL – (*No Written Material*)

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

CLOSED SESSION - (*No Written Material*)

Wiese/3460

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

- California Nozzle Specialists, Inc. v. SCAQMD, Los Angeles County Superior Court Case No. BS152037 (Public Records Act);
- CBE, CCAT v. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-72358 (1315);
- Communities for a Better Environment, et al. v. U.S. EPA, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 13-70167 (Sentinel);
- People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482 (KJC) (Bankruptcy case);

- Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Contra Costa County Superior Court Case No. MSN14-0300 (formerly South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS 143381)(SCIG);
- Friends of the Eel River v. North Coast Railway Authority, California Supreme Court Case No. S222472 (amicus brief);
- Friends of the Fire Rings v. SCAQMD, San Diego Superior Court, North County, Case No. 37-2014-00008860-CU-WM-NC (Nov. 26, 2013; transferred March 20, 2014);
- Petition for Declaratory Order by U.S. Environmental Protection Agency, Surface Transportation Board Docket No. FD 35803 (Railroad Rules) and SCAQMD v. STB, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 15-70609 (appeal of STB Decision);
- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-70079 (PM2.5);
- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 14-73362 (1-Hour ozone);
- SCAQMD v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 13-73936 (Morongo Redesignation);
- SCAQMD v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 15-71600 (Pechanga Redesignation);
- Sierra Club v. County of Fresno, California Supreme Court Case No. S219783 (amicus brief);
- Sierra Club, et al. v. U.S. EPA, U.S. District Court for Northern District of California Case No. 3:14-CV-04596 (PM2.5 designation to serious); and
- WildEarth Guardians v. U.S. EPA, D.C. Circuit Court Case No. 14-1145 (PM2.5 moderate designation).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

PUBLIC EMPLOYEE DISCIPLINE / DISMISSAL / RELEASE

In addition, it is also necessary for the Board to recess to closed session pursuant to Government Code section 54957 regarding public employee discipline/dismissal/release.

ADJOURNMENT

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

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

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

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

ACRONYMS

AQIP = Air Quality Investment Program	NGV = Natural Gas Vehicle
AVR = Average Vehicle Ridership	NOx = Oxides of Nitrogen
BACT = Best Available Control Technology	NSPS = New Source Performance Standards
Cal/EPA = California Environmental Protection Agency	NSR = New Source Review
CARB = California Air Resources Board	OEHHA = Office of Environmental Health Hazard Assessment
CEMS = Continuous Emissions Monitoring Systems	PAMS = Photochemical Assessment Monitoring Stations
CEC = California Energy Commission	PAR = Proposed Amended Rule
CEQA = California Environmental Quality Act	PEV = Plug-In Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PHEV = Plug-In Hybrid Electric Vehicle
CNG = Compressed Natural Gas	PM10 = Particulate Matter \leq 10 microns
CO = Carbon Monoxide	PM2.5 = Particulate Matter \leq 2.5 microns
CTG = Control Techniques Guideline	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	SOx = Oxides of Sulfur
LEV = Low Emission Vehicle	SOON = Surplus Off-Road Opt-In for NOx
LNG = Liquefied Natural Gas	SULEV = Super Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	TCM = Transportation Control Measure
MOU = Memorandum of Understanding	ULEV = Ultra Low Emission Vehicle
MSERCs = Mobile Source Emission Reduction Credits	U.S. EPA = United States Environmental Protection Agency
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	VOC = Volatile Organic Compound
NAAQS= National Ambient Air Quality Standards	VMT = Vehicle Miles Traveled
NATTS =National Air Toxics Trends Station	ZEV = Zero Emission Vehicle
NESHAPS = National Emission Standards for Hazardous Air Pollutants	

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the June 5, 2015 meeting.

RECOMMENDED ACTION:

Approve Minutes of the June 5, 2015 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

SM:dg

FRIDAY, JUNE 5, 2015

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 9:25 a.m.)
County of Los Angeles

Supervisor John J. Benoit
County of Riverside

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

Dr. Joseph K. Lyou
Governor's Appointee

Councilmember Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (arrived at 9:30 a.m.)
County of Orange

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

Mayor Miguel A. Pulido (left at 10:00 a.m.)
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

Members absent:

Mayor Ben Benoit
Cities of Riverside County

Councilmember Joe Buscaino
City of Los Angeles

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


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

Dr. Wallerstein. Noted that the 2016 AQMP Control Strategy Symposium will be held on June 10 and 11, 2016 at District Headquarters. He added that representatives from CARB and SCAG will be present at the event.

CONSENT CALENDAR

1. Approve Minutes of May 1, 2015 Board Meeting
2. Set Public Hearing September 4, 2015 to Amend Rule 1156 – Further Emission Reductions from Cement Manufacturing Facilities

Budget/Fiscal Impact

3. Execute Contracts to Develop and Demonstrate Class 8 Plug-In Hybrid Electric Drayage Trucks and Amend Contract to Integrate On-Board Chargers 
4. Implement Programs in Clean Communities Pilot Study Communities under U.S. EPA Targeted Air Shed Grant
5. Issue RFP to Sell Equipment Dismantled under SCAQMD Incentive Programs to Generate Revenue for Additional Incentive Projects and Execute Contract under SOON Provision
6. Issue RFP for Refurbishment of Pace Air Handlers at SCAQMD Headquarters
7. Approve Transfer of Monies from Health Effects Research Fund to Brain & Lung Tumor and Air Pollution Foundation and Authorize Solicitation and Potential Funding of Proposals
8. Execute Sole-Source Contract for Three-Year Service Agreement for SCAQMD Access to On-line Legal Research Libraries

9. Approve Contract Awards Approved by MSRC

Action Item/No Fiscal Impact

10. Withdrawal of South Coast Air Basin Transportation Conformity SIP Submittal

Items 11 through 17 - Information Only/Receive and File

11. Legislative and Public Affairs Report
12. Hearing Board Report
13. Civil Filings and Civil Penalties Report
14. Lead Agency Projects and Environmental Documents Received by SCAQMD
15. Rule and Control Measure Forecast
16. Report of RFPs Scheduled for Release in June
17. Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2014-15

Dr. Lyou announced his abstention on Item No. 3 because Transportation Power Incorporated and Port of Long Beach are potential sources of income to him, on Item No. 4 because Southern California Gas Company is a potential source of income to him, and on Item No. 9 because Los Angeles County Metropolitan Transportation Authority is a potential source of income to him.

Mayor Pulido announced that he serves on the Board of Directors for the Orange County Transportation Authority which is involved with Item No. 9.

Agenda Item 4 was withheld for comment and discussion.

MOVED BY J. BENOIT, SECONDED BY PULIDO, AGENDA ITEMS 1 THROUGH 3 AND 5 THROUGH 17 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: J. Benoit, Burke, Cacciotti, Lyou
(*except Items #3 and #9*),
Mitchell, Parker, Pulido,
Rutherford and Yates.

NOES: None.

ABSTAIN: Lyou (*Items #3 and #9 only*).

ABSENT: Antonovich, B. Benoit, Buscaino
and Nelson.

18. Items Deferred from Consent Calendar

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

Dr. Lyou left the room during discussion of Item No. 4.

Lou Calance, Legacy LA, addressed the Board on Item 4 explaining that her organization serves the youth of the Ramona Gardens Community in Boyle Heights and addresses the environmental justice issues that those residents face. She introduced Michelle Benavides and Jackie Rodriguez who are youth leaders for the organization. They explained that the community is comprised of low-income residents and they face high rates of respiratory illnesses. One of their main concerns is the location of schools in close proximity to commercial businesses, freeways and railroad tracks. They expressed appreciation that their meeting with staff to propose air filters be installed in a local school is being considered by the Board; and urged for the funding of additional air filters and other measures to clean the air that children and youth in Boyle Heights are exposed to.

MOVED BY J. BENOIT, SECONDED BY
PARKER, AGENDA ITEM 4 APPROVED AS
RECOMMENDED, BY THE FOLLOWING
VOTE:

AYES: J. Benoit, Burke, Cacciotti,
Mitchell, Parker, Rutherford and
Yates.

NOES: None.

ABSTAIN: Lyou.

ABSENT: Antonovich, B. Benoit, Buscaino,
Nelson and Pulido.

BOARD CALENDAR

19. Administrative Committee

20. Legislative Committee

21. Mobile Source Committee

22. Stationary Source Committee


Dr. Tom Williams, Citizens Coalition for a Safe Community, addressed the Board on Items 21 and 22. He commented on the SR 710 requesting that as staff review the project's EIR that they address whether it will be considered a mobile or stationary source and under what rules and regulations it will be subject to.

In response to Dr. Lyou's request for staff's input into the classification of the tunnel exhaust vents, Barbara Baird, Chief Deputy Counsel, replied that further research is required before a definitive position as to the specific source can be taken.

23. Technology Committee

24. Mobile Source Air Pollution Reduction Review Committee

25. California Air Resources Board Monthly Report

26. California Fuel Cell Partnership Executive Board Meeting Agenda and Quarterly Updates 

27. Potential Serious Area 24-Hour PM2.5 SIP for South Coast Air Basin

Dr. Tom Williams, Sierra Club, addressed the Board on Item 27 and questioned whether humidity or rainfall levels actually impact PM2.5 levels and encouraged staff to further address these claims in the reports.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEMS 19 THROUGH 27 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC, CARB AND CaFCP REPORTS, BY THE FOLLOWING VOTE:

AYES: J. Benoit, Burke, Cacciotti, Lyou, Mitchell, Parker, Rutherford and Yates.

NOES: None.

ABSENT: Antonovich, B. Benoit, Buscaino, Nelson and Pulido.

PUBLIC HEARINGS

28. Amend Rules 212, 1401, 1401.1 and 1402

Susan Nakamura, Director of Strategic Initiatives, gave the staff presentation.

(Supervisor Antonovich and Supervisor Nelson arrived at 9:25 a.m. and 9:30 a.m., respectively)

In response to questioning by Supervisor Rutherford and Supervisor Benoit regarding the notification requirements, Ms. Nakamura explained that under Rule 212, if an individual piece of equipment has an estimated cancer risk of over 1 in one million or facility wide over 10 in one million, the businesses are required to provide public notification at their expense.

The public hearing was opened and the following individual addressed the Board on Agenda Item 28.

BILL LAMARR, California Small Business Alliance

Expressed support for staff's changes to the initial proposal, which were based in part on input from the business community; and noted his willingness to continue to work collaboratively with staff in developing acceptable risk communication documentation for public notification purposes, incentives for businesses who wish to take additional risk reduction measures and other outstanding elements involved with these rules.

BILL QUINN, California Council for Environmental and Economic Balance

Expressed appreciation to staff for the conscientious effort that was made to address the concerns expressed by the business community and their commitment to continue working with stakeholders throughout the rule implementation process.

Supervisor Nelson noted how encouraging it is to hear the business community convey appreciation that a resolution was reached as a result of their input to staff being received and subsequently the Board providing guidance to staff to develop the rule.

DAVID PETTIT, NRDC

Noted the importance of the careful drafting of the public notifications to emphasize that the actual emissions have not increased, instead that the method of calculating the health risk has changed.

DAVID ROTHBART, Southern California Alliance of Publicly Owned Treatment Works

Expressed concern that the new health risk calculation methodology will not reflect the good faith efforts operators of publicly owned facilities have made to reduce emissions; and urged for the establishment of a voluntary risk reduction program to provide an incentive for early and additional reductions beyond what is required under Rule 1402.

CURTIS COLEMAN, Southern California Air Quality Alliance

Noted his support for the implementation of the amended rules to comply with the new guidelines; and expressed concern with some instances, noting two cases, where companies were required to use older emission data that would result in a higher health risk on their HRAs. He stressed the importance of utilizing the same method for all businesses to ensure fairness.

Dr. Wallerstein suggested that he meet with Mr. Coleman to discuss the two specific instances in which historical data was used to calculate the risk, and then staff could subsequently provide a report to the Stationary Source Committee.

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources, explained that under the AB2588 program, facilities typically utilize the data from their quadrennial emissions report for their health risk assessment. He added that there are some instances where historical emissions data is used to provide an accurate account of the long term exposure levels to the surrounding community.

Dr. Wallerstein noted that if there is a discrepancy between the source test data and ambient monitoring results, additional data will be used in the HRA to ensure that the impact to the community is not being significantly underestimated.

Dr. Lyou stressed the importance of utilizing the most accurate emissions inventory possible; and requested that staff prepare a report to the Stationary Source Committee of how this will be achieved.

In response to Supervisor Nelson's inquiry into whether the historical data was clearly noted as such to delineate it from current emissions data, Dr. Wallerstein confirmed that the distinction is allowed to be made in the HRA.

JIM STEWART, Ph.D., Sierra Club

Expressed support for these rules that take the important step of including risk to children's health in health risk assessments.

ADRIAN MARTINEZ, Earthjustice

Noted his support for the staff proposal and the ability of staff to prepare the public notices in a manner that clearly communicates the changes; and requested that the Board provide guidance to staff on when the provision regarding gas stations and spray booths should be brought to the Board for consideration.

There being no further public testimony on this item, the public hearing was closed.

In response to Supervisor Benoit's inquiry into why the South Coast region is still ranked highest in terms of health risk, Ms. Nakamura noted that this can be attributed to both mobile and stationary sources as a result of the widespread urban development and highly industrial areas throughout the air basin.

MOVED BY CACCIOTTI, SECONDED BY
LYOU, AGENDA ITEM NO. 28 APPROVED
AS RECOMMENDED BY STAFF:

- 1) ADOPTING RESOLUTION NO. 15-14, CERTIFYING THE FINAL ENVIRONMENTAL ASSESSMENT FOR AMENDED RULES AND AMENDING RULES 1401, 1401.1, 1402, AND 212, WITH THE ADDITIONAL DIRECTION FOR STAFF TO PROVIDE A REPORT TO THE STATIONARY SOURCE COMMITTEE REGARDING THE USE OF HISTORICAL DATA IN HEALTH RISK ASSESSMENTS IN CERTAIN CIRCUMSTANCES; AND
- 2) RECEIVING AND FILING THE SCAQMD RISK ASSESSMENT PROCEDURES FOR RULES 1401, 1401.1, AND 212 (VERSION 8.0), SCAQMD SUPPLEMENTAL GUIDELINES FOR PREPARING RISK ASSESSMENTS FOR THE AIR TOXICS "HOT SPOTS" INFORMATION AND ASSESSMENT ACT (JUNE 5, 2015), AND

SCAQMD FACILITY PRIORITIZATION
PROCEDURES FOR AB2588 PROGRAM
(JUNE 2015).

BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: B. Benoit and Buscaino.

29. Amend Rule 1148.1 – Oil and Gas Production Wells
30. Amend Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

Staff recommended that the public hearings on items 29 and 30 be continued to the July 10, 2015 Board Meeting.

MOVED BY NELSON, SECONDED BY
CACCIOTTI, and UNANIMOUSLY CARRIED
(Absent: B. Benoit & Buscaino), AGENDA ITEMS
29 AND 30 WERE CONTINUED TO THE
JULY 10, 2015 BOARD MEETING.

(Mayor Pulido left at 10:00 a.m.)

OTHER BUSINESS

31. Approve Three-Year Labor Agreement with South Coast Professional Employees Association

William Johnson, Assistant/DEO Administrative and Human Resources, explained that the ratified agreement for the Professional bargaining group, represented by the South Coast Professional Employees Association, is consistent with Board direction and changes made to the MOUs for the Teamster-represented employees that was approved in December 2014.

MOVED BY YATES, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 31 APPROVED AS RECOMMENDED BY STAFF, AUTHORIZING THE EXECUTIVE OFFICER TO SIGN THE RATIFIED THREE-YEAR AGREEMENT FOR A SUCCESSOR 2015-2017 SOUTH COAST PROFESSIONAL EMPLOYEES ASSOCIATION MOU, REPRESENTING THE PROFESSIONAL BARGAINING UNIT EMPLOYEES, BY THE FOLLOWING VOTE:

AYES: Antonovich, J. Benoit, Burke, Cacciotti, Lyou, Mitchell, Nelson, Parker, Rutherford and Yates.

NOES: None.

ABSENT: B. Benoit, Buscaino and Pulido.

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

Dr. Tom Williams, Sierra Club Transportation Committee and Citizens Coalition for a Safe Community, urged staff to provide substantive comments to the EIR opposing the 710 tunnel vent project and expressed a desire for the project to be replaced with other solutions that will alleviate truck traffic, such as more rail transportation.

CLOSED SESSION

The Board recessed to closed session at 10:05 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 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; and

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

Following closed session, General Counsel Kurt Wiese announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board and made available upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned, at the request of Chairman Burke, at 10:45 a.m., in honor of Joseph Calhoun, former Board Member of the California Air Resources Board and SCAQMD's Clean Fuels Program Advisory Committee.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on June 5, 2015.

Respectfully Submitted,

Denise Garzaro
Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

- AQMP = Air Quality Management Plan
- CaFCP= California Fuel Cell Partnership
- CARB = California Air Resources Board
- EIR = Environmental Impact Report
- FY = Fiscal Year
- HRA = Health Risk Assessment
- MSRC = Mobile Source (Air Pollution Reduction) Review Committee
- PM2.5 = Particulate Matter \leq 2.5 microns
- RFP = Request for Proposals
- SCAG = Southern California Associated Governments
- SIP = State Implementation Plan

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 2

PROPOSAL: Set Public Hearings September 4, 2015 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations

- (A) Adopt Proposed Rule 415 - Odors from Rendering Facilities. PR 415 is designed to reduce odors from facilities conducting inedible rendering operations. PR 415 is the result of an issue that was identified by the Working Group for the Clean Communities Plan in the pilot study area of Boyle Heights, a community near the City of Vernon rendering facilities. PR 415 includes implementation of Best Management Practices, enclosures for process areas that have high potential for odors, closed system requirements, as well as other measures to control odors from rendering operations. (Reviewed: Stationary Source Committee, February 20, May 15 and July 24, 2015)
- (B) Amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities. In March 2015, the Board adopted amendments to Rule 1420.1, lowering the ambient lead concentration limit and adding other housekeeping and maintenance measures. At the March Board Hearing, staff was directed to return to the Board with a rule proposal to lower the point source lead emission rate to 0.003 lb/hr and other options. Proposed Amended Rule 1420.1 will lower the point source emission rate, clarify that the rule applies during closure, and include new provisions to ensure lead and arsenic emissions are appropriately controlled during closure and clean-up activities, and thereafter. (Reviewed: Stationary Source Committee, June 19, 2015)
- (C) Adopt Proposed Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities. On October 15, 2008, the U.S. EPA signed into legislation an amended National Ambient Air Quality Standard (NAAQS) for lead. This legislation lowered the NAAQS for lead from 1.5 µg/m³ to 0.15 µg/m³ averaged over a rolling

3-month period to protect public health and the environment. The SCAQMD staff is proposing Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities to protect public health from exposure to lead and help ensure and maintain attainment of the NAAQS. The SCAQMD staff is proposing an initial ambient air lead concentration limit of 0.150 µg/m³ averaged over any consecutive 30 days which will be lowered to a final limit of 0.100 µg/m³ by 2018. The proposed rule also establishes requirements for enclosures, point source lead emission limits, source testing, ambient air monitoring, housekeeping and maintenance activities, and submittal and implementation of a Compliance Plan if the facility exceeds ambient air lead concentration limits set forth in the rule. (Reviewed: Stationary Source Committee, May 15 and June 19, 2015)

The complete text of the proposed amendments, staff reports and other supporting documents will be available from the District's Public Information Center, (909) 396-2550 and on the Internet (www.aqmd.gov) as of August 5, 2015.

RECOMMENDED ACTION:

Set public hearings September 4, 2015 to adopt Rules 415 and 1420.2 and amend Rule 1420.1.

Barry R. Wallerstein, D.Env.
Executive Officer

sm

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 3

PROPOSAL: Amend Contract for Media, Advertising and Public Outreach for Check Before You Burn Program

SYNOPSIS: On July 11, 2014, the Board exercised the option to renew for an additional year the contract with Sensis for Media, Advertising and Public Outreach for the FY 2014-15 Check Before You Burn season. The current contract with the firm will expire on September 30, 2015. This action is to extend the contract with Sensis for one final additional year as allowed in the Check Before You Burn outreach program approved by the Board in 2013.

COMMITTEE: Stationary Source, June 19, 2015; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to extend the contract for Media, Advertising and Public Outreach with Sensis for one year in an amount not to exceed \$493,000 from the Rule 1309.1 Priority Reserve Funds (Fund 36) to implement the FY 2015-16 Check Before You Burn outreach campaign.

Barry R. Wallerstein, D.Env.
Executive Officer

SA/TC

Background

SCAQMD's Check Before You Burn program and its regulatory framework, Rule 445, are key measures in the agency's 2012 Air Quality Management Plan to achieve the federal health-based air quality standard for PM2.5. Check Before You Burn and Rule 445 seek to reduce PM2.5 emissions from wood burning in residential fireplaces during late fall and winter when unhealthy air quality is forecast.

On June 7, 2013, the Board approved release of an RFP to solicit proposals from firms with the necessary expertise to plan and execute a comprehensive media, advertising and public outreach campaign to promote awareness of and compliance with the Check

Before You Burn program during the FY 2013-14 fall/winter season. The Board approved funding for this outreach effort from the Rule 1309.1 Priority Reserve Funds in an amount not to exceed \$500,000. On September 6, 2013, the Board awarded a contract to the firm Sensis in an amount not to exceed \$493,000, with an option to extend the contract for two additional one-year contracts.

On July 11, 2014, based on the overall quality and comprehensive design of the FY 2013-14 outreach campaign developed and implemented by Sensis, the Board exercised its authority to extend the contract with Sensis for one additional year to implement the FY 2014-15 Check Before You Burn outreach campaign.

Proposal

For the past two years, Sensis has developed and implemented comprehensive media, advertising and public outreach campaigns for the Check Before You Burn program to:

- Increase awareness of and support for SCAQMD's Check Before You Burn program; and
- Promote awareness of and compliance with no-burn days; and
- Promote awareness and adoption of cleaner alternatives to wood burning in home fireplaces, such as natural-gas log sets.

The FY 2014-15 campaign achieved over 34 million impressions through paid advertisements on TV, radio, Internet, electronic billboards and social media. Earned-media efforts resulted in more than 378 media reports. In addition, AirAlerts subscriptions increased by 975 during the campaign.

The Southland experienced 25 no-burn days during the FY 2014-15 Check Before You Burn season, the highest number since the program began in 2011. Real-time no-burn alerts were broadcast on the radio, displayed on electronic billboards and across social media platforms. In addition, there was a substantial increase this past season in the number of media outlets reporting no-burn days after receiving SCAQMD's no-burn alerts.

A key component of the outreach campaigns over the past two years included a TV spot and digital ads featuring Juliette Larson, an 11-year old asthma sufferer. For the FY 2014-15 outreach campaign, the firm produced new digital video ads featuring five young asthma sufferers sharing their experiences of the effect of wood smoke and air pollution on their asthma.

Looking ahead to the FY 2015-16 season, there is a strong need to continue to increase awareness of the agency's Check Before You Burn program and build on the outreach momentum gained over the past two years.

The current contract with Sensis expires on September 30, 2015, and includes the option to renew the contract for one more year. Based on the overall quality and comprehensive design of the outreach programs developed and implemented by Sensis over the past two years, and to ensure an outreach program is in place before the FY 2015-16 Check Before You Burn season begins, staff recommends that the contract with Sensis be extended for one additional year in an amount not to exceed \$493,000. Special attention in the upcoming campaign will be given to significantly increasing AirAlert subscriptions.

Resource Impacts

Funding for this contract extension will be provided from Rule 1309.1 Priority Reserve Funds (Fund 36) to implement the FY 2015-16 Check Before You Burn outreach program.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 4

PROPOSAL: Execute Contracts for Two Heavy-Duty CNG Vehicles in Coachella Valley 

SYNOPSIS: In 2009, the MSRC awarded the City of Desert Hot Springs \$25,000 in match funds to purchase one heavy-duty CNG-powered truck. Financial constraints have prevented the City from purchasing this vehicle. Additionally, the Coachella Valley Association of Governments (CVAG) has requested funding for the purchase of a paratransit vehicle for deployment at Roy's Desert Resource Center, the first comprehensive resource center for the transitionally homeless in Coachella Valley. This action is to award contracts from the Clean Fuels Fund (31) to: 1) the City of Desert Hot Springs to cost-share the purchase of a CNG truck with the MSRC in an amount not to exceed \$38,000; and 2) CVAG to purchase a heavy-duty CNG paratransit vehicle in an amount not to exceed \$140,000.

COMMITTEE: Technology, June 19, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Chairman to execute contracts from the Clean Fuels Fund (31) with the following:

1. City of Desert Hot Springs to cost-share the purchase of one heavy-duty CNG-powered truck with the MSRC in an amount not to exceed \$38,000, and
2. CVAG to purchase a heavy-duty CNG paratransit vehicle in an amount not to exceed \$140,000.

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:HH:DKS:DRC:PMB

Background

In 2009, the MSRC awarded the City of Desert Hot Springs \$25,000 in match funds to purchase one heavy-duty CNG-powered truck, which was expected to cost at least

\$50,000. The City was to provide the balance of funds for the purchase of the vehicle. Since the award, however, the City of Desert Hot Springs has been unable to meet any of the cost-share for this vehicle. In addition, the cost of this vehicle has increased and is now estimated at \$63,000.

The Coachella Valley Association of Governments (CVAG) identified homeless services as a significant community need. In response, CVAG developed a Homelessness Committee to help direct regional efforts to address this need. Roy's Desert Resource Center (DRC), the first comprehensive homeless center built in the Western Coachella Valley, provides shelter to homeless individuals as well as to provide training and rehabilitative services to enable the homeless to regain the ability to provide for themselves. To ensure clean vehicles are used for transportation activities at Roy's DRC, CVAG has requested that the SCAQMD provide funds for the purchase of a heavy-duty CNG paratransit vehicle.

Proposal

This action is to execute a contract with the City of Desert Hot Springs to cost-share with the MSRC the purchase and deployment of one heavy-duty CNG-powered truck. This truck will be used by the City for services in the public works department and will displace the use of an older comparable diesel-fueled flatbed heavy-duty truck. The proposed CNG-powered vehicle is a Ford F-450 powered by a 6.8L V-10 gasoline engine that will be converted to dedicated CNG power using a CARB-certified conversion system. The CNG-powered vehicle will provide the City with a clean, alternative fuel heavy-duty vehicle that will help lower criteria pollutants and GHG emissions. This vehicle will be domiciled at the City and will be fueled locally by an upgraded CNG refueling station in the City of Desert Hot Springs.

The second action is to execute a contract with CVAG to purchase and deploy one heavy-duty dedicated CNG-powered paratransit bus. This paratransit vehicle will be used to shuttle people throughout the Coachella Valley area, but for primary use by Roy's DRC. The vehicle proposed for the paratransit is a Class E, 32-foot, Ford F-550, powered by a 6.8L V-10 gasoline engine that will be converted to dedicated CNG power using a CARB-certified conversion system. The vehicle will have wheelchair lift capability and meet Americans with Disabilities Act requirements. The CNG-powered vehicle will provide the region with a clean, alternative fuel heavy-duty vehicle that will help lower both criteria pollutants and GHG emissions.

Both projects will require reporting of vehicle usage data for three years.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. The cost-share project with the City of Desert Hot Springs qualifies under section B.2.d(1): "Projects involving

cost sharing by multiple sponsors.” The project with CVAG qualifies under section B.2.c.(1). “The desired services are available from only the sole-source based upon the unique experience and capabilities of the proposed contractor or contractor team.” CVAG/ Roy’s DRC provides services to underserved members of their community and this project presents a unique opportunity for CVAG/Roy’s DRC to replace an older higher emitting shuttle bus with a cleaner advanced technology shuttle bus. The non-profit nature of this entity typically is not afforded the opportunity to experience delivery of services in clean technology vehicles.

Benefits to SCAQMD

The Air Quality Management Plan relies upon the accelerated implementation of advanced technologies within Southern California to achieve federal and state ambient air quality standards and further reductions in air toxic exposure. Conversion of high mileage gasoline- or diesel-powered vehicles to natural gas-powered vehicles can significantly reduce criteria pollutants, GHG emissions and the use of petroleum based fuels.

Resource Impacts

Total funding for the two vehicles shall not exceed \$178,000 from the Clean Fuels Fund (31). Sufficient funds are available from the Clean Fuels Fund, established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 5

PROPOSAL: Amend Contract to Provide Additional Funding to Develop and Demonstrate Plug-In Hybrid Vehicles 

SYNOPSIS: The Board previously recognized \$45,443,332 from the DOE for the development and demonstration of a fleet of medium-duty plug-in hybrid vehicles at utilities and other fleets across the nation, and a contract was executed with the Electric Power Research Institute (EPRI) to conduct the project. This action is to amend the contract with EPRI to continue data collection in order to further evaluate performance and operational benefits while providing feedback for optimization of these plug-in hybrid vehicles in an amount not to exceed \$250,000 from the Clean Fuels Fund (31).

COMMITTEE: Technology, June 19, 2015; Recommended for Approval.

RECOMMENDED ACTION:

Authorize the Chairman to amend a contract with EPRI to continue data collection in order to further evaluate performance and operational benefits while providing feedback for optimization of this fleet of medium-duty plug-in hybrid vehicles in an amount not to exceed \$250,000 from the Clean Fuels Fund (31).

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM:JI

Background

The Electric Power Research Institute (EPRI), which is the research arm of the electric utility industry, has long been a supporter and developer of PHEV technologies. The SCAQMD, in partnership with the DOE, contracted with EPRI to build a large and diverse test fleet of medium-duty PHEVs across the nation. The project includes a total of 296 trucks and vans in 64 different fleets across 23 states plus the District of Columbia. Out of the 296 vehicles, 119 PHEVs are Odyne utility boom trucks distributed across 35 different fleets. All of the PHEVs have been delivered to customers, and the program is successfully coming to a conclusion.

Proposal

Given the size and diversity of this fleet of PHEVs, there is significant merit in continuing data collection and analysis on operational benefits and performance to enhance optimization of these vehicles. The data will continue to be collected for all 296 vehicles and sent to the national laboratories for analysis. The additional refinements to the data set are expected to provide greater insight into geographic, duty-cycle and operational differences among the fleets. EPRI has estimated costs to conduct this follow-on work and is requesting a 30 percent cost-share from the SCAQMD.

Benefits to SCAQMD

The expansion of PHEVs is included in the *Technology Advancement Office Clean Fuels Program 2015 Plan Update* under the category “Electric/Hybrid Technologies & Infrastructure.” Plug-in hybrid technologies overall have the potential for lower criteria pollutant emissions, reduced greenhouse gas emissions and zero local emissions during portions of their drive cycle when they are operating solely on electric power. These technologies can provide substantial benefits to communities, neighborhoods and schools where these vehicles operate.

Resource Impacts

The total cost for the original project was \$90,940,227, of which \$45,443,332 (50%) was provided by the DOE, \$5,000,000 (5%) provided by the CEC and \$40,496,895 (45%) provided by EPRI and participants. The total cost for SCAQMD’s contribution to this contract amendment shall not exceed \$250,000 from the Clean Fuels Fund (31). EPRI will provide \$594,678 in-kind as outlined in the table below.


Funding Partners	Funding Amount	Funding
EPRI	\$594,678	70%
SCAQMD (<i>requested</i>)	\$250,000	30%
Total	\$844,678	100%

With this amendment, the revised total project cost will be \$91,784,905, of which SCAQMD’s cost-share shall not exceed \$250,000 (less than 1%).

Sufficient funding for this proposed project is available from the Clean Fuels Fund, established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 6

PROPOSAL: Amend Contract to Provide Additional Funding for Hydrogen Fueling Station Demonstration 

SYNOPSIS: The Board previously approved a contract with Linde, LLC, for \$250,000 to design and build a hydrogen station in Laguna Niguel. Subsequently, due to the inability to come to an agreement with site owners, a new site in Orange County was identified for the hydrogen station. The permitting requirements for the new site, however, have increased costs by \$160,000. To ensure the station moves forward, Linde, LLC has requested additional funds to equally share the higher costs. This action is to amend the contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration in an amount not to exceed \$80,000 from the Clean Fuels Fund (31).

COMMITTEE: Technology, June 19, 2015; Recommended for Approval.

RECOMMENDED ACTION:

Authorize the Chairman to amend a contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration in an amount not to exceed \$80,000 from the Clean Fuels Fund (31).

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM:JI

Background

A contract was previously executed with Linde, LLC, in the amount of \$250,000 to provide hydrogen fueling at an existing station in Laguna Niguel. However, Linde was unable to execute an agreement with any station owner at various sites within the City.

Subsequently, Linde was able to identify a new site in Orange County that met CEC requirements as well as satisfied SCAQMD project objectives by being in proximity of the fuel cell vehicle cluster in Irvine, thus filling a gap in availability of hydrogen in Southern California as part of the California Hydrogen Highway Network.

Proposal

The permitting requirements at the new hydrogen station site have increased project costs significantly over Linde’s original estimated project costs. These additional costs include relocation of a transformer and aesthetic requirements being imposed by the local jurisdiction. To ensure the station moves forward, Linde has requested the SCAQMD equally share the higher costs. This action is to amend the contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration.

Benefits to SCAQMD

SCAQMD’s Clean Fuels Program has been active in funding the development and demonstration of low-emission, hydrogen fuel technologies within its Technology Advancement Office. Hydrogen vehicles and refueling stations are necessary to comply with the ZEV regulation to reduce criteria pollutant emissions. The development of an extensive hydrogen fueling network in Southern California will accelerate the deployment of these cleaner vehicles. Specifically, the proposed project leverages existing activities included in the *Technology Advancement Office Clean Fuels Program 2015 Plan Update* under “Hydrogen and Fuel Cell Technologies and Infrastructure.”

Resource Impacts

The total cost for this project was originally estimated to be \$2,732,177, of which SCAQMD’s cost share was \$250,000 (9%), Linde’s was \$433,043 (16%) and \$2,049,134 was provided by CEC (75%). SCAQMD’s cost-share for this amendment shall not exceed \$80,000 from the Clean Fuels Fund (31). Linde, LLC, will provide the balance of the estimated \$160,000 cost increase as outlined in the table below.

Funding Partners	Funding Amount	Funding (%)
Linde, LLC	\$80,000	50
SCAQMD (<i>requested</i>)	\$80,000	50
Total	\$160,000	100

With the amendment, the revised total project cost is estimated to be \$2,892,177, of which SCAQMD’s cost-share shall not exceed \$330,000 (11% of revised total project costs); and Linde’s cost-share, \$513,043 (18% of revised total project costs).

Sufficient funding for this proposed project is available from the Clean Fuels Fund, established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5

and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 7

PROPOSAL: Issue Program Announcement for Low-Emission Leaf Blower Vendors

SYNOPSIS: To follow up on the successful Leaf Blower Exchange Programs, staff proposes a similar incentive in the fall of 2015 to generate cost-effective emission reductions. This action is to issue a Program Announcement to solicit competitive bids from manufacturers of low-emission leaf blowers in sufficient quantities and at the lowest possible price.

COMMITTEE: Mobile Source, June 19, 2015, Reviewed

RECOMMENDED ACTION:

Issue Program Announcement #PA2016-01 to identify potential manufacturers or suppliers of low-emission/low-noise leaf blowers capable of providing up to 1,500 units.

Barry R. Wallerstein, D.Env
Executive Officer

MMM:FM:VY

Background

Since 2006, the SCAQMD has conducted the Leaf Blower Exchange Program annually to encourage professional gardeners and landscapers operating within the SCAQMD's four-county jurisdiction to turn in their old, polluting leaf blowers and purchase new, low-emission/low-noise leaf blowers at a reduced price. The Program has been very successful, resulting in the exchange of 12,000 leaf blowers. The leaf blower previously offered was the only model certified by CARB to have emission levels below the "Blue Sky Series" voluntary standards. The Blue Sky Series voluntary standards for hydrocarbons and nitrogen oxides are set at a level that is 50 percent lower than the current emission standards for leaf blowers that qualify for sale in California.

Proposal

This action is to issue Program Announcement #PA2016-01 to solicit competitive proposals from qualified manufacturers or suppliers capable of supplying between 1,000 and 1,500 low-emission/low-noise leaf blowers for the SCAQMD's 2015 Leaf Blower Exchange Program. In addition to other criteria, to qualify for consideration, the proposed leaf blower must meet the CARB Blue Sky Series emission standards or be a zero-emissions electric leaf blower.

SCAQMD staff will evaluate the proposals based on, but not limited to, criteria including emission levels of the engine, leaf blower noise levels, product specifications, availability, production capacity, lead time, price of the product and the degree to which the supplier will provide additional services for advertising, organizing and conducting the exchange events. Finally, the PA requires bidders to provide a commitment that the terms and prices being offered are at least as favorable as those granted to customers making the same or similar purchases.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the PA 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 PA will be emailed 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."

Bid Evaluation

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

Benefits to SCAQMD

The Leaf Blower Exchange Program reduces exposure to harmful emissions from the use of traditional gasoline-powered leaf blowers within the South Coast Air Basin. Since 2006, more than 12,000 leaf blowers have been exchanged, reducing carbon monoxide, nitrous oxides, hydrocarbons and particulate matter from the air.

Resource Impacts

The amount of funding will be determined after the selection of a contractor from the submitted proposals. Funding will be provided from the Air Quality Investment Fund (27), Rule 2202 AQIP Account.

Attachment

Program Announcement #PA2016-01 – Leaf Blower Exchange Program

Announcing the
South Coast Air Quality Management District

Leaf Blower Exchange Program

Program Announcement

#PA2016-01

July 10, 2015

SCAQMD reserves the right to change any criteria such as the schedule, qualifications, and selection criteria outlined in this Program Announcement.

DATE: July 10, 2015

TO: All Interested Parties

FROM: Barry Wallerstein, Executive Officer, SCAQMD

SUBJECT: SCAQMD Leaf Blower Exchange Program
Announcement #PA2016-01

The South Coast Air Quality Management District (SCAQMD) is pleased to announce a funding opportunity for implementation of a Leaf Blower Exchange Program in the fall of 2015. This program is intended to encourage professional gardeners and landscapers operating within the SCAQMD's four-county jurisdiction to turn in their old, polluting leaf blowers and purchase new, low or zero-emission/low-noise leaf blowers at a reduced price. Since the 2006 original program, 12,000 leaf blowers were exchanged through similar programs.

This Program Announcement is intended to identify potential manufacturers/suppliers of low or zero-emission/low-noise leaf blowers who are willing to provide between 1,000 and 1,500 new blowers at a discounted price to be used for the 2015 Leaf Blower Exchange Program. All interested parties are encouraged to apply. The required product specifications are listed in Section D.

The SCAQMD staff is available to assist applicants during the preparation of their proposals for this Program. Points of contact for administrative and technical assistance are included in the attached Program Announcement in Section F.

Should you have any questions regarding this Program Announcement, please contact Mr. Vasken Yardemian, Senior Staff Specialist, at (909) 396-3296. The Announcement documents can also be accessed via the internet by visiting SCAQMD's website at www.aqmd.gov where it can be viewed by making the selection "Grants & Bids."

Our main objective is to reduce exposure to harmful emissions from the use of gasoline powered leaf blowers within the SCAQMD's four-county jurisdiction, and we look forward to receiving your proposal.

TABLE OF CONTENTS

A. LEAF BLOWER EXCHANGE PROGRAM OVERVIEW..... 1

B. PROGRAM SCHEDULE..... 1

C. PROPOSAL SUBMITTAL 2

D. PROJECT PROPOSAL GUIDELINES, REQUIREMENTS AND
CONDITIONS 2

 Proposal Requirements 2

 Required Product Information 3

 Additional Contractor Services for Advertising and Conducting Exchange Events 4

 Company Contact..... 4

 Certifications and Representations 4

E. PROJECT IMPLEMENTATION 4

 Project Selection Criteria 4

 Scoring Criteria..... 4

 Cost-effectiveness 5

 Amount of SCAQMD Funding..... 6

 Project Completion Deadlines 6

F. IF YOU NEED HELP 6

ATTACHMENT A 7

A. LEAF BLOWER EXCHANGE PROGRAM OVERVIEW

The purpose of this Program Announcement #PA2016-01 is to solicit competitive proposals from qualified contractors for the production and supply of low or zero-emission/low-noise leaf blowers to be used in the SCAQMD’s Leaf Blower Exchange Program in the fall of 2015. This program is intended to encourage professional gardeners and landscapers operating within the SCAQMD’s four-county jurisdiction to turn in their old, polluting leaf blowers and purchase new, low or zero-emission/low- noise leaf blowers at a reduced price. Since the 2006 original program, 12,000 leaf blowers were exchanged through similar programs.

This Program Announcement is intended to identify potential manufacturers/suppliers of low or zero-emission/low-noise leaf blowers who are willing to provide between 1,000 and 1,500 new blowers and provide the best value including price and other project criteria herein.

The successful bidders should be knowledgeable and experienced in the manufacture and commercial distribution of reliable low or zero-emission/low-noise leaf blowers that meet the requirements set forth in Section D of this Program Announcement. They should have an established network of local dealerships providing product sales and service or provide assistance in making arrangements to secure suitable exchange locations within the SCAQMD’s four-county jurisdiction.

Total SCAQMD funding to be allocated will depend upon the availability of funds and the amount of the discount per unit offered by the manufacturer at the time of the leaf blower exchange events.

B. PROGRAM SCHEDULE

The implementation schedule of this program is illustrated below:

July 10, 2015	Issue the Program Announcement, #PA2016-01
September 17, 2015	Proposals due no later than 2:00 PM
October 16, 2015	Proposals approved by Mobile Source Committee
November 6, 2015	Proposals approved by Board
December 11, 2015	Anticipated Contract Execution
December 12, 2016	Completion of Program

C. PROPOSAL SUBMITTAL

There is no specific application form for this Program Announcement, but applicants are expected to submit a proposal that addresses all of the items listed in Section D of the Announcement.

The applicant shall submit **four copies** of the project proposal in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words “**Program Proposal (#PA-2016-01)**.” All proposals for the Leaf Blower Exchange Program are due no later than 2:00 PM, September 17, 2015.

Procurement Unit
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA. 91765

The written proposals must be received by SCAQMD by the specified date and time regardless of when they may be postmarked for delivery. Email and faxed copies will not be accepted.

D. PROJECT PROPOSAL GUIDELINES, REQUIREMENTS AND CONDITIONS

Proposal Requirements

There is no specific application form for this Program Announcement, but applicants are expected to submit a proposal that addresses all of the items listed below.

To be considered for this Program:

- Bidders must have the capability to produce and supply up to 1,500 low or zero-emission/low-noise leaf blowers by December 11, 2015, that meet the requirements listed below.
- The proposed leaf blower must be a model of sufficient power to be considered suitable for everyday commercial use by professional gardeners and landscapers.
- The proposed leaf blower engine must have been certified by the California Air Resources Board (CARB) for sale in California and must meet certified emission levels no higher than those identified by CARB as the Blue Sky Series engine emission standards listed below or be a battery-operated zero-emission leaf blower:

Engine Displacement	Hydrocarbon plus Oxides of Nitrogen	Carbon Monoxide	Particulate Matter (PM standard applies only to 2-stroke engines)
<50 cc	25 g/kW-hr	536 g/kW-hr	2.0 g/kW-hr
50-80cc inclusive	36 g/kW-hr	536 g/kW-hr	2.0 g/kW-hr

- The manufacturer must agree not to request emissions credits generated by the sale of leaf blowers through this SCAQMD-subsidized program to comply with any CARB or EPA emissions credit averaging, banking or trading program.
- Although no specific noise level is required for a leaf blower to qualify for this Program, preference will be given to “low-noise” models that are designed to achieve a noise level of 65 dB(A) while operating at a power level that is satisfactory for use by professional gardeners and landscapers.
- Bidders are required to agree to provide SCAQMD with Most Favored Customer status by warranting in the contract that the pricing, warranties, benefits and terms provided to SCAQMD will be no less favorable than those granted to other customers making the same or similar purchases.

Required Product Information

The contractor must provide all of the following information which will be used to evaluate and compare proposals. If electric, please indicate “NA” in appropriate specifications.

Leaf Blower Specifications	
Blower Model Number	
Engine Displacement (in cc)	
2-Stroke or 4-stroke	
Noise Rating in dB(A)	
Engine Power (in both kW and bhp)	
Air Velocity (mph)	
Air Volume with tubes (cfm)	
Air Volume without tubes (cfm)	
Dry Weight of Blower (pounds)	
Fuel Tank Capacity (ounces and liters)	
Warranty Period for Commercial Users	
Approximate Number of Dealerships/Service Centers within SCAQMD four-county jurisdiction	
CARB-Certified Emission Level Information for Proposed Leaf Blower (NA for electric leaf blower)	
CARB Executive Order Number and Date	
Certification Level for HC+NOx (in g/kW-hr)	
Certification Level for CO (in g/kW-hr)	
Certification Level for PM (in g/kW-hr) (PM standard applies only to 2-stroke engines)	
Has manufacturer requested that this engine be specifically designated by CARB as a “Blue Sky Series” engine?	
Leaf Blower Cost Information	
Manufacturer’s Suggested Retail Price	
Price per blower to SCAQMD for 1,000 units	
Price per blower to SCAQMD for 1,500 units	

Additional Contractor Services for Advertising and Conducting Exchange Events

The SCAQMD will give preference to contractors who, in addition to providing a qualifying product at the lowest possible price, will provide additional services to help advertise the Program and organize and conduct the exchange events. For planning purposes, contractors should assume there will be a minimum of seven exchange events on different days at various sites located throughout the SCAQMD's four-county jurisdiction. The highest scoring proposals will include contractor commitments to:

- Make all the necessary arrangements to secure suitable exchange sites.
- Provide outreach and advertising assistance for promoting the program.
- Provide the necessary staffing to satisfactorily conduct the exchange events.
- Cover the costs of collecting, destroying and properly disposing of the old blowers.

Company Contact

Proposers shall provide the company's contact person's name, address, phone numbers and the email address.

Certifications and Representations

Proposers shall complete and sign all the certification and representation forms provided in Attachment A of this package.

E. PROJECT IMPLEMENTATION

Project Selection Criteria

A contractor will be selected based on the following criteria:

- a. The emission levels of the engine
- b. Product specifications
- c. Leaf blower noise level
- d. Lead times necessary to provide the required number of units (assuming a maximum of 1,500 units)
- e. Event support and experience (outreach, advertise, organize and conduct the exchange events)
- f. Cost-effectiveness

Scoring Criteria:

The proposals shall be evaluated according to the criteria set forth below:

	Points
a. HC + NOx Emission Levels (gms/kW-hr)	40
b. Product Specifications	15
c. Noise Levels (dba)	10
d. Lead Time to Provide Product	10
e. Event Support and experience	10
f. Cost-effectiveness (\$/lb)	15
Total Points	100

Cost-effectiveness

Proposer may use the following steps to calculate the cost-effectiveness.

$$E_r = \frac{(x_1 - x_2) * kW * h * L_f}{454} + \frac{(y_1 - y_2) * kW * h * L_f}{454 * 7}$$

Where,

- E_r = Emission Reductions (lbs/unit/year)
- x_1 = CARB Standard for HC+NOx level (gms/kW-hr)
- x_2 = CARB Certified for HC+NOx level (gms/kW-hr) for proposed unit
- y_1 = CARB Standard for CO level (gms/kW-hr)
- y_2 = CARB Certified for CO level (gms/kW-hr) for proposed unit
- kW = kW rating of the proposed unit (in kW)
- h = Annual hours of operation (282)
- L_f = Load Factor (0.94)

$$C_e = \frac{P * CRF}{E_r}$$

Where,

- C_e = Cost-effectiveness (\$/lb.)
- P = Price per proposed unit (\$\$)
- CRF = Capital Recovery Factor (0.263, based on 2% discount and 4 year project life)
- E_r = Emission Reductions (lbs/unit/year)

Amount of SCAQMD Funding

Total SCAQMD funding to be allocated will depend upon the availability of funds and the amount of the discount per unit offered by the manufacturer at the time of the leaf blower exchange events

Project Completion Deadlines

- The total number of leaf blowers to be used for the 2015 program (up to a maximum of 1,500 blowers) shall be available no later than December 11, 2015.
- Overall project shall be completed before December 12, 2016
- Multiple awards may result from this Program Announcement

F. IF YOU NEED HELP

This Program Announcement can be obtained by accessing the SCAQMD website at www.aqmd.gov where it can be viewed by making the selection "Grants & Bids". SCAQMD staff members are available to answer questions during the proposal acceptance period. In order to help expedite assistance, please direct your inquiries to the applicable staff person, as follows:

For **General, Administrative, or Technical Assistance**, please contact:

Vasken Yardemian, Senior Staff Specialist
Phone: 909-396-3296 Fax: 909-396-3632
E-mail: vyardemian@aqmd.gov

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

Business Information Request

Dear SCAQMD Contractor/Supplier:

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 5/15



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • 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 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): _____

State of California Public Works Contractor Registration No. _____ . MUST BE INCLUDED IF BID PROPOSAL IS FOR PUBLIC WORKS PROJECT.

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 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**
 - 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.

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.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% 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* above.

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

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. 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 line 2.

e. **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 Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should 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 line 1. 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 line 2, "Business name/disregarded entity name." 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.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 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 U.S. commonwealth or possession, 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 U.S. commonwealth or possession
- 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 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² 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 reportable under section 6045(f), 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 requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- 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 U.S. commonwealth or possession, 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 Regulations 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 Regulations 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

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

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 this page), 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 SSA office or get this form online at 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 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 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 line 1 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 ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
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 ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ¹
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ¹
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 ¹
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 Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ 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.

² Circle the minor's name and furnish the minor's SSN.

³ 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.

⁴ 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 2.

***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, 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. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit 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.

2015 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 _____

2015 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 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 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 partners, members, and S corporation shareholders 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 activities sourced to 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 before payment is made. 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

For California non-wage withholding purposes, **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.

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.

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.

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

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

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

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o 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.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

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

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 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 SCAQMD website (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
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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

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

Staple Voided Check Here	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 _____

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 8

PROPOSAL: Issue Program Announcement for Proposition 1B-Goods Movement Emission Reduction Program 

SYNOPSIS: In June 2015, CARB approved updates to the Proposition 1B-Goods Movement Emission Reduction Program Guidelines identifying new specifications and funding levels for eligible heavy-duty truck projects. The updates include funding for new and used diesel trucks for small fleets and near-zero and zero emission trucks for large fleets. In order to maximize participation statewide, air districts plan to release Program Announcements in a synchronized manner. A release date has not yet been established. This action is to issue a Program Announcement for heavy-duty truck projects once CARB has finalized the solicitation criteria in consultation with air districts.

COMMITTEE: Technology, June 19, 2015; Recommended for Approval.

RECOMMENDED ACTION:

Approve issuance of a Program Announcement for the heavy-duty truck category of the Proposition 1B-Goods Movement Emission Reduction Program once CARB has finalized the solicitation criteria in consultation with air districts.

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM:VW

Background

Proposition 1B authorizes a total of \$1 billion to CARB for the Goods Movement Emission Reduction Program (Program). The Program is intended to reduce emissions from goods movement operations in four priority trade corridors: Los Angeles/Inland Empire, Central Valley, Bay Area and San Diego/Border. The availability of funding is contingent upon bond sales by the state and appropriation by the legislature. To date,

CARB has received approximately \$740 million from bond sales which have been awarded to implement various projects. SCAQMD has received approximately \$390 million of these funds for projects involving heavy-duty diesel trucks, freight locomotives and ships at berth. The majority of these projects have been completed providing significant emission reduction benefits to the region.

This year, SCAQMD expects to receive the final allocation of funds from CARB amounting to approximately \$85 to \$90 million. The Program will be focused on funding projects that go beyond existing requirements to provide “extra” emission reductions. For heavy-duty trucks, this includes funding for new and used diesel trucks for small fleets, near-zero and zero emission technologies, electric truck refrigeration units (TRUs), and infrastructure needed to support the zero-emission TRUs. CARB is scheduled to release a Notice of Funding Availability in July 2015 to solicit applications from eligible local and state agencies. SCAQMD will submit applications to CARB for the final funding allocation and then return to the Board for approval to adopt a resolution and enter into grant agreements to receive the funds and implement the Program.

Proposal

Since all participating air districts are seeking program funding for heavy-duty trucks, it has been agreed that a uniform solicitation for heavy-duty trucks will be prepared and released by each air district concurrently to allow for a more efficient outreach effort and increased participation. This PA will solicit applications for heavy-duty truck projects, including but not limited to: new and used diesel trucks for small fleets, near-zero and zero emission technologies, electric truck refrigeration units (TRUs), and infrastructure needed to support the zero-emission TRUs. Once CARB finalizes the details of the Program, air districts will incorporate the final changes into the solicitation packages for issuance in the near future. This action is to approve issuance of a Program Announcement for heavy-duty trucks once CARB has finalized the solicitation criteria in consultation with air districts. Following the solicitation and evaluation of the applications, staff will return to the Board for approval of the ranked list and specific awards for each project.

Outreach

In accordance with SCAQMD’s Procurement Policy and Procedure, a public notice advertising the PA 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 PA will be emailed 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".

Benefits to SCAQMD


The successful implementation of the proposed projects will reduce NOx and PM emissions in a cost-effective and expeditious manner to meet the goals of the 2007 AQMP. The proposed vehicles and equipment to be funded by the Proposition 1B Program will operate for many years in the South Coast region and provide long-term emission reductions.

Resource Impacts

SCAQMD expects to receive a final allocation of Proposition 1B-Goods Movement Emission Reduction Program funds from CARB amounting to approximately \$85 to \$90 million. Staff will seek the Board's approval of awards after completion of the evaluations and ranking of all the truck project applications in response to the solicitation that will be issued under the Proposition 1B-Goods Movement Emission Reduction Program.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 9

PROPOSAL: Recognize Revenue and Appropriate Funds from Clean Fuels, Carl Moyer AB 923 and Proposition 1B-Goods Movement Programs for Administrative Support, Outreach and Education, Capital Outlays, and Related Activities 

SYNOPSIS: The Technology Advancement Office executes hundreds of contracts annually to implement incentive, demonstration and technology transfer projects, involving ongoing administrative support, outreach and education, capital outlays, and related activities. This action is to recognize up to \$1,585,000 in revenue into the General Fund and appropriate \$1,585,000 to the Science & Technology Advancement FY 2015-16 Budget from the following special revenue funds: \$1,185,000 from the Clean Fuels Program Fund (31); \$100,000 from the Carl Moyer Program AB 923 Fund (80); and \$300,000 from the Proposition 1B-Goods Movement Program Fund (81). These appropriations will ensure flexibility and expediency in administering and implementing these programs and in procuring and maintaining equipment required by the programs. Publication requirements will be waived for advanced technology vehicle acquisitions as they are available from limited dealerships.

COMMITTEE: Technology, June 19, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize up to \$1,400,000 into the General Fund and appropriate \$1,400,000 to the Science & Technology Advancement FY 2015-16 Budget (Org. 49), Services and Supplies Major Object, Professional and Special Services Account, from the following special revenue funds:
 - a. \$1,000,000 from the Clean Fuels Program Fund (31);
 - b. \$100,000 from the administrative portion of the Carl Moyer Program AB 923 Fund (80); and
 - c. \$300,000 from the administrative portion of the Proposition 1B-Goods Movement Program Fund (81).

2. Recognize \$185,000 from the Clean Fuels Fund (31) into the General Fund and appropriate \$185,000 to the Science & Technology Advancement FY 2015-16 Budget (Org. 49), Capital Outlays Major Object, Capital Outlays Account.
3. Authorize the Procurement Manager to waive publication requirements for advertised procurements of up to nine advanced technology vehicles at a cost not to exceed \$150,000.

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM

Background

The Technology Advancement Office (TAO) conducts the agency's research, development, demonstration and deployment activities, implements several on- and off-road incentive programs, and performs various technology outreach and education activities, including event co-sponsorships. The funding authorizations associated with these activities are the Clean Fuels Program Fund (31), the Carl Moyer Program AB 923 Fund (80), and the Proposition 1B-Goods Movement Program Fund (81). Overall, TAO administers and monitors thousands of contracts annually.

The SCAQMD recognizes and appropriates the revenues from these special programs to special revenue funds, separate from the SCAQMD's General Fund, to clearly delineate the program operation revenues, which have statutory constraints imposed on their use. Additionally, the Clean Fuels, Carl Moyer and Proposition 1B Programs allow up to five percent for administrative costs.

TAO also implements the Alternative Fuel Vehicle Demonstration Program, which demonstrates advanced vehicle technologies to test new technologies and educate consumers. While there are currently a variety of plug-in hybrid electric, electric and fuel cell vehicles in the Program, the periodic lease or purchase of additional vehicles is necessary to showcase new light-duty vehicle technologies.

Additionally, SCAQMD's building is a showcase for advanced stationary technology, including three solar PV systems totaling 160 kW on the rooftop and a 75kW solar PV carport above the parking garage. It is also a showcase for alternative fuel infrastructure, including a hydrogen fueling station and EV supply equipment.

Proposal

This action is to recognize a small portion of funds from the Clean Fuels Fund (31) and a portion of the administrative funds from the Carl Moyer Program AB 923 Fund (80)

and Proposition 1B-Goods Movement Program Fund (81) into the SCAQMD's General Fund and to appropriate those funds into the Science & Technology Advancement (STA) FY 2015-16 Budget. This will allow management flexibility and expediency in addressing program implementation issues and will support administrative, outreach and education, capital outlays, and related activities to successfully implement and oversee these programs.

Clean Fuels Program

The appropriation of funds would enable a range of activities involved in implementing the Clean Fuels Program. These activities are expected to include but not be limited to the following areas:

Technical Assistance

Technical assistance is needed in the areas of battery electric and hybrid vehicles, low-emission engine development, emissions testing and analysis, hydrogen and natural gas fueling infrastructure development, alternative fuel vehicles and health impacts studies.

Expert Consultation

Consultants provide expertise on new and emerging technologies, development of emission control technologies and analyses of demonstration projects including alternative fuels, fuel cells, natural gas and hydrogen fueling infrastructure, battery and hybrid electric vehicles, renewable energy and particulate matter control technologies. Assignments for these consultants are expected to be short term and time sensitive.

Outreach & Education and Conference Sponsorships

SCAQMD is often asked to provide support for technical conferences and other outreach and education activities related to implementation of the Clean Fuels Program and the Technology Advancement Office. These conferences provide opportunities for the SCAQMD to inform the public, communicate its programs to broad audiences, and receive input from public and private organizations. Public outreach and education is important for commercialization and to foster acceptance of new technologies.

Advanced Technology Vehicle Leases and/or Purchases

In order to showcase and demonstrate a variety of advanced, low-emission technologies, the SCAQMD often leases or purchases clean vehicles to educate public and private organizations on the benefits of advanced technologies, as well as provide valuable in-use test data to the manufacturers.

Equipment for Advanced Stationary/Infrastructure Technology

SCAQMD's rooftop solar PV system includes both Building Integrated Photovoltaic (BIVP) systems and more conventional crystalline silicon panels to demonstrate and monitor performance of the different systems side by side. SCAQMD's Headquarters also showcases a solar PV carport and advanced infrastructure technology including the

hydrogen fueling station and EV supply equipment. Funds are required to periodically upgrade and repair this equipment.

Administrative & Other Costs

Funds are also required to support the administrative operation of the Clean Fuels Program. These costs include but are not limited to postage and public notice advertisements for solicitations and other project-related mailings, travel and conference-related expenses for participation at program planning and implementation events and meetings, and costs necessary to enhance or expand existing program-related activities.

Carl Moyer and Prop 1B Programs

The appropriation of funds would facilitate support for various activities related to the implementation of these incentive programs. These activities are expected to include but not be limited to the following areas:

Technical Assistance

Technical assistance is needed for evaluation of different types of vehicles and equipment to determine their eligibility and the amount of incentive funding that can be provided in compliance with the requirements of the Carl Moyer and Proposition 1B Program guidelines and applicable rules and regulations.

Expert Consultation

Consultants provide expertise on availability of new and emerging technologies and commercialization potential of lower-emitting vehicles and related infrastructure. Assignments for these consultants are expected to be short term and time sensitive.

Outreach & Education and Conference Sponsorships

During each funding cycle, the SCAQMD conducts several equipment-specific and general workshops. SCAQMD staff participates in conferences and performs extensive outreach activities to enhance public awareness for the Carl Moyer and Proposition 1B Programs. Staff also helps potential applicants to take advantage of funding opportunities in all eligible equipment categories. In addition, SCAQMD participates in conferences to communicate its incentive-funding programs to broad audiences and to inform the public about these opportunities. Public outreach plays an important role in commercialization of new technologies.

Administrative & Other Costs

Funds are also required to support the operation of the Carl Moyer and Proposition 1B Programs. These costs can include but are not limited to postage and public notice advertisements for solicitations and other project-related mailings as well as costs associated with performing or meeting program objectives.

Benefits to SCAQMD

The appropriation of funds from these three special revenue funds to STA's FY 2015-16 Budget will ensure successful implementation and oversight of TAO's demonstration, technology transfer and incentive programs as well as outreach and education efforts, ultimately achieving emissions reductions and moving the region closer to attainment of air quality standards. These activities are included in the *Technology Advancement Office Clean Fuels Program 2015 Plan Update* under "Assessment and Technical Support of Advanced Technologies and Information Dissemination" and "Support for Implementation of Various Clean Fuels Vehicle Incentive Programs."

Procurement Process

For specialized, new advanced technology vehicles, staff is requesting to waive publication requirements, in accordance with Section VII.A of the Procurement Policy and Procedure, because these vehicles are only available from limited regional dealerships. Furthermore, in those instances where limited regional dealerships are offering the advanced technology vehicles, an informal bid process using selection criteria in the 2013 California Advanced Technology Partial Zero Emission Vehicle emissions certification, as well as timely response and favorable purchase or lease prices, will be used to solicit quotes.

For specialized, new advanced technology vehicles available from only one dealer, the lease or purchase will be made on a sole source basis. Section VIII.B(2) of the Procurement Policy and Procedure identifies six provisions under which detailed specifications or obtaining of bids may be waived by the Executive Officer or his designee. This request is made under provision B.2.c.(1): "The desired services are available from only the sole source based upon one or more of the following reasons: The unique experience and capabilities of the proposed contractor or contractor team."

Resource Impacts

There are sufficient funds to appropriate up to \$1,585,000 from the following special revenue funds: \$1,185,000 from the Clean Fuels Program Fund (31); \$100,000 from the administrative portion of the Carl Moyer Program AB 923 Fund (80); and \$300,000 from the administrative portion of the Proposition 1B-Goods Movement Program Fund (81). The \$1,585,000 will be recognized into the General Fund and will be appropriated into STA's FY 2015-16 Budget (Org 49), as follows: \$1,400,000 into Services and Supplies Major Object, Professional and Special Services Account, and \$185,000 into Capital Outlays Major Object, Capital Outlays Account. Any unspent funds will be transferred back to the appropriate special revenue fund after FY 2015-16 year end.

The Clean Fuels Program Fund (31) was established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to

increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 10

PROPOSAL: Issue RFP for Enhancement of Web-Based Annual Emissions Reporting Tool

SYNOPSIS: Under the Annual Emission Reporting (AER) program, facilities subject to Rule 301(e) and the AB 2588 Program are required to report toxics and criteria pollutant emissions to the SCAQMD. SCAQMD developed a new AER Reporting Tool which allows facilities to report their emissions on a device/equipment basis. The new reporting tool was available as an option for testing and reporting 2013 emissions. Starting calendar year 2015, the use of this tool became mandatory for the AER facilities. During the reporting period, additional fixes and enhancements have been identified by facilities. This action is to release an RFP for enhancements to the existing tool features based on user feedback. The total funding for this project shall not exceed \$150,000, which is included in the FY 2015-16 Budget. Additionally, staff is requesting to have an option to renew the contract for up to two additional years for an estimated amount not to exceed \$150,000 per year.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTION:

Approve the release of RFP #P2016-04 for Enhancement of Web-Based Annual Emissions Reporting Tool in an amount not to exceed \$150,000 for the base year with an option for the Executive Officer to renew the contract for up to two additional years for regular maintenance, optimization and program support for an estimated amount not to exceed \$150,000 per year, if monies are approved in the budget.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Under SCAQMD's Annual Emission Reporting (AER) Program, there are about 1,800 facilities that are required to report criteria and toxics emissions annually to the SCAQMD and pay emission fees in accordance with Rule 301(e) requirements. Additionally, facilities subject to the Air Toxics "Hot Spots" (AB 2588) program are required to report their quadrennial toxics emissions inventory through the AER Program. AB 2588 facilities are included as AER facilities for the purpose of this Board letter. Consolidation of the AB 2588 toxics emission inventory reporting requirement into the AER program has improved the toxics emissions data quality and minimized the required resources by both facilities and the SCAQMD.

In December 2011, the Board approved releasing an RFP to solicit proposals from qualified firms to develop a new AER system with an option to renew the contract for three additional years. In March 2012, the Board approved a contract with Ecotek Consulting Inc. to develop and implement the new AER system, using \$103,921 in U.S. EPA grant funds combined with \$95,899 in SCAQMD funding. In March 2013, the Board approved amending the contract to secure the second installment of the U.S. EPA funds (totaling \$96,079) combined with \$50,000 from SCAQMD funding to include additional tasks as required by the U.S. EPA grant. In June 2014, the Board approved amending the contract for the third year for a total amount of \$235,370 for program enhancements identified during the pilot testing and user feedback. This action brought the contract total to \$581,269 of which \$200,000 was funded from a U.S. EPA grant.

The emissions reporting system includes new features such as quality control, enhanced data management, standard and ad hoc reporting, data adjustments, and billing functions as well as integration of greenhouse gas emission reporting. The new reporting tool was available as an option to facilities for testing and reporting 2013 emissions. This new tool is now mandatory for facilities to report their calendar year (CY) 2014 and subsequent annual emissions.

Proposal

During the reporting period of CY 2014 emissions, additional enhancements have been identified by the facilities. These enhancements include: redesigning how a facility's permit profile is uploaded and the subsequent import functionality to resolve data discrepancies; providing enhancements to the SCAQMD Admin module such as re-importing the file over a previously submitted file; providing enhancements to the AER system such as modifying truncating/rounding features; providing technical support to SCAQMD staff and facilities during the emissions reporting period; updating the lookup tables; and other tasks as specified in the attached RFP. The second and third years, should the contract be extended and budget available, would cover regular maintenance, optimization and program support, if needed.

This RFP is to competitively solicit proposals from qualified firms to make the specific enhancements to the AER reporting tool and system as outlined in the attached RFP.

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 South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP will be emailed 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."

Bid Evaluation

Proposals received will be evaluated by a diverse panel of technically qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector or academic community expertise.

Benefits to SCAQMD

The emissions reporting system includes new features such as quality control, enhanced data management, standard and ad hoc reporting, data adjustments, and billing functions as well as integration of greenhouse gas emission reporting. The enhancements are expected to provide additional improvements, which will help reduce staff resources and also improve customer service by providing an easy-to-use web interface for reporting facilities.

Resource Impacts

The total funding for the work contemplated for this RFP will be a maximum of \$150,000 for the base year with an option for the Executive Officer to renew the contract for up to two additional years for an estimated amount not to exceed \$150,000 per year. Funding of up to \$150,000 has been budgeted in FY 2015-16 for this purpose. Future years funding will be requested as part of the annual budget process.

Attachment

RFP #P2016-04 – Enhancement of Web-Based Annual Emissions Reporting Tool



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
REQUEST FOR PROPOSALS

Enhancement of Web-Based Annual Emissions Reporting Tool

#P2016-04

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," "Consultant," "Bidder" and "Firm" are used interchangeably.

PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit qualified firms or sole practitioners for enhancements, maintenance, and implementation of the emissions reporting system for the SCAQMD's Annual Emissions Report (AER) Program that includes quality control, data management features, standard and ad hoc reporting, data adjustments, flexible fee calculations, and billing functions.

The SCAQMD prefers to contract with a primary contractor(s) who may retain multiple subcontractors to provide various expertise needed for the contract services. This bidding process will ensure that the SCAQMD is using the most cost-effective providers for the services and supplies. Total funding associated with this RFP will not exceed \$150,000 for the base year of the contract. The intent of this RFP is to identify contractor(s) that can meet the SCAQMD's specified time frames to implement, at minimum, the tasks specified in this RFP.

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	Sample Contract

Attachment A - Participation in the Procurement Process
Attachment B - Certifications and Representations

SECTION I: BACKGROUND/INFORMATION

The California Health and Safety Code Section 40500 et seq. establishes the SCAQMD's authority to adopt rules and regulations, including fee schedules to cover the SCAQMD's actual costs in achieving health-based ambient air quality standards. Stationary source revenues are primarily generated by three fees: (1) permit processing fees, (2) annual operating permit renewal fees, and (3) annual operating permit emissions fees. These fees, which are collected through implementation of SCAQMD Rule 301 - Permit Fees, provide primary support for the SCAQMD's stationary source program to achieve the agency's long-term goals of basin-wide air quality improvement. The focus of this RFP is the third aspect of the SCAQMD's fee program, which is collection and maintenance of the annual operating permit emissions and fees.

SCAQMD Rule 301 requires facilities with permitted equipment that exceed specified emissions thresholds to pay annual emission fees for various air contaminants. Each year by January 1, about 1800 facilities receive notices to report their annual emissions. Within 60 days, these facilities are required to report their emissions and pay associated fees for the preceding calendar year. The emissions data received through the annual emissions reports is the foundation of the SCAQMD's emissions inventory, which is in turn relied upon for the development of control strategies for the Air Quality Management Plan, SCAQMD rules and regulations, and public policy development. The annual emission fees received, approximately \$18 million a year, account for about 20 percent of SCAQMD revenues, funding SCAQMD efforts to enforce federal and state laws through rulemaking, source inspection, air monitoring, and planning activities. Therefore, it is important that the annual emissions reporting system is implemented in a timely, efficient, and accurate manner and that adequate data integrity is maintained.

For more than a decade, facilities were using a disc-based and paper-form system to report their emissions to the SCAQMD. Starting January 2008, the facilities in South Coast Air Basin are required to report their annual emissions to the SCAQMD based on calendar year(CY) reporting (January 1st through December 31st) as opposed to fiscal year reporting (July 1st through June 30th). Additionally, starting CY 2008, facilities were required to use a web-based program to report their emissions to SCAQMD as opposed to the disc-based and paper-form system. However, this web-based program was not easily adaptable to new, faster, emissions reporting needs and requirements, as well as the integration of greenhouse gas emission reporting. As such, in March 2012, the Board approved a contract to develop and implement the new AER system. In CY 2014, the new system was available as an option to the AER facilities for testing and reporting their 2013 emissions. Starting CY 2015, facilities have started utilizing the new system to report their CY 2014 emissions, as the use of this new system has become mandatory for the AER facilities.

During the reporting period for CY 2014 emissions, additional needed enhancements have been identified by the facilities. These enhancements include, but are not limited to 1) how a facility's permit profile is uploaded and subsequent import functionality to resolve data discrepancies; 2) adding facility profile validation checks during upload; 3) making enhancements to the SCAQMD admin module by re-importing the emission report file over a previously submitted file; 4) modifying the rounding features and making it available for screen display; 5) modifying the specification for small underground storage tanks, 6) updating all the lookup tables to include additional emission factors, units, rules, fuel and equipment types, description changes; 7) generating additional types of reports per SCAQMD staff's specifications; 8) adding features to make the selected dropdown menu more user friendly; 9) providing technical support to SCAQMD staff and AER facilities during the emissions reporting period.

This RFP is to competitively solicit proposals from qualified firms to take this newly web-based developed program and make the specific enhancements as outlined above. The

AER web-application is based on device level reporting and it is used for consolidated criteria and toxics with optional GHG emissions reporting. This web-application is built on Microsoft.NET MVC stack that generally requires:

- IIS 7 (web server provided with Windows Server 2008)
- .NET Framework 4 (Full, running in Full Trust mode)
- SQL Server 2008

The SCAQMD will have ownership of all the source codes, executable codes and related files or data structures used for the Annual Emissions Report Program. This includes any and all software explicitly developed by the contractor(s) as well as any off-the-shelf executable program packages used by the contractor(s) that are incorporated into the Annual Emission Report Program. The SCAQMD expects delivery of all source codes, executable codes and related files and data structures needed to internally implement the annual emissions reporting requirements of Rule 301 that have been identified in this RFP.

The objective of this project is to identify contractor(s) that can meet the SCAQMD's specified time frames to implement, at minimum, the tasks specified in this RFP. An optional bidder's conference will be held to further inform potential bidders regarding the scope of the project and the needs of the SCAQMD emissions reporting program.

SECTION II: CONTACT PERSON:

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

Ali Ghasemi
 SCAQMD
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 (909) 396-2451

SECTION III: SCHEDULE OF EVENTS

Date	Event
July 10, 2015	RFP Released
July 22, 2015	Bidder's Conference*
August 12, 2015	Proposals Due to SCAQMD - No Later Than 4:00 pm
August 12 – August 18, 2015	Proposal Evaluations
October 2, 2015	Governing Board Approval
October 23, 2015	Anticipated Contract Execution

*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 held in Room CC-6 at SCAQMD Headquarters in Diamond Bar, California at 10:00 am on Friday, July 22, 2015. Please contact **Ali Ghasemi** at (909) 396-2451 by close of business on Wednesday, July 17, 2015 if you plan to attend.

SECTION IV: PARTICIPATION IN THE PROCUREMENT PROCESS

It is the policy of SCAQMD 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. Attachment A to this RFP contains definitions and further information.

SECTION V: STATEMENT OF WORK/SCHEDULE OF DELIVERABLES**A. Work Statement**

The SCAQMD is seeking qualified contractor(s) to make enhancements and support and maintain the newly developed AER database and data collection software system. The following tasks describe the responsibilities of the contractor(s). The contractor is required to produce end products needed to support SCAQMD programs, while ensuring the data integrity meets or exceeds the quality of data produced from the SCAQMD's programs. Trade secret information may be disclosed by companies reporting emissions information. It is a misdemeanor to disclose such information by the contractor(s). Contractor(s) should consider this in the development of their proposals. Detailed information regarding the required content of the proposal is described in Section VII - Proposal Submittal Requirements.

Task 1. Development of a Work plan

Based on the proposed approach contained in the proposal and after meeting with SCAQMD staff, develop a detailed work plan. For each task outlined in Tasks 2 through 6, the plan should include anticipated activities, milestones, and labor-hours necessary to accomplish the task. The plan must be submitted to the SCAQMD for review, comment, and approval.

Task 2. Updating Facility Permit Profile

Currently, when a facility permit profile is uploaded, the program generates additional records, records with no application number and/or permit number, or similar data discrepancy issues. The Contractor is required to:

1. Redesign the uploading of a facility's permit profile and the subsequent importing of emissions from previous years to resolve the data discrepancies discovered during the 2014 emissions reporting period.
2. Add facility profile validation checks during the upload.

Task 3. Enhancements of SCAQMD Admin Module

The contractor is required to make enhancements to the existing SCAQMD admin module by providing SCAQMD staff with an option to:

1. Re-import the file over a previously submitted file
2. Other modifications based on the new enhancements, if needed

Task 4. Enhancements of AER program

The Contractor is required to make enhancements to the Annual Emission Reporting system by:

1. Modifying all the truncating/rounding features and making the rounding available only when the emissions are summed for the emissions fees calculations and/or for screen display. Currently, the throughputs and emission factors values are programmed to two decimal and four decimal places, respectively. As such, the program truncates the very small values of throughputs and emission factors to zero values which incorrectly result in zero emissions.
2. Modifying the specification for small underground storage tanks.
3. Updating the lookup tables to include additional emission factors, units, rules, fuel and equipment types, and description changes.
4. Generating additional types of reports per SCAQMD staff's specifications.
5. Modifying SCAQMD Module reports, pdf reports and Excel detail reports due to the above improvements, if needed.
6. Adjusting the California Air Resources Board Export functionality (e.g., CEIDARS) as needed due to implemented improvements, if needed.
7. Modifying Data Validation functions based on a facility's inputs.
8. Adding features to make the selected dropdown menu more user friendly. For example, currently the dropdown menu doesn't have a sorting mechanism to make the facilities selections easier.
9. Modifying the refund functionality.
10. Enhancement to grouping functionality.

Task 5. AER program Support and Maintenance

The Contractor is required to provide software technical supports to SCAQMD staff and AER facilities during the emissions reporting period. The Contractor is also required to assist with the specifications development for the new features. In addition to the enhancements, the contractor is required to provide program support including:

- Regular maintenance, optimization and technical support throughout the duration of the contract.
- External Beta testing that includes SCAQMD staff and external facilities.
- Final testing prior to providing the SCAQMD Information Management (IM) with up to three deployment packages.
- Annual software documentation update.

Task 6. Monthly Progress Reports

The contractor is required to provide monthly progress report on project tasks to the SCAQMD and also report the number of hours expended by task by labor category.

B. Schedule of Deliverables

The SCAQMD staff will work with the contractor(s) to jointly develop performance standards for the aforementioned tasks.

Task 1. Development of a Workplan: 7 days after contract execution

Task 2. Updating Facility Permit Profile

- a) Redesign uploading of facility's permit profile and import function: 10/23/2015 to 11/20/2015
- b) Add facility profile validation checks during upload: 10/23/2015 to 11/20/2015

Task 3. Enhancements of SCAQMD Admin Module

- a) Re-import the emission report file over a previously submitted file: 10/23/2015 to 1/15/2016
- b) Other enhancements as needed due to new improvements: 10/23/2015 to 1/15/2016
- c) SCAQMD staff testing of the Enhanced Admin Module: 1/19/2016 to 1/22/2016
- d) Final testing: 2/2/2016 to 2/5/2016

Task 4. Enhancements of AER program:

- a) Modifying the truncating/rounding features: 10/23/2015 to 11/20/2015
- b) Modifying the specification for small underground storage tanks: 10/23/2015 to 1/15/2016
- c) Updating the lookup tables: 10/23/2015 to 11/20/2015
- d) Modifying the program data validation: 10/23/2015 to 11/20/2015
- e) Enhancement to the selected dropdown menu: 10/23/2015 to 11/20/2015
- f) Modifying the refund functionality: 10/23/2015 to 11/20/2015
- g) Enhancement to grouping functionality: 10/23/2015 to 11/20/2015
- h) External Beta testing (Internal & external) of first set of enhancements: 11/20/2015 to 12/8/2015
- i) Final testing of first set of enhancements: 12/14/2015 to 12/18/2015
- j) Generating additional types of reports: 10/23/2015 to 3/1/2016
- k) Modifying SCAQMD Module reports, pdf reports and Excel detail report: 10/23/2015 to 12/31/2015
- l) Adjusting ARB Export functionality: 10/23/2015 to 4/1/2016
- m) Beta testing of second set of enhancements: 4/5/2016 to 4/8/2016
- n) Final testing of second set of enhancements: 4/19/2016 to 4/22/2016

Task 5. AER program Support and Maintenance

- a) Technical support to SCAQMD staff and AER facilities: 1/1/2016 to 3/31/2016
- b) Annual software documentation update. 3/1/2016 to 7/1/2016

Task 6. Monthly Progress Reports:

Monthly basis

SECTION VI: REQUIRED QUALIFICATIONS

- A. Person(s) or firm(s) proposing to bid on this proposal must be qualified and experienced in data collection and processing, managing databases, and programming. Bidder(s) should be familiar with the reporting requirements of the AER and AB2588 Programs. Bidders should also have familiarity with U.S. EPA's CROMERR requirements. Bidders must have programming capabilities to modify and enhance the AER web reporting program, which is to be fully ready for implementation by January 1, 2016 for the 2015 reporting period.
- B. Proposer must submit the following:
1. Resumes or similar statement of qualifications of person or persons who may be designated for this projects.
 2. List of representative clients.
 3. Summary of proposer's general qualifications to meet required qualifications and fulfill statement of work, including additional Firm personnel and resources.

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. SCAQMD may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website for updates (<http://www.aqmd.gov/grants-bids>). The cost for developing the proposal is the responsibility of the Contractor, and shall not be chargeable to SCAQMD.

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 B to this RFP, must be completed and 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.

Program Schedule (Section B) - Provide projected milestones or benchmarks for completing the project (to include reports) within the total time allowed.

Project Organization (Section C) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team. Provide a statement detailing your approach to the project, specifically address the Firm's ability and willingness to commit and maintain staffing to successfully complete the project on the proposed schedule.

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

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

1. List all key personnel assigned to the project by level, name and location. Provide a resume or similar statement describing the background, qualifications and experience 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 SCAQMD.
4. Provide a statement of education and training programs provided to, 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 will be used, identifying functions to be performed by them, their related qualifications and experience and the total number of hours or percentage of time they will spend on the project.

Conflict of Interest (Section G) - Address possible conflicts of interest with other clients affected by actions performed by the Firm on behalf of SCAQMD. SCAQMD recognizes that prospective Contractors may be performing similar projects for other clients. Include a complete list of such clients for the past three (3) years with the type of work performed and the total number of years performing such tasks for each client. Although the Proposer will not be automatically disqualified by reason of work performed for such clients, 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 SCAQMD anticipates award of a fixed price contract with a total funding not to exceed \$150,000. The Cost Proposal must provide an itemized cost estimate for each task set forth in Section V and the contractor(s) will be paid upon completion of each task and approval by the SCAQMD. 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. Cost information must be provided as listed below:

1. Detail must be provided by the following categories:
 - A. Labor – The Cost Proposal must list the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. Costs should be estimated for each of the components of the work plan.
 - 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 B to this RFP)

SECTION VIII: PROPOSAL SUBMISSION

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

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

Due Date - **All proposals are due no later than 4:00 p.m., August 12, 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

Submittal - Submit four (4) complete copies of the proposal 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 #P2016-04."

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 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. Sample Proposal Evaluation Criteria

(a) R&D Projects Requiring Technical or Scientific Expertise, or Special Projects Requiring Unique Knowledge or Abilities

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

(b) 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 B – 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 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 will be awarded the maximum cost points available and all other cost proposals 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. 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 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 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.
- 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 SCAQMD'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 will be a maximum of \$150,000 for the base year with an option to renew the contract with additional tasks for three additional years for an estimated amount of \$150,000 per year, subject to SCAQMD and Contractor approval. The SCAQMD reserves the right to renegotiate the contract amounts for the option years based upon changed requirements and/or approved funds.

SECTION XI: SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on SCAQMD's website at <http://www.aqmd.gov/grants-bids> or upon request from the RFP Contact Person (Section II).

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

A. It is the policy of South Coast Air Quality Management District (SCAQMD) 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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

- 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 SCAQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the geographical boundaries of 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
 - 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 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 SCAQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

9. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to 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-

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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. 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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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 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 SCAQMD shall be entitled to the local business preference.

- J. In compliance with federal fair share requirements set forth in 40 CFR Part 33, SCAQMD shall establish a fair share goal annually for expenditures with federal funds covered by its procurement policy.

ATTACHMENT B

CERTIFICATIONS AND REPRESENTATIONS



South Coast Air Quality Management District

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

Business Information Request

Dear SCAQMD Contractor/Supplier:

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 5/15



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • 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 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): _____

State of California Public Works Contractor Registration No. _____ . MUST BE INCLUDED IF BID PROPOSAL IS FOR PUBLIC WORKS PROJECT.

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 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**
 - 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.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
	6 City, state, and ZIP code		
	7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally 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 *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

or

Employer identification number									

Part II Certification

- Under penalties of perjury, I certify that:
- 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
 - 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
 - I am a U.S. citizen or other U.S. person (defined below); and
 - The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. 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.

Sign Here	Signature of U.S. person ▶ _____	Date ▶ _____
------------------	----------------------------------	--------------

General Instructions

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

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- 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
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

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.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% 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* above.

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

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. 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 line 2.

e. **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 Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should 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 line 1. 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 line 2, "Business name/disregarded entity name." 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.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 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 U.S. commonwealth or possession, 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 U.S. commonwealth or possession
- 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 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² 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 reportable under section 6045(f), 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 requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

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 U.S. commonwealth or possession, 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 Regulations 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 Regulations 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

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

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 this page), 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 SSA office or get this form online at 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 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 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 line 1 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 ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
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 ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
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 ⁴
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 Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ 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.

² Circle the minor's name and furnish the minor's SSN.

³ 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.

⁴ 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 2.

***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, 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. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit 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.

2015 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 _____

2015 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 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 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 partners, members, and S corporation shareholders 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 activities sourced to 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 before payment is made. 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

For California non-wage withholding purposes, **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.

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.

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.

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

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o 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.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

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

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 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 SCAQMD website (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
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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
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Name of Contributor _____

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

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

Staple Voided Check Here	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: July 10, 2015

AGENDA NO. 11

PROPOSAL: Transfer and Appropriate Funds and Issue RFQs and Purchase Orders for Laboratory and Field Equipment

SYNOPSIS: Air quality monitoring and laboratory-based sample analysis at SCAQMD continues to be an integral part of ongoing efforts to better characterize air quality. Staff is requesting funding of up to \$835,400 for Capital Outlays and up to \$148,200 in Services and Supplies to provide for new more reliable laboratory and field equipment that will enhance instrument performance, rapid response, and near-real time monitoring and reporting. These actions are to transfer and appropriate funding to Science & Technology Advancement's FY 2015-16 Budget and to issue RFQs and purchase orders for laboratory and field equipment.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer and appropriate funding up to \$835,400 to the Science & Technology Advancement FY 2015-16 Budget (Org 44), Capital Outlays Major Object, from the special revenue funds indicated in Tables 1 and 2;
2. Transfer and appropriate funding up to \$148,200, as needed, from the Air Toxics Fund (15) to the Science & Technology Advancement FY 2015-16 Budget (Org 44), Services and Supplies Major Object, as follows: Lab Supplies (\$75,000), Equipment Maintenance (\$65,000), and Rents & Leases Equipment (\$8,200);
3. Issue RFQs for laboratory and field equipment listed in Table 1 and described in this letter, in accordance with SCAQMD Procurement Policy and Procedure; and
4. Authorize the Procurement Manager to:
 - a) Issue purchase orders, in accordance with SCAQMD Procurement Policy and Procedure, based on the results of RFQs for laboratory and field equipment in a not-to-exceed amount of \$732,000 as listed in Table 1; and

- b) Issue sole source purchase orders in a not-to-exceed amount of \$103,400 for laboratory software and field equipment listed in Table 2.

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:LT:RE:av

Background

Air quality monitoring at SCAQMD continues to be an integral part of ongoing efforts to better characterize air pollutant exposure and assess the progress and effectiveness of air quality programs. Currently, staff is conducting special monitoring and analysis programs at several facilities including TAMCO, Exide, Carlton Forge Works, AllenCo, Hixson Metal Finishing and Ridgeline. Additionally, samples are collected and analyzed to assess the impact of well reworking operations as well as source tests of toxic emissions from facilities such as Quemetco.

In addition to these initiatives as well as efforts to reduce and monitor toxic air contaminants, there are ongoing federal monitoring programs for toxics and general air quality, such as U.S. EPA's National Air Toxics Trends Stations (NATTS) Program and near-road monitoring, which are also being conducted by staff. NATTS was developed to fulfill the need for long-term national Hazardous Air Pollutants (HAP) monitoring data. In 2007, U.S. EPA expanded the NATTS Program and awarded Section 103 grant funds to conduct monitoring for toxic air contaminants at two existing SCAQMD monitoring sites, Central Los Angeles and Rubidoux. The data compiled through these monitoring efforts serves as a continuum between past and future air measurements programs, such as MATES and PAMS, and allows for more accurate evaluation of trends on a regional basis.

Lastly, compliance programs require the measurement of VOC content of paints, coatings, adhesives, lubricating oils, and other products to ensure that such products are meeting stringent rule limits. These detailed analyses are dependent on a series of sophisticated analyses using gas chromatograph/mass spectrometer (GC/MS) and associated software including chemical compound mass spectral libraries. Each sample analyses can take up to 40 hours.

While these programs are given the highest priority, many of the instruments currently used are at the tail-end, and some even beyond the end, of their useful life. SCAQMD's capability, capacity and response time, in terms of final data reporting, public dissemination of information and data capture rates, can be enhanced with new and upgraded monitoring and laboratory equipment and instrumentation.

Proposal

In an effort to upgrade and modernize SCAQMD's air monitoring and laboratory capabilities, this action is to transfer and appropriate up to \$835,400 for the purchase of laboratory and field equipment, through competitive and sole source purchases, as described below and summarized in Tables 1 and 2. Additionally, this action is to transfer and appropriate up to \$148,200 for services and supplies necessary to conduct special monitoring and analysis programs which are used in the development of Health Risk Assessments (HRAs).

Proposed Purchases through an RFQ Process

Ozone Transfer Standard

SCAQMD uses ozone transfer standards to calibrate and audit the ozone monitors located at air monitoring stations. The transfer standards are first compared to a primary ozone standard located at SCAQMD Headquarters and then transported to the field to be used for calibrations and audits. In order to meet more rigorous quality assurance requirements and maintain the required calibration schedule, additional SCAQMD monitoring staff has been trained in the ozone calibration procedure. The additional staff require ozone transfer standards to carry out their assignments. One ozone transfer standard can be purchased for approximately \$9,000. Quotes for this RFQ will be solicited through informal bids, in accordance with SCAQMD Procurement Policy and Procedure, which allows for informal bids for equipment less than \$25,000.

Gas Chromatograph/Mass Spectrometer

Gas chromatograph/mass spectrometer/flame ionization detection (GC/MS/FID) instrumentation is extensively used to determine VOC and exempt compound content in low VOC paints and solvents and play a critical role in determining compliance of such products with SCAQMD rules and regulations. GC/MS/FIDs are also used in the evaluation of clean air choices cleaner (CACC) and clean air solvent (CAS) products; volatile organic hazardous air pollutant (VOHAP); maximum incremental reactivity (MIR) content; compounds; paint thinners; fracking fluids; and process fluids for odorous compounds, VOCs and VOHAPS. Staff is proposing the replacement of two existing aging instruments at the end of their useful life, one GC/MS/FID and one GC/FID. Both instruments are approximately 20 years old, have had repeated recent failures and despite numerous repairs do not operate consistently enough to provide continuously reliable results. Also, because of their age, they are no longer supported by the manufacturer, and parts are on an as-available basis. Additionally, the associated PCs and software cannot be upgraded to meet the standardized SCAQMD operating system requirements. Two (2) new GC/MS instruments cost approximately \$320,000.

Analytical Balances

Analytical balances are used to determine density, non-volatile as well as water content of a sample brought to the laboratory for analysis. These values, along with GC/MS analyses, are needed to calculate a sample's VOC content which in turn determines its compliance status. Current balances that are in use for these functions are over 25 years old. Some cannot be connected to laboratory PCs for electronic data transfer. Staff is proposing the purchase of four (4) balances to replace the existing aging balances to be used by laboratory personnel in the determination of the VOC content of paints, coatings and adhesives. The cost of the four (4) balances is estimated at \$27,000.

Liquid Autosampler for a GC/MS/FID

GC/MS/FIDs are required for Method 313 analysis of paints and coatings for VOCs; CACC and CAS samples for VOCs, VOHAPs and MIR compounds; paint thinners; fracking fluids; and other liquids. Since the materials being tested are liquids, they must be injected into the instrument with a liquid autosampler. The lab has one GC/MS/FID which is currently being used for ambient air samples but does not have liquid sampling capabilities; however, it has all of the other parts required for liquid analysis to convert the ambient air GC/MS/FID to liquid analysis. Staff is proposing to enhance the functionality of this existing instrument by purchasing and outfitting it with a liquid autosampler to provide a means for Method 313 analysis. The cost of one liquid autosampler for a GC/MS/FID is approximately \$15,000. Quotes for this RFQ will be solicited through informal bids, in accordance with SCAQMD Procurement Policy and Procedure, which allows for informal bids for equipment less than \$25,000.

Thermogravimetric Analyzer

Thermogravimetric analysis (TGA) is used to determine compliance of metal working fluid and lubricant samples with Rule 1144. It is also useful in determining the volatility of various compounds and products. The lab has a TGA instrument; however, the instrument isn't functional for long periods of time. The current TGA instrument breaks down frequently and is costly to repair, often requiring that it be sent to Germany. The repairs, in addition to being costly, remove the instrument from the laboratory for months at a time. Staff is proposing the purchase of a new TGA at a cost of approximately \$85,000.

Portable GC/MS with Laptop PC and Software

In 2003, as part of a Department of Defense contract, the SCAQMD purchased four (4) portable GC/MSs along with their associated laptops and software. These instruments have proven to be a valuable component in SCAQMD's Emergency Response Program. The GC/MSs have also been used in field monitoring programs, such as Western Environmental, providing near-real-time data in the field. However, the instruments are no longer supported by the manufacturer, and parts are not available. Additionally, the software that operates these instruments and the laptops that control them do not meet SCAQMD software/hardware standards and therefore cannot be networked. Therefore,

replacement units are needed to maintain field capabilities and data integration capabilities with SCAQMD software platforms. The cost of two (2) portable GC/MS instruments with laptop PCs and software is approximately \$270,000.

National Institute of Standards and Technology Library for Mass Spectral Data

GC/MS/FIDs are required for Method 313 analysis of paints and coatings for VOCs; CACC and CAS samples for VOCs, VOHAPs and MIR compounds; paint thinners, fracking fluids; and other liquids. Individual compounds are identified by their mass-to-charge fragment patterns; these patterns are stored in a library which is updated by the National Institute of Standards and Technology (NIST) every few years. The SCAQMD's current NIST library for mass spectral (MS) data is from 2005. As formulators become creative about reducing VOCs and replacing them with special-property compounds, more and more compounds are no longer able to be identified by the 2005 NIST library. The current library is missing thousands of additional compounds which have been added over several recent revisions. An updated library will be able to identify more compounds than the current ten year old version. The cost of a 2015 NIST MS Library is approximately \$6,000.

Proposed Purchases through Sole Source Purchase Orders

Jerome Hydrogen Sulfide Analyzer

The Jerome hydrogen sulfide (H₂S) analyzer is a portable H₂S monitor capable of being operated in either continuous or short-term survey monitoring modes. SCAQMD's current H₂S monitors do not have continuous capabilities. Extended H₂S monitoring in a continuous mode is well suited for special monitoring applications such as Rule 1148.2 well reworking monitoring projects. Additionally, new H₂S analyzers have the capability to allow data to be transferred via common USB memory devices and to be connected to external data loggers for extended monitoring applications. The cost for one Jerome H₂S analyzer is approximately \$17,000.

BGI Particulate Samplers

To perform particulate sampling at remote locations where electricity may not be available, or in situations where time is of the essence and securing a source of line power may take valuable time, portable battery operated samplers are used. SCAQMD currently operates BGI samplers to fill this need. The sampler is typically used in the total suspended particulate (TSP) mode; however it is versatile enough that it can also be operated as a federal reference method (FRM) PM₁₀ sampler or a non-reference PM_{2.5} sampler. Atmospheric Measurements staff operate several of these samplers at various locations and purchasing additional BGI samplers to be compatible with those currently in use will enhance particulate sampling capabilities. The cost of four (4) TSP samplers with these capabilities shall not exceed \$29,400 and is currently manufactured only by Mesa Laboratories Incorporated.

Testo Portable Emission Analyzers

Facilities with combustion sources subject to Rules 1110.2, 1146 and 1146.1 must perform diagnostic emission checks of NO_x emissions with a portable NO_x, CO and oxygen analyzer. Staff uses portable emission analyzers to determine compliance with emissions of NO_x and CO from combustion sources as required in these rules. Newer analyzers are needed to augment the existing ones, which are not as user friendly and have very limited concurrent testing abilities. The newer units are easier to use and can test up to six gases simultaneously. Staff will also use these units to conduct training and provide certification for operators of combustion equipment subject to these rules. Staff is proposing the purchase of two (2) Testo portable emission analyzers at a cost not to exceed \$12,000.

Pure Air Generators

Pure air generators are necessary to deliver contaminant-free air required for the operation of air monitoring equipment. On December 5, 2014, the Board released RFQ #Q2015-13 to solicit bids for pure air generators from qualified vendors and Teledyne was selected. SCAQMD's Procurement Policy and Procedure allows for awards based on prior bid, last price, if the conditions of the previous purchase are similar. The vendor has agreed to honor the same price for additional pure air generators. The cost for six (6) pure air generators from Teledyne is not to exceed \$45,000.

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 emailed 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."

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. The request for sole source purchases through Arizona Instruments LLC, Mesa Laboratories Incorporated Testo, Inc. and Teledyne are made under Section VIII.B.2(1): The unique experience and capabilities of the proposed contractor or contractor team. The particulate samplers are available only from Mesa Laboratories Incorporated. Section VIII.B.2.d(6) of the SCAQMD's Procurement Policy and Procedure allows for sole source purchases in

which: “Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of the SCAQMD. Such circumstances may include but are not limited to: Projects requiring compatibility with existing specialized equipment.” The purchase of the Jerome H2S Analyzer, portable emissions analyzers and TSP samplers are proposed under this section because Atmospheric Measurements already has these instruments in use.

Benefits to SCAQMD

The purchase of new laboratory and field equipment will provide for greater capability, capacity, efficiency and accuracy of data collection and reduced costs over time.

Resource Impacts

Up to \$835,400 will be transferred from the special revenue funds indicated in Tables 1 and 2 and appropriated to the Science & Technology Advancement FY 2015-16 Budget. These funds are adequate to cover the proposed Capital Outlay Major Object purchases listed in Tables 1 and 2. Of this \$835,400, total purchases through the RFQ process shall not exceed \$732,000 and total sole source purchases shall not exceed \$103,400. Additionally, up to \$148,200 will be transferred from the Air Toxics Fund (15) and appropriated to the Science & Technology Advancement FY 2015-16 Budget, Services and Supplies Major Object, as follows: Lab Supplies (\$75,000), Equipment Maintenance (\$65,000), and Rents & Leases Equipment (\$8,200).

Table 1
Proposed Purchases through RFQ Process

Description	Qty	Funding Source	Estimated Cost
Ozone Transfer Standard	1	Fund 35 (AES)	\$9,000
Gas Chromatograph/Mass Spectrometer (GC/MS)	2	Fund 44 (Rule 1173 Mitigation)	\$320,000
Analytical Balances	4	Fund 46 (BP ARCO)	\$27,000
Liquid Autosampler for a GC/MS/FID	1	Fund 44 (Rule 1173 Mitigation)	\$15,000
Thermogravimetric Analyzer	1	Fund 36 (Rule 1309.1 Priority Reserve)	\$85,000
Portable GC/MS with Laptop PC and Software	2	Fund 44 (Rule 1173 Mitigation)	\$270,000
NIST Library for Mass Spectral Data	1	Fund 44 (Rule 1173 Mitigation)	\$6,000
Total Proposed Purchases through RFQ Process			Not to Exceed \$732,000

Table 2
Proposed Purchases through Sole Source Purchase Orders

Description	Qty	Funding Source	Estimated Cost
Jerome H2S Analyzer	1	Fund 54 (Rule 1118 Mitigation)	\$17,000
BGI Particulate Samplers	4	Fund 36 (Rule 1309.1 Priority Reserve)	\$29,400
Testo Portable Emission Analyzers	2	Fund 44 (Rule 1173 Mitigation)	\$12,000
Pure Air Generators	6	Fund 35 (AES)	\$45,000
Total Proposed Purchases through Sole Source Purchase Orders			Not to Exceed \$103,400

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 12

PROPOSAL: Recognize Revenue and Appropriate Funds for Enhanced Particulate Monitoring Programs, NATTS, PAMS, PM2.5, Near-Road NO2 and AQ-SPEC Programs; Issue RFQs and Purchase Orders for Air Monitoring Equipment and CNG Vehicles

SYNOPSIS: SCAQMD has applied for \$2,836,157 in U.S. Government Enhanced Particulate Monitoring Program funds for FY 2015-16. In addition, U.S. EPA has allocated \$242,318 for the NATTS Program for FY 2015-16. These actions are to: 1) recognize revenue and appropriate funds for the Enhanced Particulate Monitoring and NATTS Programs; 2) recognize revenue and appropriate funding for remaining balances of the NATTS, PAMS, PM2.5, Near-Road NO2 and AQ-SPEC Programs; and 3) issue RFQs and purchase orders for air monitoring equipment and CNG vehicles.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue and appropriate funds, upon receipt, into the FY 2015-16 Budget as set forth in Attachment 1;
2. Issue RFQs, in accordance with SCAQMD Procurement Policy and Procedure, for air monitoring equipment listed in Table 1 and described in this letter;
3. Authorize the Procurement Manager, in accordance with SCAQMD Procurement Policy and Procedure, to issue:
 - a) Purchase orders, based on the results of RFQs, for air monitoring equipment in an amount not to exceed \$321,000 as listed in Table 1 and described in this letter; and
 - b) Sole source purchase orders in an amount not to exceed \$153,000 for air monitoring equipment and CNG vehicles as listed in Table 2 and described in this letter.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Enhanced Particulate Monitoring Program

SCAQMD has been providing enhanced particulate monitoring support as part of a national monitoring program since 2003. Sample collection began in early February 2003 and will continue for the foreseeable future.

NATTS Program

There are currently 188 hazardous air pollutants (HAPs), or air toxics, regulated under the Clean Air Act that are associated with a wide variety of adverse health effects, including cancer and neurological effects. The U.S. EPA Government Performance Results Act commitments specify a goal of reducing air toxics emissions by 75% from 1993 levels to significantly reduce health risks. The National Air Toxics Trends Stations (NATTS) Program was developed to fulfill the need for long-term national HAP monitoring data. In Calendar Year 2007, U.S. EPA expanded the NATTS Program and awarded Section 103 funds to conduct monitoring for toxic air contaminants at two existing SCAQMD monitoring sites: Central Los Angeles and Rubidoux. The air toxics data serve as a continuum between past and future air toxics measurements programs, such as MATES, and allow for more accurate evaluation of toxic trends on a regional basis. Since this is a long-term trends monitoring program, it is anticipated that NATTS funding will be granted annually for the next several years.

PAMS Program

In February 1993, the U.S. EPA promulgated the PAMS regulations for areas classified as serious, severe or extreme non-attainment for ozone. These regulations require SCAQMD to conduct monitoring for ozone precursors with enhanced monitoring equipment at a total of seven sites. The PAMS Program is also funding the meteorological upper air profilers sited at LAX and Ontario airports, Moreno Valley in Riverside County, Irvine in Orange County and Whiteman Airport in the San Fernando Valley. Since the onset of the PAMS Program, U.S. EPA has annually allocated Section 105 supplemental grant funds in support of this requirement.

PM2.5 Program

Since 1998, U.S. EPA has provided funds under a Section 103 Grant for a comprehensive PM2.5 Air Monitoring Program. To date, there are 20 ambient SCAQMD monitoring stations operating 23 Federal Reference Method (FRM) PM2.5 monitors under U.S. EPA funding and 17 Federal Equivalent Method (FEM) PM2.5 continuous monitors. In addition, U.S. EPA has supported the expansion of the network to collect continuous PM2.5 mass and chemical speciation at several sites within the South Coast Air Basin. This augmentation substantially adds to the fine particulate data which will help in the characterization of PM2.5 sources, current air quality conditions and health impacts.

Near-Road NO2 Monitoring Program

On February 9, 2010, U.S. EPA promulgated new monitoring requirements for the nitrogen dioxide (NO2) monitoring network in support of newly revised 1-hour NO2 National Ambient Air Quality Standards (NAAQS) and the retained annual NAAQS. In the new monitoring requirements, state and local air monitoring agencies are required to install near-road NO2 monitoring stations at locations where peak hourly NO2 concentrations are expected to occur. State and local air agencies are required to consider traffic volumes, fleet mix, roadway design, traffic congestion patterns, local terrain or topography and meteorology in determining where a required near-road NO2 monitor should be placed. In addition to those required considerations, there are other factors that impact the selection and implementation of a near-road monitoring station including satisfying siting criteria, site logistics and population exposure.

Air Quality Sensor Performance Evaluation Center Program

In July 2014, the Board established an Air Quality Sensor Performance Evaluation Center (AQ-SPEC) to characterize the performance of low-cost air monitoring sensors which have recently been introduced into the market. The AQ-SPEC will help ensure successful evolution of these technologies while minimizing confusion between data obtained using standard measurement methods employed by regulatory agencies and that produced by these low-cost air monitoring sensors. Additionally, the AQ-SPEC will educate the public and users lacking specific technical training about the potential applications of these low-cost devices as well as their limitations.

Proposal

Enhanced Particulate Monitoring Program (FY 2015-16)

The SCAQMD has applied for funding from the U.S. Government for the ongoing Enhanced Particulate Monitoring Program for FY 2015-16 in the amount of \$2,836,157. Revenue for this grant has already been included in the FY 2015-16 Budget. This action is to recognize the remaining revenue up to \$612,655 into the FY 2015-16 Budget, and upon receipt, appropriate \$612,655 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 2.

NATTS Program (FY 2015-16)

The U.S. EPA has provided Section 103 Grant funding in the amount of \$242,318 to continue the NATTS Program for the July 1, 2015 to June 30, 2016 time period. Revenue for this grant has already been included in the FY 2015-16 Budget. This action is to recognize the remaining revenue up to \$159,318 into the FY 2015-16 Budget, and, upon receipt, appropriate \$159,318 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 3. The U.S. EPA concurs with staff's proposed allocation.

NATTS Program (FY 2014-15)

The remaining balance of FY 2014-15 NATTS funding must be reallocated in FY 2015-16. This action is to recognize the remaining balance up to \$98,563 into the FY 2015-16 Budget and appropriate \$98,563 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 4.

PAMS Program (FY 2014-15)

As in previous years, there is a need to reallocate PAMS funding in the final quarter of the federal fiscal year ending September 30, 2015. This action is to recognize the remaining balance of up to \$472,604 into the FY 2015-16 Budget and appropriate \$472,604 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 5. The U.S. EPA concurs with staff's proposed reallocation.

PM2.5 Program (FY 2014-15)

In FY 2014-15, the U.S. EPA provided funding in the amount of \$762,160 in Section 103 Grant funds for the continuation of the PM2.5 Program through March 31, 2016. There is a need to reallocate the remaining balance of PM2.5 funding in FY 2015-16. Revenue for this grant has already been included in the FY 2015-16 Budget. This action is to recognize the remaining balance of up to \$227,100 into the FY 2015-16 Budget and appropriate \$227,100 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 6. The U.S. EPA concurs with staff's proposed allocation.

Near-Road NO2 Monitoring Program (FY 2014-15)

U.S. EPA has provided funding in Section 103 grant funds for the implementation of the Near-Road NO2 Monitoring Program through May 31, 2016. There is a need to reallocate the remaining balance of Section 103 funding in FY 2015-16. This action is to recognize the remaining balance of up to \$199,369 into the FY 2015-16 Budget and appropriate \$199,369 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 7. The U.S. EPA concurs with staff's proposed allocation.

AQ-SPEC (FY 2014-15)

U.S. EPA has provided \$75,000 under the Section 105 grant in support of the AQ-SPEC Program, which will be used to design and develop data management and display systems and support other AQ-SPEC related activities. This action is to recognize the revenue up to \$75,000 into the FY 2015-16 Budget and appropriate \$75,000 to Science and Technology Advancement's FY 2015-16 Budget as set forth in Attachment 8. The U.S. EPA concurs with staff's proposed allocation.

Proposed Purchase Orders through an RFQ Process

PM10 Samplers

The U.S. EPA NATTS Program requires the analysis of air toxics samples collected onto filters from PM10 samplers. The current PM10 samplers have been in operation since the inception of the NATTS Program and are in need of replacement. The cost for two (2) PM10 samplers is approximately \$25,000. The SCAQMD Procurement Policy and Procedure allows for purchases under \$25,000 to be purchased using an informal bid process. Consequently, this RFQ may be handled as an informal bid.

PAH Samplers

The U.S. EPA NATTS Program requires the analysis of air toxics samples collected onto sampling media from PAH samplers. The current PAH samplers have been in operation since the inception of the NATTS Program and are in need of replacement. The cost for four (4) PAH samplers is approximately \$32,000.

Ozone Transfer Standard

SCAQMD uses ozone transfer standards to calibrate and audit the ozone monitors located at air monitoring stations. This ozone transfer standard is necessary for conducting performance evaluations of the air monitoring network. The current ozone transfer standard for this purpose is no longer supported and in need of replacement. The cost for one (1) ozone transfer standard is approximately \$10,000. Quotes for this RFQ will be solicited through informal bids, in accordance with SCAQMD Procurement Policy and Procedure.

Ceilometer

A ceilometer instrument continuously measures cloud bases and mixing depth in the lower atmosphere using laser technology. These instruments have been recommended by U.S. EPA as an efficient way to meet the proposed PAMS mixing height measurement requirements for upper air measurements, as included in the PAMS Meteorological Measurement section of the proposed new ozone standard. A purchase at this time will allow an inter-comparison with the existing SCAQMD upper air measurement network and an evaluation of instrument suitability for modeling and forecast support in the South Coast Air Basin. The cost for one ceilometer is approximately \$50,000.

Gas Chromatograph Preconcentrators

The PAMS Program requires the analysis of volatile organic compounds (VOCs) in the air. Samples are collected in canisters at select stations, and gas chromatographs (GCs) equipped with preconcentrators measure up to 57 VOCs, meeting the quality control criteria of the PAMS Program. The current GC preconcentrators are no longer supported, no longer compatible with current Windows operating systems and are in

need of replacement. The approximate cost for two (2) GC preconcentrators is \$124,000.

Gas Dilution Systems

Periodic calibration of the air monitors is required to meet U.S. EPA quality control criteria. Gas dilution systems are necessary to provide a known concentration of gas standard required for the calibration of air monitoring equipment. With the addition of four near-road air monitoring sites, there is a need for additional calibration equipment, including the gas dilution systems. The approximate cost for two (2) gas dilution systems is \$35,000.

Traffic Counters

Traffic counters are electronic devices installed alongside a roadway or freeway to continuously monitor traffic and vehicle-specific information. This information is important for the correct interpretation of air quality data collected at near-roadway sites and from air monitoring stations heavily impacted by motor vehicle emissions. Staff is proposing the purchase of four traffic counters. The approximate cost of four (4) traffic counters is \$30,000.

CO Monitors

As part of near-road NO₂ monitoring, staff must perform diagnostics and spot checking of continuous gas monitors. This process requires a precise blending of gases using a dilution system. As a further quality control check to make sure the dilution is correct, the resulting blend is continuously monitored with a CO monitor. The approximate cost of two (2) CO monitors is \$20,000. Quotes for this RFQ will be solicited through informal bids, in accordance with SCAQMD Procurement Policy and Procedure.

Black Carbon Monitor

Various analytical methods have been developed to quantify the concentration of atmospheric soot particles. Soot can be analyzed by means of different methodologies. When its light-absorbing properties are measured, soot is referred to as black carbon (BC). BC measurements would enhance characterization of mobile sources in the near-road environment. The approximate cost for two (2) black carbon monitors is \$45,000.

Proposed Purchases through Sole Source Purchase Orders

CNG Vehicle (Sedan)

At the outset of the Enhanced Particulate Monitoring Program over seven years ago, several dedicated-CNG sedans were purchased to meet the mileage-intensive needs of the Program. Several of these original vehicles now have over 140,000 miles, and the U.S. Department of Homeland Security, which is the funding agency, concurs with SCAQMD staff that a multi-year vehicle replacement program is appropriate.

Under Section IV.A.5 of the SCAQMD Procurement Policy and Procedure, the Procurement Manager shall pursue cooperative purchasing opportunities whenever possible. Dedicated CNG vehicles are available from one vendor under the State of California, Department of General Services, Procurement Division, Alternative Fueled Vehicles Contract 1-14-23-10 (E). One CNG sedan from the vendor on the list with the most competitive price will be selected and has an approximate cost of \$38,000.

Ion Chromatography Upgrade

As part of the U.S. EPA NATTS Program, SCAQMD is conducting the analysis of hexavalent chromium by ion chromatography (IC). SCAQMD has two IC systems which share supporting equipment. The upgrade will provide additional supporting equipment so the ICs can run independently from each other, providing higher throughput and a full system back-up. The approximate cost for the ion chromatography upgrade is \$40,000.

Portable Ozone Monitors

As part of the U.S. EPA PAMS Program, SCAQMD is evaluating more flexible techniques for monitoring ozone and ozone precursors. One such technology is the 2B Technologies Personal Ozone Monitor (POM)TM. The technology is considered to nearly meet the U.S. EPA FEM standards for conducting ozone measurements and is portable and low power. This portable ozone monitor will be evaluated for mobile deployment for PAMS special studies and vertical ozone profiles. The approximate cost for three (3) portable ozone monitors is \$15,000.

CNG Vehicle (Truck or Van)

With an aging fleet of calibration and repair vehicles, staff has identified the need to replace the older high-mileage vehicles with new CNG-powered vehicles. Calibration and repair vehicles are essential for staff to perform routine and non-routine calibration, maintenance and repair of air monitoring equipment for air monitoring stations supporting the PM_{2.5} program.

Under Section IV.A.5 of the SCAQMD Procurement Policy and Procedure, the Procurement Manager shall pursue cooperative purchasing opportunities whenever possible. Dedicated CNG vehicles are available from vendors under the State of California, Department of General Services, Procurement Division, Alternative Fueled Vehicles Contract 1-14-23-10 (A-G). One CNG truck or van from the vendor on the list with the most competitive price for the type of vehicle will be selected and has an approximate cost of \$45,000.

Pure Air Generators

Pure air generators are necessary to deliver contaminant-free air required for the operation and calibration of air monitoring equipment. On December 5, 2014, the Board released RFQ #Q2015-13 to solicit bids for pure air generators from qualified

vendors and Teledyne was selected. SCAQMD's Procurement Policy and Procedure allows for awards based on prior bid, last price, if the conditions of the previous purchase are similar. The vendor has agreed to honor the same price for additional pure air generators. The cost for two (2) pure air generators from Teledyne is not to exceed \$15,000.

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 emailed 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."

Sole Source Justification

Section VIII, B.3 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified for federally funded procurement and states: For contracts funded in whole or in part with federal funds, written justification for sole source award must be provided documenting that awarding a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and that one of the following circumstances applies: (a) The item is available only from a single source; (b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (c) The awarding federal agency authorizes noncompetitive proposals; or (d) After solicitation of a number of sources, competition is determined inadequate.

The request for sole source purchase of the ion chromatography upgrade and portable ozone monitors are made under Section VIII.B.3.a: The items are available only from a single source. There is currently only one vendor, Thermo Scientific, that can provide the compatible upgrade to the existing Thermo Scientific (formally Dionex) Ion Chromatography equipment. Similarly, there is currently only one vendor, 2B Technologies, that produces the portable ozone monitor based upon ultraviolet methods.

Resource Impacts

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

U.S. EPA Section 103 Grant funding will support the continuation of the NATTS, PM2.5, and Near-Road NO2 Monitoring Programs, including equipment, contracts, temporary services, and supplies necessary to meet the objectives of the program.

U.S. EPA Section 105 Grant funding supports the 23rd year operation of the PAMS Program, including equipment, contracts, temporary services and supplies necessary to meet the objectives of the Program, including \$75,000 in funding from this grant allocated towards the AQ-SPEC Program.

In summary, \$1,844,609 in revenue shall be recognized into the FY 2015-16 Budget and appropriated to Science and Technology Advancement’s FY 2015-16 Budget as specified in Attachments 1-8.

**Table 1
Proposed Purchase Orders through RFQ Process**

Description	Qty	Funding Source	Estimated Cost
PM10 Sampler	2	NATTS FY 15-16	\$25,000
PAH Sampler	4	NATTS FY 15-16	\$32,000
Ceilometer	1	PAMS FY 15-16	\$50,000
Ozone Transfer Standard	1	PAMS FY 15-16	\$10,000
Gas Chromatograph Preconcentrator	2	PAMS FY 15-16	\$124,000
Gas Dilution System	2	Near-Road FY 15-16	\$35,000
Black Carbon Monitor	2	Near-Road FY 15-16	\$45,000
Total Proposed Purchase Orders through RFQ Process			Not to Exceed \$321,000

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

Description	Qty	Funding Source	Estimated Cost
CNG Vehicle	1	U.S. Government	\$38,000
Ion Chromatography Upgrade	1	NATTS FY 15-16	\$40,000
Portable Ozone Monitor	3	PAMS FY 15-16	\$15,000
CNG Vehicle	1	PM2.5 FY 15-16	\$45,000
Pure Air Generator	2	Near-Road FY 15-16	\$15,000
Total Proposed Purchases through Sole Source Purchase Orders			Not to Exceed \$153,000

Attachments

1. Proposed Revenues and Expenditures for FY 2015-16
2. Proposed Enhanced Particulate Monitoring Program Expenditures for FY 2015-16
3. Proposed NATTS Expenditures for FY 2015-16
4. Proposed NATTS Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)
5. Proposed 23rd Year PAMS Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)
6. Proposed PM2.5 Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)
7. Proposed Near-Road NO2 Monitoring Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)
8. Proposed AQ-SPEC Expenditures for FY 2015-16

Attachment 1
Proposed Revenues and Expenditures for FY 2015-16

Program Year	Funding Agency	Program Name	Revenues	Expenditures	Detailed Appropriations
FY 2015-16	U.S. Govt.	Enhanced Particulate Monitoring	612,655	612,655	Attachment 2
FY 2015-16	EPA-Section 103	NATTS	159,318	159,318	Attachment 3
FY 2014-15*	EPA-Section 103	NATTS	98,563	98,563	Attachment 4
FY 2014-15*	EPA-Section 105	PAMS	472,604	472,604	Attachment 5
FY 2014-15*	EPA-Section 103	PM2.5 Monitoring Network	227,100	227,100	Attachment 6
FY 2014-15*	EPA-Section 103	Near-Road NO2 Monitoring	199,369	199,369	Attachment 7
FY 2015-16	EPA-Section 105	AQ-SPEC	75,000	75,000	Attachment 8
			1,844,609	1,844,609	

* Recognize revenue and appropriate funds representing the remaining balance of the FY 2014-15 award.

Attachment 2
Proposed Enhanced Particulate Monitoring Expenditures for FY 2015-16

Account Description	Account Number	Program Code	Appropriation not to Exceed
*Salaries & Employee Benefits Major Object			
Overtime	52000	44505	\$ 106,136
Total Salaries & Employee Benefits Major Object			\$ 106,136
Services & Supplies Major Object			
Professional and Specialized Services	67450	47505	\$ 105,000
Temp Agency Services	67460	47505	88,400
Maintenance of Equipment	67600	47505	1,500
Building Maintenance	67650	47505	106,000
Auto Mileage	67700	47505	89,029
Travel	67800	47505	3,000
Communications	67900	47505	7,020
Clothing	68000	47505	250
Office Expense	68100	47505	1,820
Small Tools	68300	47505	45,500
Taxes, License, Fees	69600	47505	21,000
Total Services & Supplies			\$ 468,519
Capital Outlay Major Object			
CNG Vehicle	77000	47505	\$ 38,000
Total Capital Outlay Major Object			\$ 38,000
FY 2015-16 Appropriations			\$ 612,655

*Salaries, Benefits and Indirect Costs (excluding overtime) are already included in the FY 2015-16 Budget; this revenue/appropriation is for the excluded overtime.

Attachment 3
Proposed NATTS Expenditures for FY 2015-16

Account Description	Account Number	Program Code	Estimated Expenditures
Services & Supplies Major Object			
Professional and Specialized Services	67450	47468	\$ 17,000
Maintenance of Equipment	67600	47468	45,000
Travel	67800	47468	6,000
Laboratory Supplies	68050	47468	15,000
Office Expense	68100	47468	1,118
Small Tools	68300	47468	35,200
Total Services & Supplies			\$ 119,318
Capital Outlay Major Object			
Ion Chromatograph Upgrade	77000	47468	\$ 40,000
Total Capital Outlay Major Object:			\$ 40,000
FY 2015-16 Appropriations			\$ 159,318

Note: Salaries, Benefits and Indirect Costs are already included in the FY 2015-16 Budget

Attachment 4
Proposed NATTS Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)

Account Description	Account Number	Program Code	Initial Appropriation (a)	Appropriations not to Exceed
Services & Supplies Major Object				
Professional and Specialized Services	67450	47468	\$ -	\$ 15,000
Maintenance of Equipment	67600	47468	0	15,000
Travel	67800	47468	-	1,000
Laboratory Supplies	68050	47468	0	5,000
Office Expense	68100	47468	0	500
Small Tools	68300	47468	0	5,063
Total Services & Supplies			\$ -	\$ 41,563
Capital Outlay Major Object				
PM10 Sampler (2)	77000	47468	25,000	25,000
PAH Sampler (4)	77000	47468	32,000	32,000
Total Capital Outlay Major Object			\$ 32,000	\$ 57,000
FY 2015-16 Appropriations			\$ 32,000	\$ 98,563

(a) This is the estimated amount for the first quarter of FY 2015-16. The remaining amount will be appropriated upon reconciliation of FY 2014-15 expenditures.

Attachment 5

Proposed 23rd Year PAMS Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)

Account Description	Account Number	Program Code	Initial Appropriation (a)	Appropriations not to Exceed
Services & Supplies Major Object				
Rents & Leases Structure	67350	26350	\$ 18,050	\$ 18,050
Professional and Specialized Services	67450	47530	\$ 70,000	70,000
Maintenance of Equipment	67600	47530	10,000	50,000
Maintenance of Equipment	67600	26530	10,000	24,000
Building Maintenance	67650	47530	10,000	45,000
Building Maintenance	67650	26530	1,000	1,000
Communications	67900	26530	5,000	5,000
Laboratory Supplies	68050	47530	8,000	18,000
Office Expense	68100	47530	3,000	3,000
Office Expense	68100	26530	3,000	3,000
Small Tools	68300	47530	10,000	33,054
Small Tools	68300	26530	500	500
Miscellaneous	69500	26530	3,000	3,000
Total Services & Supplies			\$ 130,500	\$ 273,604
Capital Outlay Major Object				
Ozone Transfer Standard	77000	47530	10,000	10,000
Portable Ozone Monitor (3)	77000	47530	15,000	15,000
Ceilmeter	77000	26530	50,000	50,000
Gas Chromatograph Preconcentrator (2)	77000	26530	0	124,000
Total Capital Outlay Major Object			\$ 75,000	\$ 199,000
FY 2015-16 Appropriations			\$ 205,500	\$ 472,604

(a) This is the estimated amount for the first quarter of FY 2015-16. The remaining amount will be appropriated upon reconciliation of FY 2014-15 expenditures.

Attachment 6
Proposed PM 2.5 Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)

Account Description	Account Number	Program Code	Initial Appropriation (a)	Appropriations not to Exceed
Services & Supplies Major Object				
Rents & Leases Structure	67350	47500	\$ 2,000	\$ 4,500
Building Maintenance	67650	47500	\$ 20,000	\$ 60,000
Maintenance of Equipment	67600	47500	15,000	50,957
Travel	67800	47500	6,000	6,000
Laboratory Supplies	68050	47500	10,000	25,000
Office Expense	68100	47500	5,000	10,643
Small Tools	68300	47500	15,000	25,000
Total Services & Supplies			\$ 73,000	\$ 182,100
Capital Outlay Major Object				
CNG Vehicle	77000	47500	45,000	45,000
Total Capital Outlay Major Object			\$ 45,000	\$ 45,000
FY 2015-16 Appropriations			\$ 118,000	\$ 227,100

(a) This is the estimated amount for the first quarter of FY 2015-16. The remaining amount will be appropriated upon reconciliation of FY 2014-15 expenditures.

Attachment 7

Proposed Near-Road NO2 Monitoring Expenditures for FY 2015-16 (Remaining FY 2014-15 Balance)

Account Description	Account Number	Program Code	Initial Appropriation (a)	Appropriations not to Exceed
Services & Supplies Major Object				
Professional and Specialized Services	67450	47469	\$ 15,000	\$ 20,000
Maintenance of Equipment	67600	47469	5,000	7,869
Travel	67800	47469		-
Utilities	67850	47469	2,500	10,000
Communications	67900	47469	\$ 5,000	10,000
Laboratory Supplies	68050	47469		-
Office Expense	68100	47469	0	1,500
Small Tools	68300	47469	2,500	5,000
Total Services & Supplies			\$ 30,000	\$ 54,369
Capital Outlay Major Object				
Gas Dilution System (2)	77000	47469	35,000	35,000
Pure Air Generator (2)	77000	47469	15,000	15,000
Traffic Counters (4)	77000	47469	0	30,000
CO Monitor (2)	77000	47469	20,000	20,000
Black Carbon Monitor (2)	77000	47469	45,000	45,000
Total Capital Outlay Major Object			\$ 115,000	\$ 145,000
FY 2015-16 Appropriations			\$ 145,000	\$ 199,369

(a) This is the estimated amount for the first quarter of FY 2015-16. The remaining amount will be appropriated upon reconciliation of FY 2014-15 expenditures.

Attachment 8
Proposed AQ-SPEC Expenditures for FY 2015-16

Account Description	Account Number	Program Code	Initial Appropriation (a)	Appropriations not to Exceed
Capital Outlay Major Object				
Design and Develop Data Management and Display Systems/AQ-SPEC Implementation	77000	43079	\$ 75,000	\$ 75,000
Total Capital Outlay Major Object			\$ 75,000	\$ 75,000
FY 2015-16 Appropriations			\$ 75,000	\$ 75,000

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 13

PROPOSAL: Execute Contract for Health Insurance Brokerage and Consultant Services

SYNOPSIS: To ensure SCAQMD continues to provide a cost-effective employee health insurance program, an RFP was released on April 3, 2015, to solicit proposals from firms interested in providing health insurance brokerage services. This action is to execute a contract with Alliant Insurance Services, Inc. effective August 1, 2015, through July 31, 2018. This is a no-cost contract as payment for services is through insurance carrier commissions.

COMMITTEE: Administrative, June 12, 2015; Less than a quorum was present; the Committee Members concurred that this item be approved by the Board.

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a contract with Alliant Insurance Services, Inc. to provide health insurance consultant and brokerage services for the period August 1, 2015, through July 31, 2018. This is a no-cost contract, as all fees for these services will be paid directly to Alliant Insurance Services, Inc. as commissions from insurance carriers.

Barry R. Wallerstein, D.Env.
Executive Officer

WJJ:BR

Background

SCAQMD's current contract for consulting and brokerage services, directed toward assuring cost-effective medical, dental, vision, life, and other health insurance products for employees and their dependents, is scheduled to expire June 30, 2015. In March, the Executive Officer approved release of RFP #P2015-26 to seek proposals from firms interested in providing these services for the next three-year period.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed 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

Six proposals, all of which were complete and responsive to the RFP, were received when bidding closed at 5:00 p.m. on May 6, 2015.

The panel that evaluated proposals included an SCAQMD Senior Deputy District Counsel, Human Resources Manager, and Human Resources Analyst. Of these, one is Asian-Pacific Islander, one is Hispanic, and one is Caucasian; two are female and one is male.

The panel scored the six proposals based on criteria set forth in the RFP, which included understanding of the requirements, contractor qualifications, previous experience providing insurance consultant/brokerage services for comparable public agencies, fee structure, client references, and additional points for special business categories as defined in the RFP. One of the proposals did not receive the minimum technical score required by SCAQMD's contracting policy, and this firm is not included in the final list of scores. Scores of the remaining five proposals are listed in the attachment.

Proposal

This action is to execute a contract with Alliant Insurance Services, Inc. for the period of August 1, 2015, through July 31, 2018. The current contract with Mercer expired June 30, 2015.

Resource Impacts

There is no cost to SCAQMD associated with this contract, as all costs will be paid to Alliant Insurance Services as commissions from insurance carriers.

Attachment

Evaluation Summary

ATTACHMENT

**EVALUATION SUMMARY
RFP 2015-26
HEALTH INSURANCE BROKERAGE SERVICES**

Contractor	Cost Points	Technical Points	Additional Points	Total Points
Alliant Insurance Services, Inc.	18	78	0	96
Mercer Health & Benefits, LLC	17	75	0	92
Wells Fargo Insurance Services USA, Inc.	16	76	0	92
Trapani Dickins & Associates, Employee Benefits and Insurance Services, Inc.	7	54	10	71
Rael & Letson Consultants and Actuaries	9	57	0	66

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 14

PROPOSAL: Amend Salary Resolution to Provide Paid Sick Leave for SCAQMD Employees Not Currently Eligible to Receive Such Leave Benefits

SYNOPSIS: AB 1522 (Gonzalez) requires California employers to implement the Healthy Workplaces, Healthy Families Act of 2014. This Act provides that effective July 1, 2015, eligible employees not currently provided with a minimum level of paid sick leave benefits are entitled to receive such benefit for prescribed purposes. This action is to amend the Salary Resolution to implement the provisions of AB 1522 to provide paid sick leave for specific SCAQMD employees not currently covered by the Salary Resolution or an MOU.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

1. Amend the Salary Resolution to provide for paid sick leave for eligible employees not currently provided with a minimum level of paid sick leave benefits and for these employees to be able to use the paid sick leave benefits for prescribed purposes. A new amendment to the Salary Resolution effects these changes.
2. Approve the attached Resolution to amend the Salary Resolution.

Barry R. Wallerstein, D.Env.
Executive Officer

WJ:tc

Background

AB 1522 (Gonzalez) enacts, effective July 1, 2015, the Healthy Workplaces, Healthy Families Act of 2014, to provide for employees working in California for 30 or more days within a year from the commencement of employment, are entitled to paid sick leave for prescribed purposes. The majority of SCAQMD employees are currently covered by an MOU or the Salary Resolution and are already provided with paid sick leave benefits in excess of the provisions of AB 1522.

Proposal

Paid sick leave provisions for unrepresented employees are currently contained in Section 43 of the Salary Resolution. Staff proposes to achieve compliance with AB 1522 by amending the Salary Resolution to add Section 43.a. for Board Member Assistants and Consultants engaged as SCAQMD employees, provisional employees, paid interns, and those employees not covered by an MOU or excluded from eligibility under Section 43. These SCAQMD employees, effective July 1, 2015 or upon commencement of employment, would be eligible to accrue paid sick leave at the rate of one hour for every 30 hours worked; be eligible to use sick leave for reasons set forth in Administrative Policies and Procedures No. 31 and/or any other reason(s) authorized by state or federal law; are eligible to use accrued sick leave immediately; may accumulate sick leave at full pay to a maximum of 60 hours including any hours carried over from the previous year; and, after separation of employment (either by termination, resignation or other separation), if the employee is rehired within one year of separation, SCAQMD will reinstate the employee's previously accrued, unused/unpaid sick leave days as required by law.

Resource Impacts

There is sufficient funding available in the FY 2015-16 Budget.

Attachments

- A. Amendment to Salary Resolution
- B. Resolution

ATTACHMENT A
SALARY RESOLUTION

ARTICLE 10
LEAVE OF ABSENCE

Section 43. LEAVE FOR SICKNESS OR INJURY

Section 43a. BOARD MEMBER ASSISTANTS AND CONSULTANTS, PROVISIONAL EMPLOYEES, AND PAID INTERNS

a. Eligibility for Sick Leave

(1) Board Member Assistants and Consultants engaged as SCAQMD employees, provisional employees, paid interns, and those employees not covered by an MOU or excluded from eligibility under Section 43, are eligible for sick leave based on the terms and conditions set forth in this section.

b. Sick Leave at Full Pay – General Provisions

- (1) Effective July 1, 2015, upon commencement of hire, employees eligible for sick leave pursuant to this section shall accrue sick leave benefits at the rate of one hour for every 30 hours worked.
- (2) Sick leave may be used for reasons set forth in Administrative Policies and Procedures No. 31 and for any other reason authorized by state or federal law pertaining to sick leave.
- (3) Employees are eligible to use sick leave immediately.
- (4) Employees may accumulate sick leave at full pay to a maximum of 60 hours.
- (5) After separation of employment (either by termination, resignation or other separation), if the employee is rehired within one year of separation, SCAQMD will reinstate the employee's previously accrued, unused/unpaid sick leave days as required by law.

ATTACHMENT B

RESOLUTION NO. 15-_____

A Resolution of the South Coast Air Quality Management District Governing Board to amend SCAQMD's *Salary Resolution*, to provide for paid sick leave for Board Member Assistants and Consultants engaged as SCAQMD employees, provisional employees, paid interns, and those employees not covered by an MOU or excluded from eligibility under Section 43.

WHEREAS, the Governing Board of the South Coast Air Quality Management District exercises its duty to review and determine appropriate wages, hours, and other terms and conditions of employment provided to its employees.

THEREFORE, BE IT RESOLVED that the Board of the South Coast Air Quality Management District, in a regular session assembled on July 10, 2015, in Diamond Bar, California, does hereby amend SCAQMD's *Salary Resolution* to provide for paid sick leave for Board Member Assistants and Consultants engaged as SCAQMD employees, provisional employees, paid interns, and those employees not covered by an MOU or excluded from eligibility under Section 43.

AYES:

NOES:

ABSTAIN:

ABSENT:

Date

Clerk of the Board

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 15

PROPOSAL: Authorize Purchase of OnBase Software Support

SYNOPSIS: SCAQMD uses the OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2015. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year. Funds for this purchase (\$122,980) are included in the FY 2015-16 Budget.

COMMITTEE: Administrative, June 12, 2015, Reviewed
Special Administrative, June 17, 2015; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Procurement Manager to purchase OnBase software subscription and support for one year from Hyland Software at a cost of \$122,980, which is allocated in the FY 2015-16 Budget.

Barry R. Wallerstein, D.Env.
Executive Officer

CJM:MH:SJ:nm:agg

Background

SCAQMD uses OnBase software as its electronic document management system, which has maintained the SCAQMD's documents and other critical records since 1990. Total storage to date is over three million multi-page documents. OnBase is a Windows-based, menu-driven, document management system designed to store and retrieve critical documents in electronic format. The system provides concurrent information to multiple workstations simultaneously. It has a flexible compound document structure where black-and-white or color images co-exist with text and data within a single document. It stores various types of documents such as Microsoft Word documents, Outlook emails, and PDFs, videos and data files. The system also includes document

routing; and distribution offers ad-hoc, scheduled point-to-point, and broadcast distribution of documents. It contains a complete set of markup and annotation tools that allow users to add notes, comments and drawings to pages without compromising the original document's integrity. The system has full network support so information can be distributed rapidly within an organization regardless of architecture. Finally, the system has an extensive number of features to allow the secure display of documents on the SCAQMD's internal and external websites. OnBase software subscription and support expires on July 31, 2015.

Sole Source Justification

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

Proposal

Hyland Software is the sole manufacturer and provider of OnBase software and is, therefore, the only source for its maintenance support licensing agreements. Staff recommends the purchase of OnBase software subscription and support for one year from Hyland Software at a cost of \$122,980.

Resource Impacts

Sufficient funds are included in Information Management's FY 2015-16 Budget within the Professional and Special Services Major Object.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 16

PROPOSAL: Authorize Purchase of Oracle PeopleSoft Software and Support

SYNOPSIS: The SCAQMD uses Oracle's PeopleSoft Integrated Financial/Human Resources System. The software package provides purchasing, accounting, asset management, financial management, project reporting, payroll and human resources functionality for the SCAQMD. The maintenance support for this system expires August 13, 2015. In addition, acquisition of the PeopleSoft eApps software is needed to implement online employee benefits self-service. This action is to obtain approval for a five-year contract with Oracle America Inc. for the Oracle PeopleSoft maintenance support, including purchase of the eApps in the first year. Funds (\$328,800) for these purchases are included in the FY 2015-16 Budget and will be included in subsequent fiscal year budget requests.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to execute a contract with Oracle America Inc. to purchase five years of Oracle PeopleSoft software maintenance support for the integrated Financial/Human Resources System for the period of August 13, 2015 through August 13, 2020, at a cost not to exceed \$1,194,000.
2. Authorize the Executive Officer to execute a contract with Oracle America, Inc. to purchase eApps software to enable staff to implement online employee benefits self-service at a cost not to exceed \$90,000.
3. Transfer \$90,000 from Information Management's FY 2015-16 Budget, Services and Supplies, Professional and Specialized Services Account to Information Management's FY 2015-16, Capital Outlays Major Object, Computer Software Account.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

In April 1998, after an exhaustive competitive bidding process, the SCAQMD purchased the Oracle PeopleSoft Financial/Human Resources System to enhance the functionality of the overall finance system. The Oracle PeopleSoft system eliminated duplicate effort, where possible, and integrated processes that access the same data. The software package provides purchasing, accounting, asset management, financial management, project reporting, payroll, and human resource functionality for the SCAQMD. Software support includes day-to-day technical support, software patches and bug fixes, and software upgrades. Software maintenance support for the Oracle PeopleSoft system expires August 13, 2015.

The system also uses Oracle database software. The Oracle database is used to store all of the data used in the software system. The database support includes day-to-day technical support, software patches and bug fixes, and software upgrades. Software maintenance support for Oracle database software expires August 13, 2015.

Oracle PeopleSoft maintenance support includes the following services:

Software Maintenance	Licensed product updates, enhancements, and repairs
Customer Care Business Center	Resolution of business issues and aid in finding assistance within PeopleSoft's customer service
PeopleSoft Advisor	Business-oriented information needs and advice
PeopleSoft Plugged In	Electronic distribution of information on new releases, fixes and patches, and software updates
Customer Connection	Online access to PeopleSoft information, including news, documentation, training, and user groups
Global Support Center	Assistance in resolving online operating difficulties, system failures, PeopleSoft application-related problems, potential system bugs, and installation and upgrade issues
Access to PeopleSoft Forum	Access to database documentation and PeopleSoft application problems and fixes

Oracle maintenance support includes the following services:

Software Maintenance	Licensed product updates, enhancements, and repairs
Software Support	Assistance in resolving online operating difficulties, system failures, Oracle application-related problems, potential system bugs, and installation and upgrade issues

Oracle's PeopleSoft Enterprise eApps delivers comprehensive online employee benefits self-service every day of the year. By using PeopleSoft eApps, employees can access

benefit plans and programs to process their annual open enrollment and changes to personal and dependent data when benefit-related life events occur. It reduces costs by automating many of the administrative tasks related to benefits and payroll administration, and decreases the need to create and maintain customized carrier interfaces and integrations.

At the Administrative Committee, Dr. Parker asked whether this contract included a “most-favored-customer” clause to ensure the best pricing. The Committee directed staff to explore including “most-favored-customer” language in this and other SCAQMD contracts. In response to staff’s request to include such a provision in the contract, Oracle responded that the company does not allow any kind of “most-favored-customer” clauses in its contracts. For the pending deal, Oracle referred to its agreement with Los Angeles County for terms, conditions, and discounts that would apply in its agreement with SCAQMD. Staff will bring to the Administrative Committee, at its July meeting, a proposal to amend the SCAQMD Procurement Policy and Procedure to include a “Most Favored Customer” policy.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. These requests for a sole source award are made under provision VIII.B.2.c.(2) and (3). The services are available from only the sole source; involve the use of proprietary technology; and use key contractor-owned assets for project performance.

Proposal

Oracle America Inc. is the sole manufacturer and provider of PeopleSoft and Oracle database software and therefore, the only source for software maintenance support licensing agreements. Staff recommends approval of a five-year contract for Oracle PeopleSoft software maintenance support at a cost not to exceed \$1,194,000 at \$238,800 per year; and the purchase of eApps on the first year at a cost not to exceed \$90,000. The cost of renewing with a five-year term results in over \$70,000 savings over the five years. Oracle’s price is based on a 32.5% discount, which was also provided to Los Angeles County. The County’s agreement also contains a clause allowing termination for non-appropriation in future fiscal years.

In addition, staff proposes a transfer of \$90,000 from Information Management’s FY 2015-16 Budget, Services and Supplies, Professional and Specialized Services Account to Information Management’s FY 2015-16, Capital Outlays Major Object, Computer Software Account to implement online employee benefits self-service.

Resource Impacts

Sufficient funds are included in Information Management’s FY 2015-16 Budget Services and Supplies Major Object, Professional and Specialized Services account.

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 17

PROPOSAL: Issue RFP for Legislative Representation in Washington, D.C.

SYNOPSIS: The current contracts for legislative representation in Washington, D.C. expire on January 14, 2016. This action calls for the issuance of an RFP for legislative representation and consulting services for SCAQMD in Washington, D.C. for 2016. The RFP will also indicate that the services contract(s) may be extended for up to two additional one-year terms.

COMMITTEE: Legislative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTION:

Approve release of RFP #P2016-03 to solicit proposals for legislative representation in Washington, D.C. at a cost not to exceed \$440,000 for the initial one-year period.

Barry R. Wallerstein, D.Env.
Executive Officer

LBS:DJA:PFC:RAR

Background

As one of the largest air quality regulatory agencies in the United States and a leader in air quality innovations, the South Coast Air Quality Management District (SCAQMD) is an important contributor to the national policymaking discussions relevant to air quality related issues. SCAQMD requires representation in Washington, D.C. to ensure that SCAQMD's input and policy priorities are conveyed in a timely and effective manner during the federal legislative and policy-setting process. It is critical that SCAQMD be involved in policy development relating to federal air quality legislation, federal Clean Air Act implementation, subvention funding and special grants, and other related issues, and that all these issues are closely monitored.

Therefore, it is appropriate to continue direct representation and advocacy of SCAQMD's policy positions on environmental issues in Washington, D.C. The current

SCAQMD contracts for legislative representation in Washington, D.C. expire on January 14, 2016.

Much of the 2016 SCAQMD legislative goals and objectives in Washington, D.C. will depend on the outcome of the 2015 legislative session. However, many of the prior years' program elements are expected to continue and be built upon in the coming session in Washington, D.C. This ongoing presence at the federal level is essential for the achievement of meaningful progress. As a reference, the 2015 legislative goals and objectives may be broadly divided into four categories: working closely with the federal government to have the U.S. Environmental Protection Agency effectively address mobile sources which are primarily under their jurisdiction; pursuing appropriation requests or other funding opportunities to support clean technology advancement and ambient monitoring programs; policy advocacy to further the pursuit of clean air objectives, the reduction of toxic emissions, and climate change initiatives with emphasis on cobenefits at the federal level; and policy advocacy to modernize the federal offset requirements under the Clean Air Act.

The 2016 SCAQMD legislative goals and objectives in Washington, D.C. will be focused on facilitating attainment of federal clean air standards within the South Coast region largely through work with Congress, the White House, federal, state and local agencies, business, environmental and community groups, and other stakeholders. The 2016 legislative priorities will likely include the following:

Technology Advancement

Maintain and/or expand funding opportunities for advanced clean technologies and clean air research, development, demonstration and deployment programs, including those related to:

- Zero- and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies), clean fuels and refueling technologies and infrastructure;
- Clean energy sources;
- Implementation of Board-approved Air Quality Management Plan; and
- Implementation of the Clean Communities Plan.

Marine Vessels

Pursue legislative and/or administrative policies that will further reduce marine vessel emissions and will ensure, through regulatory and/or incentive-based policies that the cleanest-operating vessels come to U.S. ports.

Surface Transportation & Goods Movement

Enhance the provisions of surface transportation reauthorization legislation (i.e., successor legislation to the MAP-21 law) to better include air quality considerations as approved by the Board.

Locomotives

Pursue efforts to reduce locomotive emissions, through regulatory and/or incentive-based policies.

Reduction of Toxic Emissions

Expand funding under the Diesel Emission Reduction Act, and through other legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Clean Air Act

Ensure adequate SCAQMD authority and fairness for Southern California under the federal Clean Air Act (CAA) and extend or enhance SCAQMD's subvention funding under CAA Sections 103 and 105.

National Ambient Air Quality Standards and SIP

Support policies that protect science-driven and health-based determinations of national ambient air quality standards.

Support legislation and/or administrative efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, to promote co-benefits with NAAQS and air toxics reduction, consistent with the Board's policy.

New Source Review Offsets

Modernize federal New Source Review offset requirements for areas where the supply of offsets is inadequate, while furthering the pursuit of clean air objectives.

Environmental Justice

Support legislation which promotes environmental justice initiatives that will reduce localized health risks, develop clean air technologies that directly benefits disproportionately impacted communities, and enhance community participation in decision-making.

The 2016 legislative priorities for SCAQMD will be further refined and presented to the Board's Legislative Committee and the full Board for approval later in the year, as determined by the course of events in 2015.

Proposal

SCAQMD seeks the services of a contractor or contractors to support the SCAQMD Board's goals and objectives for 2016 in Washington D.C. The selected firm(s) will be expected to provide a variety of services consistent with Board direction. Total funding for the initial year shall be up to a maximum amount of \$440,000. The contract(s) may include an option for two annual renewals, contingent on satisfactory performance and approval of subsequent budgets, at the SCAQMD Board's discretion.

Bid Evaluation

Proposals received will be initially evaluated by a diverse panel of qualified individuals according to the criteria described in the attached RFP #P2016-03. The Legislative Committee of the Board is expected to conduct oral interviews of the most highly qualified bidders and will make a recommendation to the full Board for approval.

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 South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP will be emailed 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."

Resource Impacts

The funding for the first year is available in the Legislative & Public Affairs FY 2015-16 Budget. Funding for the two optional one-year extensions is contingent upon Board approval for the respective fiscal years.

Attachment

RFP #P2016-03 for Legislative Representation in Washington, D.C.



South Coast Air Quality Management District

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

REQUEST FOR PROPOSALS

FOR LEGISLATIVE REPRESENTATION IN WASHINGTON, D.C.

#P2016-03

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," "Consultant," "Bidder" and "Firm" are used interchangeably.

PURPOSE

SCAQMD requires representation in Washington, D.C. to ensure that SCAQMD's input and policy priorities are conveyed in a timely and effective manner during the federal legislative and policy-setting process. It is critical that SCAQMD be involved in policy development relating to federal air quality legislation, federal Clean Air Act implementation, subvention funding and special grants, and other related issues, and that all these issues are closely monitored.

The intent of this RFP is for SCAQMD to contract with outside representative(s) knowledgeable in air quality-related issues to provide assistance with and representation of SCAQMD policy positions and funding needs before the Congress, the White House and federal agencies. Consultant(s) shall be paid on a monthly basis for services rendered at an agreed upon Flat Monthly Fee and actual costs incurred for out-of-pocket expenses. The current SCAQMD contracts for legislative representation in Washington, D.C. expire on January 14, 2016.

The selected firm(s) will be expected to provide a variety of services, to be outlined in the work statement, and consistent with SCAQMD Governing Board direction. Total funding for the initial year shall be up to a maximum amount of \$440,000. The contract(s) may include an option for two annual renewals, contingent on satisfactory performance and approval of subsequent budgets, at the SCAQMD Board's discretion.

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

Attachment A - Participation in the Procurement Process

Attachment B - Certifications and Representations

SECTION I: BACKGROUND/INFORMATION

As one of the largest air quality regulatory agencies in the United States and a leader in air quality innovations, SCAQMD is an important contributor to the national policymaking discussions relevant to air quality related issues. Given the fluid activity in Congress, by the Administration and within federal agencies on air quality matters, our mandates to achieve National Ambient Air Quality Standards, and the large portion of federally regulated sources of pollution that challenge our ability to achieve attainment in the South Coast region, it is imperative that SCAQMD maintain a strong presence in Washington, D.C. Thus, SCAQMD seeks a contractual agreement with consultant(s) to support the SCAQMD Governing Board's Federal Legislative goals and objectives for 2016 in Washington D.C., in accordance with the requirements of this RFP.

Much of the 2016 SCAQMD legislative goals and objectives in Washington, D.C. will depend on the outcome of the 2015 legislative session. However, many of the prior years' program elements are expected to continue and be built upon in the coming session in Washington, D.C. This ongoing presence at the federal level is essential for the achievement of meaningful progress. As a reference, the 2015 legislative goals and objectives may be broadly divided into four categories: working closely with the federal government to have the U.S. Environmental Protection Agency clean up mobile sources which are primarily under their jurisdiction; pursuing appropriation requests or other funding opportunities to support clean technology advancement and ambient monitoring programs; policy advocacy to further the pursuit of clean air objectives, the reduction of toxic emissions, and climate change initiatives at the federal level; and policy advocacy to modernize the federal offset requirements under the Clean Air Act.

The 2016 SCAQMD legislative goals and objectives in Washington, D.C. will be focused on facilitating attainment of federal clean air standards within the South Coast region by statutory deadlines, largely through work with Congress, the White House, federal, state and local agencies, business, environmental and community groups, and other stakeholders. The 2016 legislative priorities will likely include the following:

Technology Advancement

Maintain and/or expand funding opportunities for advanced clean technologies and clean air research, development, demonstration and deployment programs, including those related to:

- Zero and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies), clean fuels and refueling technologies and infrastructure;
- Clean energy sources;
- Implementation of Board-approved Air Quality Management Plan (AQMP); and
- Implementation of the Clean Communities Plan.

Marine Vessels

Pursue legislative and/or administrative policies that will further reduce marine vessel emissions and will ensure, through regulatory and/or incentive-based policies that the cleanest vessels come to U.S. ports.

Surface Transportation & Goods Movement

Enhance the provisions of surface transportation reauthorization legislation (i.e., successor legislation to the MAP-21 law) to better include air quality considerations, particularly with respect to goods movement and energy issues.

Locomotives

Pursue efforts to reduce locomotive emissions, through regulatory and/or incentive-based policies.

Reduction of Toxic Emissions

Expand funding under the Diesel Emission Reduction Act (DERA), and through other legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Clean Air Act

Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA) and extend or enhance SCAQMD's subvention funding under CAA Sections 103 and 105.

National Ambient Air Quality Standards and SIP

Support policies that protect science-driven and health-based determinations of national ambient air quality standards.

Support legislation and/or administrative efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, to promote co-benefits with NAAQS and air toxics reduction, consistent with the Board's policy.

New Source Review Offsets

Modernize federal New Source Review offset requirements for areas where the supply of offsets is inadequate, while furthering the pursuit of clean air objectives.

Environmental Justice

Support legislation which promotes environmental justice initiatives that will reduce localized health risks, develop clean air technologies that directly benefits disproportionately impacted communities, and enhance community participation in decision-making.

The 2016 legislative priorities for SCAQMD will be further refined and presented to the Board's Legislative Committee and the full Board for approval later in the year, as determined by the course of events in 2015.

SECTION II: CONTACT PERSON:

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

Derrick Alatorre
 Assistant Deputy Executive Officer
 Legislative & Public Affairs
 SCAQMD
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 (909) 396-3122

SECTION III: SCHEDULE OF EVENTS

Date	Event
July 10, 2015	RFP Released
August 12, 2015	Proposals Due to SCAQMD – No Later Than 1:00 pm
August 12 - August 25, 2015	Proposal Evaluations
September 11, 2015	Interviews*
October 2, 2015	Governing Board Approval
November 2015	Anticipated Contract Execution

**The selection process will include an in-person interview in Diamond Bar, CA or a telephone interview with SCAQMD's Legislative Committee on September 11, 2015.*

SECTION IV: PARTICIPATION IN THE PROCUREMENT PROCESS

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. Attachment A to this RFP contains definitions and further information.

SECTION V: STATEMENT OF WORK/SCHEDULE OF DELIVERABLES**A. Statement of Work**

Under the direction of the SCAQMD Executive Officer or Deputy Executive Officer of Legislative & Public Affairs, and, as appropriate, in coordination with SCAQMD's staff, the Consultant(s) will gather information, provide advice and assistance, and/or advocate positions on legislative/regulatory matters in Washington, D.C., on behalf of SCAQMD as it directly pertains to air quality-related issues, energy and climate issues, transportation issues, the federal Clean Air Act, and related issues.

The selected Consultant(s) will perform services on legislative/regulatory matters, including but not necessarily limited to the following:

1. Preparation of a strategic plan for the upcoming legislative year by no later than January 31, 2016, to ensure maximizing SCAQMD Board and staff participation and involvement, with an emphasis on increasing federal air quality program funding for the South Coast Air Basin; protecting the legal authorities of SCAQMD; promoting SCAQMD federal policy priorities, and reducing emissions from federally-controlled mobile sources;
2. Securing the support of SCAQMD's mission and positions by the decision-makers in the legislative and administrative bodies of the United States government;
3. Advising SCAQMD on federal issues as requested or as deemed necessary;
4. Advocating positions as directed by SCAQMD, on all identified and/or drafted legislation and administrative and other policy proposals; providing testimony at committee and other special hearings; and providing written communications to legislators, key administrative officials, and other staff regarding such legislation;
5. Assisting in the development of SCAQMD positions on identified air quality-related federal legislative proposals;
6. Producing materials destined for strategic distribution or inclusion in SCAQMD legislative committee/Board proceedings;
7. Reviewing and providing editorial and technical revisions and quality control for legislative materials destined for distribution or inclusion in SCAQMD legislative committee/Board proceedings;
8. Aiding SCAQMD in making appropriate contact(s) as the Agency participates directly in federal legislative negotiations, including securing additional federal funds for SCAQMD's clean air programs and activities;
9. Advising/assisting SCAQMD in presentation of requests to U.S. EPA or other federal agencies on policy matters impacting SCAQMD operations or its ability to meet the federal clean air standards;
10. Coordination of meetings for SCAQMD Board members and their executive or legislative staff with federal legislators and/or officials, as well as gathering proper briefing materials for each meeting;
11. Attending and participating in meetings exclusively on behalf of SCAQMD with legislative representatives and administration members and appointees;
12. Assisting with the development of a national stakeholder network and/or coalition to help facilitate national support for SCAQMD policy and funding priorities; and
13. Assisting with coordination, as needed, with any SCAQMD conferences, forums, symposia, meetings and/or briefings that are held in Washington, D.C. or otherwise related to federal issues.

B. Schedule of Deliverables

1. A written strategic and tactical implementation plan for 2016;
2. Written and/or oral communications to SCAQMD, in a timely manner, on federal legislation or policy matters having a potential to affect SCAQMD objectives;
3. Written analyses on federal legislation having a potential to affect air quality objectives;
4. Oral and/or written reports on federal legislative/policy meetings attended or monitored on behalf of SCAQMD;
5. Oral and/or written briefings to the SCAQMD Legislative Committee and/or Governing Board on federal legislation or policy, as determined by SCAQMD. These briefings may take place in person, by teleconference, or in writing;
6. Oral and/or written recommendations regarding SCAQMD positions on, and strategies for, federal air quality-related legislation or policies within 14 days of a request by SCAQMD;
7. Oral and/or written recommendations regarding ways to increase federal appropriations or other funding opportunities for clean air efforts in the Southern California region;
8. Written communications to legislators and key administrative officials conveying SCAQMD positions on various bills and administrative actions;
9. Preparing and presenting testimony before Congressional committees and/or federal agency hearings;
10. Attending and participating in meetings exclusively on behalf of SCAQMD with legislative representatives and administration members and appointees;
11. Negotiating bill language, policies or other federal agency provisions related to environmental, transportation or air quality issues;
12. A monthly written briefing covering pertinent administrative/legislative activities;
13. Written quarterly reports, a year-end report, and a year-end presentation delineating and summarizing relevant administrative and legislative actions;
14. An original signed confidentiality agreement; and
15. Maintaining records from which the correctness of all written records and filings can be verified. These records are to be open to inspection by SCAQMD or its representatives during normal business hours.

SECTION VI: REQUIRED QUALIFICATIONS

- A. Persons or firms proposing to bid on this proposal must be qualified and experienced in representing and advising governmental agencies and must submit qualifications demonstrating extensive experience and expertise in the following areas:
1. Political and legislative analysis of the federal Clean Air Act;
 2. Preparing policy positions on environmental and air quality issues;
 3. Legislative monitoring and bill tracking;
 4. Congressional appropriations process;
 5. Preparing and presenting testimony before Congressional committees and/or federal agency hearings;
 6. Negotiating bill language, policies or other federal agency provisions related to environmental, transportation, energy or air quality issues;
 7. Ability to work proactively and productively with all political affiliations and points of view; and
 8. Demonstrated ability in successfully seeking and securing funding for represented clients.
- B. Proposer must submit the following:
1. Resumes or similar statement of qualifications of person or persons who may be designated as lead Consultant for SCAQMD projects;
 2. List of representative clients; and
 3. Summary of Proposer's general qualifications to meet required qualifications and fulfill statement of work, including additional Firm personnel and resources beyond those of the designated lead Consultant.

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. The SCAQMD may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website for updates (<http://www.aqmd.gov/grants-bids>). The cost for developing the proposal is the responsibility of the Contractor, and shall not be chargeable to the SCAQMD.

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 B to this RFP, must be completed and 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.

Program Schedule (Section B) - Provide projected milestones or benchmarks for completing the project (to include reports) within the total time allowed.

Project Organization (Section C) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team. Provide a statement detailing your approach to the project, specifically address the Firm's ability and willingness to commit and maintain staffing to successfully complete the project on the proposed schedule.

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

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

1. List all key personnel assigned to the project by level, name and location. Provide a resume or similar statement describing the background, qualifications and experience 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 education and training programs provided to, 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 will be used, identifying functions to be performed by them, their related qualifications and experience and the total number of hours or percentage of time they will spend on the project.

Conflict of Interest (Section G) - Address possible conflicts of interest with other clients affected by actions performed by the Firm on behalf of SCAQMD. The SCAQMD recognizes that prospective Contractors may be performing similar projects for other clients. Include a complete list of such clients for the past three (3) years with the type of work performed and the total number of years performing such tasks for each client. Although the Proposer will not be automatically disqualified by reason of work performed for such clients, 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. Cost information must be provided as listed below:

1. Detail must be provided by the following categories:
 - A. Labor – The Cost Proposal must list the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. Costs should be estimated for each of the components of the work plan.
 - 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 B to this RFP)

Certifications and Representations included in Attachment B to this RFP, must be completed and executed by an authorized official of the Contractor.

SECTION VIII: PROPOSAL SUBMISSION

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

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

Due Date - **All proposals are due no later than 1:00 PM on Wednesday, August 12, 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

Submittal - Submit eight (8) complete copies of the proposal 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 #P2016-03."

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. R&D Projects Requiring Technical or Scientific Expertise, or Special Projects Requiring Unique Knowledge or Abilities

Understanding the Problem	15
Technical/Management Approach	15

Contractor Qualifications	40
Previous Experience on Similar Projects	10
Cost	<u>20</u>
TOTAL	100

(a) 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 B – Certifications and Representations and/or inclusion of a statement in the proposal self-certifying that Proposer qualifies for additional points as detailed above.

- 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 will be awarded the maximum cost points available and all other cost proposals 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. 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.
- 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 SCAQMD’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.
- J. **If proposal submittal is for a Public Works project as defined by State of California Labor Code Section 1720, Proposer is required to include Contractor Registration No. in Attachment B. Proposal submittal will be deemed as non-responsive and Bidder may be disqualified if Contractor Registration No. is not included in Attachment B. Proposer is alerted to changes to California Prevailing Wage compliance requirements as defined in Senate Bill 854 (Stat. 2014, Chapter 28), and California Labor Code Sections 1770, 1771 and 1725.**

SECTION X: FUNDING

The total funding for the work contemplated by this RFP will be up to a maximum amount of \$440,000 for the base year, with an option to renew the contract for two additional one-year extensions. The funding for the base year is available in the Legislative & Public Affairs FY 2015-16 Budget. Funding for the two optional one-year extensions is contingent upon Board approval of the Budget for the respective fiscal years.

SECTION XI: SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on the SCAQMD’s website at <http://www.aqmd.gov/grants-bids> or upon request from the RFP Contact Person (Section II).

ATTACHMENT A

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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

- 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
 - 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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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-

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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.

ATTACHMENT B

CERTIFICATIONS AND REPRESENTATIONS



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • 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 1/15



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • 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): _____

State of California Public Works Contractor Registration No. _____ . MUST BE INCLUDED IF BID PROPOSAL IS FOR PUBLIC WORKS PROJECT.

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**
 - 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.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <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) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
	6 City, state, and ZIP code		
	7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally 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 *How to get a TIN* on page 3.

Social security number										
or										
Employer identification number										

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Part II Certification

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.

Certification instructions. 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.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

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

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*
- By signing the filled-out form, you:
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. See *What is FATCA reporting?* on page 2 for further information.

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.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% 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* above.

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

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. 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 line 2.

e. **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 Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should 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 line 1. 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 line 2, "Business name/disregarded entity name." 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.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 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 U.S. commonwealth or possession, 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 U.S. commonwealth or possession
- 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 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² 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 reportable under section 6045(f), 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 requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

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 U.S. commonwealth or possession, 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 Regulations 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 Regulations 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

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

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 this page), 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 SSA office or get this form online at 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 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 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 line 1 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 ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
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 ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
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 ⁴
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 Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ 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.

² Circle the minor's name and furnish the minor's SSN.

³ 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.

⁴ 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 2.

***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, 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. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit 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.

2015 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 _____

2015 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 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 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 partners, members, and S corporation shareholders 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 activities sourced to 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 before payment is made. 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

For California non-wage withholding purposes, **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.

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.

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.

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

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

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

TTY/TDD: 800.822.6268 para personas con
discapacidades auditivas
o 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.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

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

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). 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

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

Staple Voided Check Here	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: July 10, 2015

AGENDA NO. 18

PROPOSAL: Issue RFP for Consultant Services for SCAQMD Environmental Justice Outreach and Initiatives

SYNOPSIS: This action is to issue an RFP to solicit proposals from individuals and organizations to provide assistance with community and stakeholder outreach efforts related to SCAQMD's Environmental Justice Program, including but not limited to, the Environmental Justice Community Partnership Initiative announced in February 2015 during the SCAQMD's Environmental Justice Conference.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTION:

Authorize the release of RFP #P2016-05 to solicit proposals from qualified individuals and organizations with Public Relations and/or Public Affairs expertise to assist with community and stakeholder outreach efforts related to SCAQMD's Environmental Justice Program, including but not limited to the Environmental Justice Community Partnership Initiative. for a one-year period in an amount not to exceed \$160,000, with an option for up to two one-year contract renewals, contingent on satisfactory performance and approval of subsequent budgets, and upon approval of the Board.

Barry R. Wallerstein, D.Env.
Executive Officer

LBS:DJA:LT:jns

BACKGROUND

In February 2015 during the SCAQMD's conference, "Environmental Justice for All: A Conversation with the Community," Chairman Burke announced the initiation of the Environmental Justice Community Partnership (the Partnership). The goal of the Partnership is to both strengthen and build SCAQMD's relationships and alliances with community members and organizations to work towards achieving clean air and healthy sustainable communities for everyone. The Partnership will host a series of events and workshops throughout the year to facilitate open dialogue and information

sharing on air quality issues between SCAQMD and community members, government officials, government representatives, businesses, and academic institutions. The outreach efforts will include forums, training opportunities, and special presentations to educate and to receive feedback from the participants on air quality, SCAQMD rules and programs, and other related topics.

Discussions at the February 2015 Environmental Justice conference highlighted the need for ongoing dialogue and an external advisory council to ensure that the Partnership initiative remains relevant and represents the diverse communities and concerns within the South Coast Air Basin. Those discussions also included recommendations that SCAQMD hold subsequent environmental justice conferences to continue to bring the stakeholders together. All efforts will be designed to facilitate a two-way discussion between SCAQMD and the communities and residents it serves.

Legislative and Public Affairs (LPA) periodically releases Requests for Proposals (RFPs) for consultants to augment in-house expertise and assist staff with external advisory groups, and the development, planning, and implementation of specifically targeted workshops, events, and conferences. The consultant's expertise will assist LPA in the following:

- 1) Formation, coordination, and regular interaction with the Environmental Justice Community Partnership Advisory Council (Advisory Council);
- 2) Execution of a series of four (4) annual Environmental Justice Community Partnership workshops, or events, each to be held in a different community identified throughout the South Coast Air Basin; and the second annual Environmental Justice for All Conference in 2016 and;
- 3) Execution of four (4) community events, one in each county, to recognize outstanding local environmental justice community leaders.

PROPOSAL

Staff recommends that SCAQMD seek proposals from qualified public affairs and/or public relations firms or other organizations to implement the Environmental Justice Community Partnership initiative.

Environmental Justice Community Partnership Advisory Council

The Advisory Council will assist with the creation and implementation of air quality related events or workshops that best address the needs of environmental justice communities in Los Angeles, Orange, Riverside, and San Bernardino counties. The Advisory Council will also provide SCAQMD with valuable feedback on how to best promote a two-way flow of communication with stakeholders.

Environmental Justice Community Partnership Community Events and Conference

Key elements of the Partnership initiative are to provide community members and local businesses with opportunities to learn about air quality related issues, to hold forums to

share information on community issues, and to offer access to learning opportunities and empowerment resources.

Each outreach opportunity conducted under the Partnership must be geographically specific, with events or workshops held equally throughout SCAQMD's four-county jurisdiction. The information shared through each outreach opportunity must be relevant to the targeted communities and provide the SCAQMD with data and resources to continually strengthen its relationships with the public and businesses it serves and to work effectively towards building healthy, sustainable communities. The events will culminate in SCAQMD's hosting of its 2016 Environmental Justice Conference.

Regional Environmental Justice Community Leaders Recognition Series

These four meetings will focus on identifying local environmental justice leaders who are seeking to improve the quality of life in their communities. The events will foster relationships between SCAQMD and the residents whom the Board represents, by broadening awareness of environmental justice relative to air quality, acknowledging current leaders, and expanding opportunities to identify problems and jointly seek solutions.

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 entire South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP will be emailed 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."

BID EVALUATION

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

RESOURCE IMPACTS

Funding for year one services is contained in the LPA FY 2015-16 budget. Any future funding for years 2016-17 and/or 2017-18 will be dependent on Board approval.

ATTACHMENT

RFP #P2016-05 – Consultant Services for SCAQMD Environmental Justice Outreach and Initiatives Assistance



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
REQUEST FOR PROPOSALS

Consultant Services for SCAQMD Environmental Justice Outreach and Initiatives Assistance

#P2016-05

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," "Consultant," "Bidder" and "Firm" are used interchangeably.

PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit qualified firms, organizations or sole practitioners to assist the SCAQMD with outreach efforts related to environmental justice, including but not limited to, the Environmental Justice Community Partnership Initiative (the Partnership). Work will be on an as needed basis and all work and/or expenditures shall be approved in writing by the Deputy Executive Officer of Legislative and Public Affairs or designee.

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	Sample Contract

Attachment A - Participation in the Procurement Process

Attachment B - Certifications and Representations

SECTION I: BACKGROUND/INFORMATION

The objective of the Environmental Justice Community Partnership (the Partnership) is to strengthen relationships and build alliances with community members and organizations toward the goal of achieving clean air and healthy sustainable communities in the South Coast Air Basin. The Partnership will host a series of events and workshops throughout the year to facilitate open dialogue and information sharing on air quality issues between SCAQMD and community members, government officials and representatives, businesses, health, environmental, academic institutions, and others. The outreach efforts or formats will include

forums; learning opportunities; and, special presentations to educate the participants on air quality, SCAQMD rules and programs, and other related topics. An external advisory council will be formed to provide input to the Partnership to ensure programs are relevant and address the air quality issues of diverse communities throughout SCAQMD's jurisdiction. The Partnership outreach programs will culminate in an environmental justice conference that will bring together stakeholders from all the events held throughout the year with the intent to have a broader forum to share information gained and lessons learned.

The Partnership, with the assistance of an advisory council, will build stronger bonds to communities most affected by air pollution. All efforts, formats or events will be designed to facilitate a two-way flow of discussion between the agency and participants in the proposed events. At the same time, the outreach opportunities will help to create bridges for on-going communication between SCAQMD and the communities it serves.

This RFP is seeking qualified organizations and/or sole practitioners to assist the SCAQMD's Office of Legislative and Public Affairs (LPA) with the planning, development and implementation of the Partnership. The work expected from a contractor pursuant to this RFP will be the establishment of an external advisory council for the Partnership and to assist LPA with the development, planning, and implementation of specifically targeted workshops, events, and conferences. The organization and/or consultants responding to this RFP shall submit proposals that demonstrate their qualifications and experience to assist LPA with the following, but not limited, to the following general tasks:

- 1) Formation, coordination, and regular interaction with the Environmental Justice Community Partnership Advisory Council (Advisory Council);
- 2) Development, planning and execution of a series of four (4) annual Environmental Justice Community Partnership workshops or events, each to be held in a different community identified throughout the South Coast Air Basin; and with the planning, development, and implementation of the second annual Environmental Justice for All Conference in late 2016;
- 3) Development, planning and execution of a series of four (4) community events, one in each county, to recognize outstanding local environmental justice community leaders and;
- 4) Development, planning and execution of the second annual Environmental Justice for All Conference.

SECTION II: CONTACT PERSON:

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

Lisa Tanaka O'Malley
 Community Relations Manager
 Legislative and Public Affairs
 SCAQMD
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 (909) 396-3327

SECTION III: SCHEDULE OF EVENTS

Date	Event
July 10, 2015	RFP Released
August 13, 2015	Proposals Due to SCAQMD – No Later Than 1:00 pm
August 13-25, 2015	Proposal Evaluations
September 11, 2015	Interviews
October 2, 2015	Governing Board Approval
November 2015	Anticipated Contract Execution

SECTION IV: PARTICIPATION IN THE PROCUREMENT PROCESS

It is the policy of SCAQMD 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. Attachment A to this RFP contains definitions and further information.

SECTION V: STATEMENT OF WORK/SCHEDULE OF DELIVERABLES**Statement of Work**

Under the direction of the Deputy Executive Office of Legislative and Public Affairs or designee, the CONTRACTOR shall perform, but not limited to, the following tasks on an as-needed basis for SCAQMD's Environmental Justice Community Partnership:

- 1) Develop and draft the charter for the establishment of the Environmental Justice Community Partnership Advisory Council. The charter shall be a detail document that includes the objective of the Partnership, the composition of the council membership which shall include community leaders and organizers; elected government officials, and representatives from government, business, academia, and health and environmental organizations. The charter shall also include the desired qualifications of its membership and the operational guidelines for the partnership.

- 2) Develop the Partnership Advisory Council membership materials and provide recommendations for the initial membership for the council taking into consideration that the membership shall be composed of individuals representing all four (4) counties within SCAQMD's jurisdiction.
- 3) Upon SCAQMD's Administrative Committee approval of the charter, the CONTRACTOR shall, in coordination with SCAQMD, secure and formalize the membership of the Advisory Council.
- 4) Based on the approved charter, the CONTRACTOR shall schedule and convene the meetings of the Advisory Council, facilitate the meeting, including, but not limited to, track work plan, meeting calendar and communications channels and coordinate and complete action items.
- 5) CONTRACTOR shall identify a list of locations and venues for workshops, events and a conference.
- 6) CONTRACTOR shall handle logistics for each workshop, event and conference, as needed, which may include recommendations for registration and staff assistance during the event.
- 7) CONTRACTOR shall develop list of topics for workshops, events and conference based on guidance from SCAQMD and the Advisory Council. Contractor shall identify potential co-sponsors, co-hosts and partners, as well as secure speakers and assist with the identification of community leaders for workshops, events and conference.
- 8) CONTRACTOR shall develop and create materials including, but not limited to, invitation, hand-outs, signage and any other print document for each workshop, event and conference.
- 9) CONTRACTOR shall conduct outreach to generate attendance as determined by SCAQMD for each workshop, event and conference. Outreach shall include social media, website development with associated marketing to drive traffic, announcements at meetings and events, widespread distribution throughout intended community, and other means of marketing and communication.
- 10) CONTRACTOR shall prepare follow-up surveys to garner input from those attending the workshops, events and conference. The CONTRACTOR shall analyze the information received and create reports and action items for SCAQMD and the Advisory Council to review and act on as appropriate.
- 11) CONTRACTOR shall take minutes and/or notes for each Advisory Council meeting, workshop, event and/or conference and update appropriate communication channels as directed by SCAQMD.
- 12) CONTRACTOR shall provide monthly progress reports to SCAQMD staff that will accompany each CONTRACTOR invoice. Progress reports will include a summary of work pending and completed during the reporting period.

SECTION VI: REQUIRED QUALIFICATIONS

- A. Persons or firms proposing to bid on this proposal must be qualified and experienced in representing and advising governmental agencies and must submit qualifications

demonstrating this ability in cases involving as many as possible of the following areas: event planning, logistics and organization of committees dealing with environmental issues.

B. Proposer must submit the following:

1. List of representative clients.
2. Summary of proposer's general qualifications to meet required qualifications and fulfill statement of work, including additional Firm personnel

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. SCAQMD may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website for updates (<http://www.aqmd.gov/grants-bids>). The cost for developing the proposal is the responsibility of the Contractor, and shall not be chargeable to SCAQMD.

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 B to this RFP, must be completed and 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.

Program Schedule (Section B) - Provide projected milestones or benchmarks for completing the project (to include reports) within the total time allowed.

Project Organization (Section C) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team. Provide a statement detailing your approach to the project, specifically address the Firm's ability and willingness to commit and maintain staffing to successfully complete the project on the proposed schedule.

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

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

1. List all key personnel assigned to the project by level, name and location. Provide a resume or similar statement describing the background, qualifications and experience 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 SCAQMD.
4. Provide a statement of education and training programs provided to, 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 will be used, identifying functions to be performed by them, their related qualifications and experience and the total number of hours or percentage of time they will spend on the project.

Conflict of Interest (Section G) - Address possible conflicts of interest with other clients affected by actions performed by the Firm on behalf of SCAQMD. SCAQMD recognizes that prospective Contractors may be performing similar projects for other clients. Include a complete list of such clients for the past three (3) years with the type of work performed and the total number of years performing such tasks for each client. Although the Proposer will not be automatically disqualified by reason of work performed for such clients, 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 may, based on the proposals, issue a fixed price or T&M contract. Cost information must be provided as listed below:

1. Detail must be provided by the following categories:
 - A. Labor – The Cost Proposal must list the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. Costs should be estimated for each of the components of the work plan.
 - 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 B to this RFP)

SECTION VIII: PROPOSAL SUBMISSION

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

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

Due Date - **All proposals are due no later than 1:00 PM on August 13, 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

Submittal - Submit eight (8) complete copies of the proposal 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 #P2016-05."

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 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.

(a) <u>Standardized Services</u>	<u>Points</u>
Understanding of Requirement	20
Contractor Qualifications	20
Past Experience/Similar Tasks	30
Cost	<u>30</u>
TOTAL:	100

(c) <u>Additional Points</u>	
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 B – 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 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 will be awarded the maximum cost points available and all other cost proposals 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. 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 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 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.
- 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 SCAQMD'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.
- J. **If proposal submittal is for a Public Works project as defined by State of California Labor Code Section 1720, Proposer is required to include Contractor Registration No. in Attachment B. Proposal submittal will be deemed as non-responsive and Bidder may be disqualified if Contractor Registration No. is not included in Attachment B. Proposer is alerted to changes to California Prevailing Wage compliance requirements as defined in Senate Bill 854 (Stat. 2014, Chapter 28), and California Labor Code Sections 1770, 1771 and 1725.**

SECTION X: FUNDING

The total funding for the work contemplated by this RFP will be a maximum \$160,000 for the base year with an option to renew the contract for up to two one-year periods.

SECTION XI: SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on SCAQMD's website at <http://www.aqmd.gov/grants-bids> or upon request from the RFP Contact Person (Section II).

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

A. It is the policy of South Coast Air Quality Management District (SCAQMD) 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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

- 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 SCAQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the geographical boundaries of 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
 - 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 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 SCAQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

9. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to 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-

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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. 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.

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

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 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 SCAQMD shall be entitled to the local business preference.

- J. In compliance with federal fair share requirements set forth in 40 CFR Part 33, SCAQMD shall establish a fair share goal annually for expenditures with federal funds covered by its procurement policy.

ATTACHMENT B

CERTIFICATIONS AND REPRESENTATIONS



South Coast Air Quality Management District

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

Business Information Request

Dear SCAQMD Contractor/Supplier:

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 5/15



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • 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 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): _____

State of California Public Works Contractor Registration No. _____ . MUST BE INCLUDED IF BID PROPOSAL IS FOR PUBLIC WORKS PROJECT.

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 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**
 - 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.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
	6 City, state, and ZIP code		
	7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally 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 *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

or

Employer identification number									

Part II Certification

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.

Certification instructions. 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.

Sign Here	Signature of U.S. person ▶ _____	Date ▶ _____
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General Instructions

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

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

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. See *What is FATCA reporting?* on page 2 for further information.

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.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% 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* above.

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

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. 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 line 2.

e. **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 Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should 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 line 1. 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 line 2, "Business name/disregarded entity name." 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.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 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 U.S. commonwealth or possession, 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 U.S. commonwealth or possession
- 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 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² 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 reportable under section 6045(f), 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 requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- 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 U.S. commonwealth or possession, 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 Regulations 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 Regulations 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

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

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 this page), 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 SSA office or get this form online at 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 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 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 line 1 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 ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
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 ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ¹
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ¹
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 ¹
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 Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ 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.

² Circle the minor's name and furnish the minor's SSN.

³ 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.

⁴ 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 2.

***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, 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. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit 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.

2015 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 _____

2015 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 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 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 partners, members, and S corporation shareholders 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 activities sourced to 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 before payment is made. 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

For California non-wage withholding purposes, **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.

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.

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.

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

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o 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.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

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

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 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 SCAQMD website (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
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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

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

Staple Voided Check Here	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 _____

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 19

PROPOSAL: Approve Methodology for Maximum Support Level Expenditure and Amendments to Board Member Assistant and Board Member Consultant Policy

SYNOPSIS: The Board Member Assistant and Board Member Consultant Policy (Policy) is proposed to be amended to adjust the maximum support level expenditure the District may make per Board Member, per fiscal year, based on an assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings, role (Chair/Vice-Chair), etc. This item also incorporates the Policy into the SCAQMD Administrative Code.

COMMITTEE: Personnel, June 5, 2015; Recommended for Approval

RECOMMENDED ACTIONS:

1. Receive and file minutes of the May 1, 2015, May 8, 2015, and June 5, 2015 Personnel Committee meetings (Attachment A).
2. Approve a Resolution of the South Coast Air Quality Management District (SCAQMD) Board amending the SCAQMD Board Member Assistant and Board Member Consultant Policy and incorporating the Policy into the SCAQMD Administrative Code (Attachment B).
3. Approve the Board Member Committee/Advisory/Other Group Assignment Points Methodology (Attachment C).
4. Amend the Board Member Assistant and Board Member Consultant Policy to reflect the adjusted maximum support level expenditure the SCAQMD may make per Board Member and incorporate the amended policy into the SCAQMD Administrative Code as new section 112 (Attachment D).
5. Approve Board Member Committee/Advisory/Other Group Assignment Points Calculation for Fiscal Year 2015-16 (Attachment E).

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Board members must address an ever-increasing range of complex issues related to performance of their duties, requiring increased assistance, and it is appropriate to make adjustments to the maximum support level expenditure the SCAQMD may make per Board Member, per fiscal year, based on an assignment-of-points methodology. The current maximum support level of expenditures allowed by the Board Member Assistant and Board Member Consultant Policy (Policy) was discussed at the April 2015 Board meeting and was referred to the Personnel Committee for further review. The Personnel Committee reviewed the issue on May 1, 2015, May 8, 2015 and June 5, 2015.

Proposal

The proposed methodology and amendments adjust the maximum support level expenditure the SCAQMD may make per Board Member, per fiscal year. Existing contracts with Board Member Assistants and Consultants will be amended as necessary to comply with the amended Policy.

Resource Impacts

There is sufficient funding available in the FY 2015-16 Budget to accommodate the recommended adjustments.

Attachments

- A. Minutes of the May 1, 2015, May 8, 2015, and June 5, 2015 Personnel Committee
- B. Board Resolution amending SCAQMD Board Member Assistant and Board Member Consultant Policy and incorporating the Policy into the SCAQMD Administrative Code
- C. Board Member Committee/Advisory/Other Group Assignment Points Methodology
- D. Proposed Amendments to Board Member Assistant and Board Member Consultant Policy
- E. Approve Board Member Committee/Advisory/Other Group Assignment Points Calculation for Fiscal Year 2015-16



South Coast Air Quality Management District

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MINUTES OF THE SPECIAL MEETING OF THE PERSONNEL COMMITTEE May 1, 2015

21865 Copley Drive, Diamond Bar, CA 91765

Attendees: Dr. William A. Burke, Chair
Dr. Clark E. Parker, Sr.
Councilmember Judith Mitchell
Barry Wallerstein
Kurt Wiese
Bayron Gilchrist
Michael O'Kelly
Bill Johnson
John Olvera

Absent: Mayor Dennis Yates

1. **Call to Order:** Dr. Burke called the meeting to order at 11:20 a.m.
2. **Consider Adjustments to Compensation for Board Member Assistants/Consultants Whose Board Member Serves on Multiple Committees:** Dr. Burke advised that this item is being considered based on comments made by Board Member Shawn Nelson who suggested that work performed by Board Assistants/Consultants should be examined to determine their compensation and how their workload is distributed. He mentioned that SCAQMD has evolved and the amount of time Board Members used to spend on air quality-related issues compared to the time they now spend is significantly different.

Dr. Parker commented that he serves as a Chair and a member of multiple Board Committees as well as the SCAQMD representative on several other advisory groups, including the California Fuel Cell Partnership, all of which are technical in nature. He mentioned his need to fully understand the issues involved with these groups and be prepared to discuss them. In order to do that, Dr. Parker expressed his need for an assistant with experience who can understand and discuss with him the technicalities of an issue, similar to what Board Member Mitchell has in her assistant for CARB-related issues.

Dr. Wallerstein emphasized the importance for staff to meet with each Board Member and have the Board Member express the level of detail and expectations that they require in terms of the materials and briefing they would like to receive. Board Members get

various assignments and those assignments entail different types of expertise. It would be difficult to find a Board Consultant who has the broad expertise to provide the technical information, background and strategic planning necessary to discuss the issues involved in a broad array of assignments. When hiring a Board Consultant, it depends on what the Board Member wants. If someone is needed that has the air quality expertise and planning background required, the individual must be willing to also divorce himself/herself from accepting any other work related to SCAQMD, which at times becomes an issue. Currently, Board Consultants for many of the Board Members follow the issues and are the eyes and ears for the Board Member when they are not available to attend meetings, particularly with stakeholder groups, where they would like someone independent from staff to listen to the concerns of stakeholder groups as well as staff's response and offer their independent opinion.

Dr. Burke recommended that all the committees and advisory groups be examined and a point system be assigned to them whereby the Board Assistants/Consultants are compensated by the amount of points that each Board Member has when accumulated. Board Member Mitchell commented that if the Board Assistants/Consultants are working more hours because their Board Member serves on more committees, they should make more money. Dr. Burke concurred that if they are working more hours, their compensation should be increased.

Board Member Mitchell suggested that staff research the proposed point system and report back with the results in dollars and cents. Dr. Wallerstein responded that staff had drafted a report, but it would benefit from further refining, and he would appreciate an opportunity to work with Dr. Burke to finalize the report and then bring it to the Committee. Dr. Burke directed staff to schedule a Personnel Committee meeting on May 8 following the Board Retreat in Newport Beach.

Moved by Parker; seconded by Mitchell; unanimously approved.

3. **Public Comment:** Board Consultant Earl Elrod commented that it is very difficult to find a Board Consultant who is available to attend the various committee meetings that are scheduled at different times on different days. The compensation is not enough to hire someone who has the mentioned expertise. Mr. Elrod added that he would like the proposal to include consideration for the level of participation required for the various committees. Board Member Mitchell suggested that staff examine the kind of committee and what the demands of that committee are that may involve state-related travel.
4. **Adjournment:** Meeting adjourned at 12:05 p.m.

/gc



South Coast Air Quality Management District

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MINUTES OF THE SPECIAL MEETING OF THE PERSONNEL COMMITTEE Island Hotel Newport Beach 690 Newport Center Drive, Newport Beach, CA May 8, 2015

Attendees: Dr. William A. Burke, Chair
Mayor Dennis Yates
Dr. Clark E. Parker, Sr.
Councilmember Judith Mitchell
Barry Wallerstein
Kurt Wiese
Barbara Baird
Michael O'Kelly
Bill Johnson
John Olvera

1. **Call to Order:** Dr. Burke called the meeting to order at 8:30 a.m.
2. **Consider Adjustments to Compensation for Board Member Assistants/Consultants Whose Board Member Serves on Multiple Committees:** Dr. Wallerstein reported that the Committee met on May 1, 2015 and directed staff to develop a point system for Board Members serving on multiple committees. The Committee was provided with an illustrative mock proposal detailing the methodology used for developing the point system. Dr. Wallerstein asked Chief Financial Officer Michael O'Kelly to explain the process by which he created the proposal and emphasized that this was not a formal staff proposal, but one to illustrate how a point system might work.

Mr. O'Kelly advised that he tried to create a point system that examined the level of effort based on the assignments, whether it was a Board meeting, Committee meeting, or a Working Group, and assigned points based on the agenda size, whether the items were routine or non-routine. He then considered the actual role the specific Board Member has on that committee, whether they are the Chair or Vice Chair, and how many times the committee meets.

Dr. Wallerstein added that the proposal is consistent with the discussion at the May 1 meeting when Dr. Parker described some of his responsibilities on behalf of the Board and the agency, such as the California Fuel Cell Partnership. He mentioned that

Dr. Parker might have a couple of different ways to approach the situation. One is to increase the stipend that Dr. Parker is allowed for his Board Consultant and he then would search outside the agency for additional assistance. The other option would be for Dr. Wallerstein to identify two or three staff persons within the agency who could assist Dr. Parker with reviewing materials and be present with him at meetings. He could then interview those candidates and select the person he prefers out of those candidates.

Mayor Yates commented that he likes the point system based on the criteria presented to accumulate the points. He concurs with the recommendation to increase the Board Consultant compensation for Board Member Mitchell and Board Member Parker and allow each of them to decide how they would prefer to assign it.

Dr. Burke concurs with Mayor Yates and thought the proposal was an excellent first draft. He indicated that he would like to study it further. Dr. Burke recommended that the proposal be brought back to the Committee in a slightly modified form and directed staff to schedule another Personnel Committee meeting in a couple of weeks to finalize the proposal and present it to the full Board.

3. **Public Comment:** None.
4. **Adjournment:** Meeting adjourned at 8:50 a.m.

/gc



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
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MINUTES OF THE SPECIAL MEETING OF THE PERSONNEL COMMITTEE 21865 Copley Drive, Diamond Bar, CA 91765 June 5, 2015

Attendees: Dr. William A. Burke, Chair
Mayor Dennis Yates
Dr. Clark E. Parker, Sr.
Councilmember Judith Mitchell
Barry Wallerstein
Kurt Wiese
Bayron Gilchrist
Michael O'Kelly
Bill Johnson
Saundra McDaniel

1. **Call to Order:** Dr. Burke called the meeting to order at 10:45 a.m.
2. **Consider Adjustments to Compensation for Board Member Assistants/Consultants Whose Board Member Serves on Multiple Committees:** Chief Financial Officer Michael O'Kelly provided the Committee with an updated proposal of the Governing Board Committee/Advisory/Other Group Assignment Points Methodology and Calculation. He explained that the calculations had been revised to reflect an increase in Board Member Lyou's points due to the Home Rule Advisory Group being properly categorized as a monthly meeting instead of one that meets once a year. Mr. O'Kelly also mentioned that Board Member Mitchell's points had increased due to her representation on the CARB Board. The points for the Chair and Vice Chair were capped and set at their current level of support. Dr. Burke commented that he has reviewed the proposal and approves of it. Committee Members Yates, Parker and Mitchell concurred. Councilmember Mitchell inquired as to how the adjustments will be made. Dr. Wallerstein responded that the Board letter containing the adjustments will come before the Board in July at which time the Board will direct staff to amend the contracts.

Moved by Yates; seconded by Parker; unanimously approved.

3. **Public Comment:** None
4. **Adjournment:** Meeting adjourned at 10:50 a.m.

ATTACHMENT B
RESOLUTION NO. 15-_____

A Resolution of the South Coast Air Quality Management District Board amending the SCAQMD Board Member Assistant and Board Member Consultant Policy and incorporating the Policy into the SCAQMD Administrative Code.

WHEREAS, the SCAQMD Board has adopted a policy regarding Board Member Assistants and Board Member Consultants that establishes scope of duties and compensation rates;

WHEREAS, the SCAQMD Board finds that due to the ever-increasing range of complex issues related to the performance of the duties performed by Board Member Assistants and Board Member Consultants, it is appropriate to make an adjustment to the maximum support level expenditure the SCAQMD may make per Board Member, per fiscal year, based on an assignment-of-points methodology.

NOW, THEREFORE BE IT RESOLVED that the SCAQMD Board hereby amends the Board Member Assistant and Board Member Consultant Policy, as shown in Attachment B, and incorporates this policy into section 112 of the Administrative Code, as set forth in Attachment C, and adjust current Board Member maximum support level expenditure as set forth in Attachment E consistent with current assignments.

AYES:

NOES:

ABSTAIN:

ABSENT:

DATED: _____

Saundra McDaniel, Clerk of the Boards

ATTACHMENT C

Committee/Advisory/Other Group Assignment Points Methodology

- 1.) Utilizes the Board Committee/Advisory Group/Other Group Assignment spreadsheet as maintained by the Executive Officer or his designee.
- 2.) Assumes various levels of effort per assignment, based on agenda size and routine/non-routine nature of agenda items (Board Meetings/CARB/CACFP - 3 points, Admin/Leg/etc. - 2 points, LGSBA/IOC/BLTAP - 1 point)
- 3.) Assumes the following points based on assignment/role:
 - a. Governing Board Meetings (12 mtgs/Yr): 4 points per meeting for Chair, 2 points for Vice-Chair, 1 point per meeting for all other Governing Board Members
 - b. Committee/Advisory Group/Other Group Meetings (1-12 mtgs/Yr, depending on Comm/Advisory/Other): 2 points per meeting for Chair, 1.5 points per meeting for Vice Chair, 1 point for all other Governing Board Members
 - c. CARB Meetings (12 mtgs/Yr): 2 points per meeting for CARB representative
 - d. CA Fuel Cell partnership (2 mtgs/Yr): 2 points per meeting for CAFCP representative
- 4.) For Committee/Advisory Group/Other Group assignments that may not have any actual meetings scheduled, it is assumed they will meet one time per year to reflect the possibility of a meeting (Refinery, Marine Port Committees, etc.)

ATTACHMENT D – PROPOSED AMENDMENTS TO

BOARD MEMBER ASSISTANT AND BOARD MEMBER CONSULTANT POLICY

NEW § 112 OF SCAQMD ADMINISTRATIVE CODE

1. That an employee classification of Board Member Assistant be established, with the following scope of duties, minimum requirements, and compensation rates:

Scope of Duties: performs for Board Member a variety of tasks ranging from liaison with constituent public entities, other Board Members, the public, and District staff related to clerical functions. Typical functions may include preparing narrative and statistical reports, preparing correspondence, filing and maintaining records, arranging meetings and other group functions; monitoring various programs and projects; responding to inquiries from constituent public entities, District Board Members, the public, and District staff.

Minimum requirements: evidence of the required training and experience shall be demonstrated by coursework in business administration or a related field, and/or sufficient experience performing data analysis and adjunct clerical functions for which familiarity with personal computers is desirable.

Maximum compensation rate: up to \$31.05 per hour effective January 1, 2015, \$31.51 per hour effective January 1, 2016, and \$31.99 per hour effective January 1, 2017, and as revised by the Governing Board.

2. That an employee classification of Board Member Consultant be established, with the following scope of duties, minimum requirements, and compensation rates:

Scope of Duties: performs for Board Member a variety of professional-level assignments in the development and formulation of policy, data analysis, reports, plans, assessments, and strategies for District programs; provides advice and recommendations to the Board Member regarding matters subject to the Board Member's decision-making authority; may provide liaison with the public on behalf of the Board Member. Typical functions may include planning, organizing, and developing a wide variety of programs on the Board Member's behalf and evaluating the effectiveness of various approaches.

Minimum requirements: evidence of the required training and experience shall be demonstrated by graduation from an accredited college or university preferably with a major in an academic discipline related to the assignment and/or sufficient experience involving technical or analytical work at a professional level which would demonstrate the required knowledge, skills, and abilities related to the assignment.

Maximum compensation rate: up to \$55.90 per hour effective January 1, 2015, \$56.73 per hour effective January 1, 2016, and \$57.59 per hour effective January 1, 2017, and as revised by the Governing Board, except for the Board Chair's Assistant/Consultant.

3. That class specifications of Board Member Assistant and Board Member Consultant be added to the District's Classification Plan at that maximum compensation rate and with the scope of duties and minimum requirements specified above.
4. That Board Member Consultants may be engaged as either independent contractors or exempt SCAQMD contract employees and that Board Member Assistants may only be employed as SCAQMD contract employees.
5. That the Contracts for Board Member Consultants engaged as independent contractors shall specify that they shall not, during the term of their employment, engage in any performance of work that is in direct or indirect conflict with duties and responsibilities for the District, and that their contracts shall contain a provision so stating. Contracts for Board Consultants and Assistants engaged as contract employees shall be subject to Section 40 of the District's Administrative Code—Code of Ethics, except that they shall adhere to the work rules and performance standards established by the Board Member to whom they report.
6. That a Board Member wishing to engage the services of a person to provide assistance shall submit to the Administrative Committee a Proposal identifying the person and setting forth his or her qualifications, scope of duties, and proposed compensation. The proposal shall include a listing of other employment and/or clients sufficient to determine whether the person has existing work that conflicts directly or indirectly with his or her duties and responsibilities for the District. The Administrative Committee shall review the Proposal and determine if the proposed compensation rate is consistent with the required qualifications described above and shall, with advice of District Counsel, make a case-by-case determination of whether a person proposed to provide assistance complies with the conflict-of-interest requirements of this Policy and is a Board Member Assistant or a Board Member Consultant. If the determination is made that the person is a Board Member Consultant, the Administrative Committee also shall determine whether the Board Member consultant be classified as an employee or an independent contractor. All Board Member Assistants shall be contract employees. Board Member Assistants, and Board Member Consultants who are District employees, are exempt from the District's Salary Resolution, Personnel Rules, and Administrative Code, except as specifically referenced in the said documents, this policy, or in his/her contract with the District.

7. That the position of Board Member Consultant (whether District employee or independent contractor) and Board Member Assistant be noticed for designation in the District's Conflict of Interest Code listing classifications subject to the Code and the incumbent must disclose economic interests and comply with the Conflict of Interest provisions of the Political Reform Act.
8. That Board Member Assistants and Board Member Consultants serve at the pleasure of the Board Member to whom support services are provided and pursuant to the provisions of the contract executed between the Board Member Assistant or Board Member Consultant and the District. The Board Member served may determine whether his/her Board Member Consultant is to be paid on an hourly or a monthly basis. Board Member Assistants must be paid on an hourly basis. Board Member Assistants and Board Member Consultants who are contract SCAQMD employees and who are paid on an hourly basis shall receive overtime pay at the rate of 1.5 times the hourly rate specified in his or her contract for hours worked in excess of ten per day or forty per week provided the Board Member approves in advance in writing the working of any overtime by the Board Member Assistant or Board Member Consultant. Board Member Consultants paid on a monthly basis will be paid a prorata share of their annual contract amount each month, provided the Board Member approves in writing, which will also cover all expense reimbursements authorized under the contract.
9. That the maximum support service-related expenditure the District may make for the Chair and Vice-Chair per Board Member (except the Chair, Vice Chair, and the CARB representative) is \$38,084 for fiscal year 2014-15, \$38,750/116,250 for fiscal year 2015-16, \$39,331/117,993 for fiscal year 2016-17, and \$39,624/118,872 for fiscal year 2017-18, and as revised by the Governing Board, not including business-related expenses. That the maximum support service-related expenditure the District may make for all other Board Members, not including business-related expenses shall be calculated prior to the beginning of each fiscal year based upon the Committee/Advisory/Other Group Assignment Points Methodology, as described in Exhibit I. That the minimum support service-related expenditure the District may make for all other Board Members, is \$38,750 for fiscal year 2015-16, \$39,331 for fiscal year 2016-17 and \$39,624 for fiscal year 2017-18, and as revised by the Governing Board, not including business-related expenses. -Effective May 1, 2009, expenses approved in advance that are associated with Board Member-approved attendance at mobile Board meetings and Board retreats will be reimbursed by SCAQMD upon presentation of expense receipts. -That the Board's CARB representative shall have an amount equal to two times the fiscal year maximum applicable to the Board Members, for assistance with CARB related matters. That the Board Chair's and Vice Chair's administrative support shall be, at the Chair's and Vice Chair's option, either: (1) a regular, non-contract District employee at the Executive Secretary level; or (2) a Board Member Assistant, or Board Member Consultant, or combination, at a total fiscal year cost, not including

business related expenses, of an amount equal to three times the fiscal year maximum applicable to the Board Members. Effective May 1, 2009, expenses approved in advance that are associated with Board Chair-approved attendance at mobile Board meetings and Board retreats will be reimbursed by SCAQMD upon presentation of expense receipts.

- a. Board Member Assistants and Board Member Consultants will be provided vehicle mileage reimbursement, at the rate set forth in Administrative Code section 110.4, for travel within the geographical boundaries of the District for travel directly related to their duties as a Board Member Assistant or Board Member Consultant.
- b. A Board Member Assistant or Board Member Consultant to the Board Member(s) serving as the District's CARB representative or as the District's representative to the California Fuel Cell Partnership (CaFCP) will be provided reimbursement for necessary expenses related to attending CARB or CaFCP workshops, hearings, meetings, or related events, subject to advance approval by the Board Chair.
- c. The Board Chairman may also approve other Board Member Assistant/Consultant travel for District-related activities provided such travel is requested by their supervising Board Member and is reported to the Administrative Committee.

10. That Board Member Assistants and Board Member Consultants who are contract SCAQMD employees and who work on average a minimum of 13 hours per week may elect, from among District-sponsored health, dental, and vision insurance plans available to SCAQMD employees, District-paid single-party coverage up to the dollar amount of the benefits cap approved by the Board for professional employees. Board Member Consultants who are independent contracts are not eligible for any SCAQMD benefits.

11. That Board Member Assistants and Board Member Consultants who are contract SCAQMD employees may elect to participate in the deferred compensation plan SCAQMD sponsors for employees, as covered under section 457 of the Federal Internal Revenue Code.

12. The total compensation provided under a contract between the Board Member Assistant or Board Member Consultant and the District for any Board Member shall not exceed the amounts specified in paragraph 9 above. At such time as the compensation for services reaches said amounts, the contract for services shall be terminated at-and the employment relationship between the Board Member Assistant or Board Member Consultant and the District shall be terminated.

13. That all present and future assistants to a Board Member (whether Board Member Assistant or Board Member Consultant and whether or not an independent contractor) shall be subject to this policy.

EXHIBIT I

Committee/Advisory/Other Group Assignment Points Methodology

- 1.) Utilizes the Board Committee/Advisory Group/Other Group Assignment spreadsheet as maintained by the Executive Officer or his designee.
- 2.) Assumes various levels of effort per assignment, based on agenda size and routine/non-routine nature of agenda items (Board Meetings/CARB/CACFP - 3 points, Admin/Leg/etc. - 2 points, LGSBA/IOC/BLTAP - 1 point)
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- 4.) For Committee/Advisory Group/Other Group assignments that may not have any actual meetings scheduled, it is assumed they will meet one time per year to reflect the possibility of a meeting (Refinery, Marine Port Committees, etc.)

ATTACHMENT E

Board Member Committee/Advisory/Other Group Assignment Points Calculation

Governing Board Member	Committee/Advisory/Other Group Assignment Points*	FY 2015-16 Current Maximum Support Level	FY 2015-16 Calculated Maximum Support Level**
Cacciotti	40.00	\$ 38,750	\$ 38,750
Pulido	68.00	\$ 38,750	\$ 38,750
Benoit, J.	84.00	\$ 38,750	\$ 43,018
Rutherford	85.00	\$ 38,750	\$ 43,530
Buscaino	86.00	\$ 38,750	\$ 44,042
Nelson	88.00	\$ 38,750	\$ 45,066
Antonovich	136.00	\$ 38,750	\$ 69,648
Benoit, B	141.50	\$ 38,750	\$ 72,464
Lyou	149.00	\$ 38,750	\$ 76,305
Parker	156.00	\$ 38,750	\$ 79,890
Mitchell	257.00	\$ 77,500	\$ 116,250
Yates (Vice-Chair)	227.00	\$ 116,250	\$ 116,250
Burke (Chair)	233.00	\$ 116,250	\$ 116,250

* Point calculation does not account for additional responsibilities for Chair and Vice-Chair

**Adjusted Maximum Support Level Based on the Board Member's Total Points as compared to the Vice-Chair's Total Points (not to go below \$38,750 or above \$116,250)



[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 20

PROPOSAL: Approve Replacement Contract, Exercise Option for Technical Advisor Services, and Approve Fund Transfer for Miscellaneous Costs in FY 2015-16 as Approved by MSRC

SYNOPSIS: The MSRC approved a replacement contract with Mineral LLC to continue hosting and maintenance of the MSRC website, and exercised a contract option clause to continue technical advisor services for two additional years from October 2015 through September 2017 and augmented funding to carry out the work. Additionally, every year the MSRC adopts an Administrative Budget which includes transference of funds to the SCAQMD Budget to cover administrative expenses. At this time the MSRC seeks Board approval of the replacement contract, the allocation and the fund transfer as part of the FYs 2014-16 Work Program, and approval of the contract option as part of the FYs 2014-16 and 2016-18 Work Programs.

COMMITTEE: Mobile Source Air Pollution Reduction, June 18, 2015;
Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve new/replacement contract with Mineral LLC, as part of the FYs 2014-16 Work Program, in the amount of \$25,890 to continue hosting and maintenance of the MSRC website, as described in this letter;
2. Exercise option clause to extend Contract #MS14006 with Raymond Gorski for technical advisor services until September 30, 2017, in an amount not to exceed \$299,600, as described in this letter and with the funding allocated as follows between Administrative Budgets and FYs 2014-16 and 2016-18 Work Programs:
 - a. 75% of the contract amount (\$224,700) to be divided proportionally between the FYs 2014-16 Work Program (\$84,263) and the FYs 2016-18 Work Program (\$140,437); and
 - b. \$37,450 to the FY 2015-16 Administrative Budget and \$37,450 to the FY 2016-17 Administrative Budget, which together represents 25% of the contract amount;

3. Recognize \$56,000 revenue in the General Fund from the AB 2766 Discretionary Fund, Special Fund 23, and appropriate \$56,000 to the FY 2015-16 Budget of Science and Technology Advancement, Services and Supplies Major Object, to facilitate the payment of MSRC Miscellaneous Direct and Travel Costs, as provided in Table 1 of this letter;
4. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
5. Authorize the Chairman of the Board to execute the replacement and modified contracts under FYs 2014-16 and 2016-18 Work Programs, as described above and in this letter.

Larry McCallon,
Vice Chair, MSRC

MM:HH:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvended to the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

In November 2014, the MSRC selected initial categories for the FYs 2014-16 Work Program, with the understanding that additional project categories would continue to be developed and brought forward for consideration at a later date. At its June 18, 2015 meeting, the MSRC considered recommended replacement and modified contracts. Details are provided below in the Proposals section.

Proposals

At its June 18, 2015 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

Replacement Contract for Website Services

Following an open RFP process in 2011, the MSRC selected Mineral LLC to redesign, host and maintain the MSRC website. The contract effectuating the award allowed for up to two extensions of two years each, contingent upon allocation of funds by the MSRC and approval by the SCAQMD Board. The MSRC approved exercising the first option in February 2013. At their January 2015 meeting, the MSRC unanimously approved executing the second two-year option, including an allocation of an additional \$17,200 to the contract to supplement the remaining balance of \$8,690, but Mineral was unable to

return the signed contract modification before the original contract expired on April 30, 2015. The MSRC considered and approved a 22-month replacement contract in the amount of \$25,890 as part of the FYs 2014-16 Work Program.

Exercise Option Clause of Technical Advisor's Contract

Following an open RFP process in June 2013 to solicit Technical Advisor services, the MSRC selected Raymond Gorski. The contract was for a two-year period from October 1, 2013 through September 30, 2015, and included an option clause for a second two-year period. The option clause provided for an approximate 1.7% cost of living adjustment for a not-to-exceed contract amount of \$299,600. The MSRC evaluated Mr. Gorski's performance and approved exercising the option, extending the contract term to September 30, 2017 and increasing the contract value by \$299,600. Funding specifics for the option period are to be as follows:

- a. 75% of the contract amount (\$224,700) to be divided proportionally between the FYs 2014-16 Work Program (\$84,263) and the FYs 2016-18 Work Program (\$140,437); and
- b. \$37,450 to the FY 2015-16 Administrative Budget and \$37,450 to the FY 2016-17 Administrative Budget, with together represents 25% of the contract amount.

At this time the MSRC requests the SCAQMD Board to approve the replacement and modified contracts as part of approval of the FYs 2014-16 and 2016-18 AB 2766 Discretionary Fund Work Programs as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority to execute all agreements described in this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

FY 2015-16 Administrative Budget

Every year the MSRC adopts an Administrative Budget for the upcoming fiscal year to ensure costs remain within the five percent limitation. For FY 2015-16, the MSRC adopted an Administrative Budget in the amount of \$699,185, which is more than \$65,000 below the five percent cap. Administrative expenditures are not directly drawn, however, from the MSRC fund account, but instead from the SCAQMD's budget. To cover these expenses, the MSRC approved a fund transfer (see Table 1 for further details).

Table 1. Estimated FY 2015-16 MSRC Miscellaneous and Direct Expenditures Proposed to be Allocated to SCAQMD Science and Technology Advancement FY 2015-16 Budget

	Work Program Code	Account	Amount
Professional & Special Services	44003	67450	\$9,000
Public Notice	44003	67500	\$8,000
Communications	44003	67900	\$5,000
Postage	44003	68060	\$7,500
Office Expense/Supplies	44003	68100	\$12,000
Miscellaneous Expense	44003	69700	\$7,000
Conference- Related Expense	44003	69700	\$5,000
Travel Costs	44003	67800	\$2,500
Total			\$56,000

Resource Impacts

This proposed action is to recognize \$56,000 in revenue in the General Fund from the AB 2766 Discretionary Fund, Special Fund 23. Additionally, this action will appropriate \$56,000 to the FY 2015-16 Science and Technology Advancement Budget, as indicated in Table 1 above.

The SCAQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 21

PROPOSAL: Legislative and Public Affairs Report

SYNOPSIS: This report highlights the May 2015 outreach activities of Legislative and Public Affairs, which include: an 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:jf

BACKGROUND

This report summarizes the activities of Legislative and Public Affairs for May 2015. 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 SCAQMD staff participated during the month of May. These events involve communities that may suffer disproportionately from adverse air quality impacts.

May 20

- Staff attended the Riverside County Health Coalition meeting to discuss promoting healthy city initiatives and while there provided information on two upcoming SCAQMD events: the Lawn Mower Exchange in Riverside on May 30th; and the Environmental Justice Community Partnership Forum: Children's Health and Air Pollution to be held in Jurupa Valley on June 17th.

May 21

- Staff participated in the Inland Empire Asthma Coalition meeting, and while there promoted SCAQMD's Environmental Justice Community Partnership Forum: Children's Health and Air Pollution to be held in Jurupa Valley on June 17th.

May 28

- Staff provided assistance during the newly re-formed Exide Community Advisory Group (CAG) meeting, held in partnership with the Department of Toxics Substances Control (DTSC). The first meeting, held at Resurrection Church in Boyle Heights, provided an overview of the newly re-formed joint CAG and an update on soil testing by DTSC.

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:

May 1

- San Bernardino County Department of Education's STEMapalooza Student Conference for middle school students, San Bernardino Valley College

May 2

- 6th Annual Long Beach Asthma Resource Fair, Martin Luther King Park, Long Beach
- American Lung Association's Lung Force Expo, American Career College Campus, Ontario

May 7

- Southern California Association of Governments 50th Anniversary General Assembly, JW Marriott, Palm Desert

May 12

- National Center for Sustainable Transportation & California Air Resources Board's Freight and Sustainable Communities Forum, University of California, Riverside

May 15

- 5th Annual Inland Empire High School Black Graduation, California State University, San Bernardino

May 16

- Children's Hospital of Orange County Air Pollution Games Event, Santa Ana College

May 21

- 2015 County of Riverside Vehicle Vendor Expo, Perris

May 22

- Congresswoman Janice Hahn's 2015 Senior Briefing, Carson Community Center

May 29

- Chino State of the City – Chino Safe and Sound Event, Chaffey Chino Community Center

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.

May 13

- Staff presented to 1,000 students of El Roble Intermediate School in Claremont, an overview on the agency, air quality and information on alternative fuel vehicles.

May 15

- Staff presented information on environmental and air quality issues to 100 members of the community at the Avalon Carver Community Center in Los Angeles.
- Eight students from California State Polytechnic University, Pomona, visited SCAQMD headquarters, received an overview on the agency, air quality and toured the laboratory.
- Staff presented information on the agency, air quality, alternative fuel vehicles, and careers at SCAQMD to 30 students at Corona High School.

May 19

- Staff participated as judges of science and advanced technology projects and activities developed by Diamond Bar High School students.

May 29

- Staff presented the SCAQMD video “Do One Thing” then gave an overview of the agency, impacts of air quality on health, information on alternative fuel vehicles and other clean technologies, as well as environmental career opportunities to California State Polytechnic University, Pomona’s School of Engineering students, faculty, and community business partners during the University’s Engineering Lunch & Project Showcase.

COMMUNICATION CENTER STATISTICS

The Communication Center handles calls on the SCAQMD main line, 1-800-CUT-SMOG[®] line, the Spanish line, and after hours calls to each of those lines. Calls received in the month of May 2015 were:

Calls to SCAQMD's Main Line and the 1-800-CUT-SMOG [®] Line	3,697
Calls to SCAQMD's Spanish-language Line	<u>27</u>
Total Calls	3,724

PUBLIC INFORMATION CENTER STATISTICS

The Public Information Center (PIC) handles phone calls and walk-in requests for general information. Information for the month of May 2015 is summarized below:

Calls Received by PIC Staff	121
<u>Calls to Automated System</u>	<u>776</u>
Total Calls	897
Visitor Transactions	178
E-Mail Advisories Sent	5,301

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:

- Provided permit application assistance to 88 companies
- Issued 26 clearance letters

Types of businesses assisted

Auto Body Shops	Engineering	Manufacturers
Architecture	Entertainment	Metal Coatings/Processing Facilities
Coffee Roasting	Food Production	Recycling Facilities
Construction	Gas Stations	Restaurants
Dry Cleaners		

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:

Azusa	Hemet	Riverside
Arcadia	Highland	Rialto
Agoura Hills	Irvine	Rosemead
Aliso Viejo	Jurupa Valley	San Fernando
Banning	La Habra	San Jacinto
Beaumont	La Palma	Santa Clarita
Brea	Lake Elsinore	San Marino
Calimesa	Laguna Hills	Stanton
Calabasas	Los Angeles	South Gate
Chino	Los Alamitos	South Pasadena
Corona	Menifee	Temecula
Claremont	Mission Viejo	Tustin
Canyon Lake	Monrovia	Upland
Downey	Moreno Valley	Yucaipa
Eastvale	Murrieta	Westminster
El Monte	Norco	West Hollywood
Fontana	Orange	Whittier
Fullerton	Palm Desert	Wildomar
Garden Grove	Perris	

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

- U.S. Senator Barbara Boxer
- U.S. Senator Dianne Feinstein
- U.S. Congressman Pete Aguilar
- U.S. Congresswoman Karen Bass
- U.S. Congressman Ken Calvert
- U.S. Congresswoman Judy Chu
- U.S. Congresswoman Janice Hahn
- U.S. Congressman Ed Royce
- U.S. Congressman Mark Takano
- U.S. Congresswoman Mimi Walters
- State Senator Joel Anderson
- State Senator Kevin De León
- State Senator Ed Hernandez
- State Senator Bob Huff

- State Senator Carol Liu
- State Senator Holly Mitchell
- State Senator Mike Morrell
- State Senator Richard Roth
- State Senator Jeff Stone
- Assembly Member Ed Chau
- Assembly Member Ling-Ling Chang
- Assembly Member Chris Holden
- Assembly Member Young Kim
- Assembly Member Eric Linder
- Assembly Member Chad Mayes
- Assembly Member Jose Medina
- Assembly Member Melissa Melendez
- Assembly Member Reggie Jones-Sawyer
- Assembly Member Don Wagner
- Assembly Member Marie Waldron

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

Anaheim Chamber of Commerce
 Arcadia Chamber of Commerce
 Association of California Cities, Orange County
 Beaumont Chamber of Commerce
 California Department of Transportation (Caltrans)
 Corona Chamber of Commerce
 Chino Valley Chamber of Commerce
 Crenshaw Chamber of Commerce
 Five Mountain Communities Government Affairs Council, San Bernardino County
 Greater Los Angeles African American Chamber of Commerce
 Hemet/San Jacinto Chamber of Commerce
 Inland Empire Asthma Coalition
 League of California Cities, Los Angeles County Division
 Loma Linda Chamber of Commerce
 Moreno Valley Chamber of Commerce
 Murrieta Chamber of Commerce
 North Area Neighborhood Development Council, Los Angeles
 North Orange County Legislative Alliance
 Orange County City Managers Association
 Orange County Transportation Authority
 Riverside Transit Agency
 San Bernardino Associated Governments

San Fernando Valley Council of Governments
San Gabriel Valley Economic Partnership
San Gabriel Valley Council of Governments
South Bay Association Chamber of Commerce
South Bay Business Environmental Coalition
South Pasadena Chamber of Commerce
Southern California Association of Governments
Southern California Green Airport Fleets Partnership
Southwest California Legislative Council

- Menifee Valley Chamber of Commerce
- Murrieta Chamber of Commerce
- Temecula Chamber of Commerce
- Lake Elsinore Chamber of Commerce
- Wildomar Chamber of Commerce
- Perris Valley Chamber of Commerce

Upland Chamber of Commerce
Western Riverside Council of Governments
Western Riverside Transportation NOW (RTA)

- Greater Riverside Chapter, Riverside
- Moreno Valley/Perris Chapter
- San Geronimo Pass Chapter, Beaumont
- Southwest Chapter, Wildomar
- Northwest Chapter, Corona

Yucaipa Valley Chamber of Commerce

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

American Lung Association, Inland Counties
American Heart Association, Riverside County
American Cancer Society, Riverside County
Ahmanson Senior Center, Los Angeles
Boys and Girls Club of San Fernando Valley
Castaic Town Council
Carson High School Industry Advisory Board
California State University, Pomona
Corona High School
Dr. Theodore T. Alexander Jr. Science Center School, Los Angeles
Downtown Value School, Los Angeles
Expo Center, Los Angeles
Frank D. Lanterman High School, Los Angeles
Gertz-Ressler High School, Los Angeles
Grid Alternatives, Inland Empire

Healthy African American Family, Los Angeles
Hoover Recreation Center, Los Angeles
John Tracy Clinic, Los Angeles
Jurupa Valley School District
Los Angeles Police Department, Southwest Area
Louis Rubidoux Library, Riverside
Mira Loma Middle School, Jurupa Valley
New Designs Charter School, Los Angeles
National Center for Sustainable Transportation
Norwood Street Elementary School
Orthopedic Hospital Medical Magnet High School, Los Angeles
Richard Merkin Middle School, Los Angeles
Riverside County Department of Public Health
Riverside County Health Coalition
Riverside County Children and Families Commission
Star Christian School, Los Angeles
San Bernardino Valley College
St. John's Episcopal Cathedral, Los Angeles
St. Vincent Catholic Church, Los Angeles
Willard Villas Apartments, Los Angeles

 [Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 22

REPORT: Report to Legislature and CARB on SCAQMD's Regulatory Activities for Calendar Year 2014

SYNOPSIS: The SCAQMD is required by law to submit a report to the Legislature on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by SCAQMD, number of permits issued, denied, or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015: Backstop Provisions.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file the attached report, and direct staff to forward the final report to the Legislature and the California Air Resources Board.

Barry R. Wallerstein, D.Env.
Executive Officer

LBS:DA:HC:jf

Background

SCAQMD is subject to several internal and external reviews of its air quality programs. These include an annual review of SCAQMD's proposed operating budget for the upcoming fiscal year and compliance program audits.

In 1990, the Legislature directed SCAQMD to provide an annual review of its regulatory activities (SB 1928, Presley), and specified the type of information required (Health and Safety Code §40452). Many of the required elements overlap with other

requirements of separate legislation. For example, information on SCAQMD's Clean Fuels Program is a requirement of this report, but is now also a separate requirement under legislation passed in 1999 (SB 98, Alarcón). The purpose of this report is to fill in pieces of additional data needed to compile a comprehensive regulatory overview. Most of the information included in this report is not new, but simply a compilation of information previously seen by the Board. For example, Chapter I lists all the rules and rule amendments adopted by the Board during 2014. The Annual RECLAIM Audit Report is required to be submitted to the Legislature by RECLAIM Rule 2015: Backstop Provisions.

The specific requirements of this report include:

- A summary of each major rule and rule amendment adopted by the Board;
- The number of permits to operate or construct that were issued, denied, cancelled or not renewed;
- Data on emission offset transactions and applications during the previous year;
- The budget and forecast of staff increases or decreases for the following fiscal year;
- An identification of the source of all revenues used to finance the SCAQMD's activities;
- An update on the results of the SCAQMD's Clean Fuels program; and
- The annual RECLAIM Audit Report.

Attachment

Report to the Legislature on the Regulatory Activities of the SCAQMD (for Calendar Year 2014)¹

¹ Due to the bulk of these materials, the attachment can be found online at: <http://www.aqmd.gov/docs/default-source/LPA-Outreach/sb-1928-report-to-legislature-july2015.pdf>. Anyone wishing to view a hard copy of these materials may do so by contacting SCAQMD's Public Information Center at (909) 396-3600.

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 23

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of May 1 through May 31, 2015.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file this report.

Edward Camarena
Chairman of Hearing Board

SM

Two summaries are attached: **Rules From Which Variances and Orders for Abatement Were Requested in 2015** and **May 2015 Hearing Board Cases**.

The total number of appeals filed during the period May 1 to May 31, 2015 is 0; and total number of appeals filed during the period of January 1 to May 31, 2015 is 0.

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
# of HB Actions Involving Rules														
109														0
109(c)														0
109(c)(1)														0
201														0
201.1														0
202														0
202(a)		1			1									2
202(b)														0
202(c)														0
203			1											1
203(a)		1	1			3								5
203(b)		5	2	7	4	3								21
204														0
208														0
218(c)(1)(B)(i)				1										1
218.1														0
218.1(b)(4)(C)				1										1
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
221(b)		1												1
221(c)														0
221(d)		1												1
222			1											1
222(d)(1)(C)														0
222(e)(1)														0
401														0
401(b)														0
401(b)(1)														0
401(b)(1)(A)														0
401(b)(1)(B)														0
402		1												1
403(d)(1)														0
403(d)(1)(A)														0
403(d)(2)														0
404														0
404(a)														0
405														0
405(a)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
405(b)														0
405(c)														0
407(a)														0
407(a)(1)														0
407(a)(2)(A)														0
410(d)														0
430(b)(3)(A)(iv)														0
431.1														0
431.1														0
431.1(c)(1)														0
431.1(c)(2)														0
431.1(c)(3)(C)														0
431.1(d)(1)														0
431.1(d)(1), Att A(1)														0
442														0
444														0
444(a)														0
444(c)														0
444(d)														0
461										1				1
461(c)(1)														0
461(c)(1)(A)														0
461(c)(1)(B)														0
461(c)(1)(C)														0
461(c)(1)(E)														0
461(c)(1)(F)(i)														0
461(c)(1)(F)(iv)														0
461(c)(1)(F)(v)														0
461(c)(1)(H)														0
461(c)(2)														0
461(c)(2)(A)														0
461(c)(2)(B)														0
461(c)(2)(C)														0
461(c)(3)														0
461(c)(3)(A)														0
461(c)(3)(B)														0
461(c)(3)(C)														0
461(c)(3)(D)(ii)														0
461(c)(3)(E)														0
461(c)(3)(H)														0
461(c)(3)(M)														0
461(c)(4)(B)														0
461(c)(4)(B)(ii)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
461(d)(5)(A)														0
461(e)(1)														0
461(e)(2)				1										1
461(e)(2)(A)														0
461(e)(2)(A)(i)														0
461(e)(2)(B)(i)														0
461(e)(2)(C)														0
461(e)(3)														0
461(e)(3)(A)														0
461(e)(3)(C)(i)(I)														0
461(e)(3)(D)														0
461(e)(3)(E)														0
461(e)(5)														0
461(e)(7)														0
462														0
462(c)(4)(B)(i)														0
462(c)(7)(A)(ii)														0
462(d)														0
462(d)(1)														0
462(d)(1)(A)														0
462(d)(1)(A)(i)														0
462(d)(1)(B)														0
462(d)(1)(C)														0
462(d)(1)(E)(ii)														0
462(d)(1)(F)														0
462(d)(1)(G)														0
462(d)(5)														0
462(e)(1)														0
462(e)(1)(E)														0
462(e)(1)(E)(ii)														0
462(e)(1)(E)(i)(II)														0
462(e)(2)(A)(i)														0
462(e)(4)														0
462(h)(1)														0
463														0
463(c)														0
463(c)(1)														0
463(c)(1)(A)(I)-(iv)														0
463(c)(1)(B)														0
463(c)(1)(C)														0
463(c)(1)(D)														0
463(c)(1)(E)														0
463(c)(2)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
463(c)(2)(B)														0
463(c)(2)(C)														0
463(c)(3)														0
463(c)(3)(A)														0
463(c)(3)(B)														0
463(c)(3)(C)														0
463(d)														0
463(d)(2)														0
463(e)(3)(C)														0
463(e)(4)														0
463(e)(5)(C)														0
464(b)(1)(A)														0
464(b)(2)														0
468														0
468(a)														0
468(b)														0
1102														0
1102(c)(2)														0
1102(e)(1)														1
1102(f)(1)														1
1105.1														0
1105.1(d)(1)(A)(i)														0
1105.1(d)(1)(A)(iii)														0
1106(c)(1)														0
1106.1(c)(1)														0
1106.1(c)(1)(A)														0
1107(c)(1)														0
1107(c)(2)														0
1107(c)(7)														0
1107														0
1110.1														0
1110.2														1
1110.2(c)(14)														0
1110.2(d)														0
1110.2(d)(1)(A)														0
1110.2(d)(1)(B)														0
1110.2(d)(1)(B)(ii)														1
1110.2(d)(1)(D)														0
1110.2(d)(1)(E)														0
1110.2(e)(1)(A)														0
1110.2(e)(1)(B)(i)(II)														0
1110.2(e)(1)(B)(i)(III)														0
1110.2(e)(4)(B)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1110.2(f)														0
1110.2(f)(1)(A)														0
1110.2(f)(1)(c)														0
1113(c)(2)														0
1113(d)(3)														0
1118(c)(4)														0
1118(c)(5)														0
1118(d)(1)(2)														0
1118(d)(1)(2)														0
1118(d)(2)														0
1118(d)(3)														0
1118(d)(4)(B)														0
1118(d)(5)(A)														0
1118(d)(5)(B)														0
1118(d)(10)														0
1118(d)(12)														0
1118(e)														0
1118(f)(1)(C)		1												1
1118(g)(3)					1									1
1118(g)(5)														0
1118(g)(5)(A)					1									1
1118(i)(5)(B)(i)														0
1118(i)(5)(B)(ii)														0
1118(j)(1)(A)(ii)														0
1118(j)(1)(B)(ii)														0
1118(j)(1)(C)														0
1121(c)(2)(C)														0
1121(c)(3)														0
1121(c)(6)														0
1121(c)(7)														0
1121(c)(8)														0
1121(e)(3)														0
1121(h)														0
1121(h)(1)														0
1121(h)(2)														0
1121(h)(3)														0
1122(c)(2)(A)														0
1122(c)(2)(E)														0
1122(d)(1)(A)														0
1122(d)(1)(B)														0
1122(d)(3)														0
1122(e)(2)(A)														0
1122(e)(2)(B)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1122(e)(2)(C)														0
1122(e)(2)(D)														0
1122(e)(3)														0
1122(e)(4)(A)														0
1122(e)(4)(B)														0
1122(g)(3)														0
1122(j)														0
1124														0
1124(c)(1)(A)														0
1124(c)(1)(E)														0
1124(c)(4)(A)														0
1125(c)(1)														0
1125(c)(1)(C)														0
1125(d)(1)														0
1128(c)(1)														0
1128(c)(2)														0
1130														0
1130(c)(1)														0
1130(c)(4)														0
1131														0
1131(d)														0
1132(d)(2)														0
1132(d)(3)														0
1133(d)(8)														0
1133.2(d)(8)														0
1134(c)														0
1134(c)(1)														0
1134(d)														0
1134(d)(1)														0
1134(d)(2)(B)(ii)														0
1134(f)														0
1134(g)(2)														0
1135(c)(3)														0
1135(c)(3)(B)														0
1135(c)(3)(C)														0
1135(c)(4)														0
1135(c)(4)(D)														0
1136														0
1136(c)(1)(A)(i)														0
1137(d)(2)														0
1145														0
1145(c)(1)														0
1145(c)(2)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1145(g)(2)														0
1145(h)(1)(E)														0
1146					1									1
1146(c)(1)(A)				1										1
1146(c)(1)(G)			1											1
1146(c)(1)(I)				1										1
1146(c)(2)														0
1146(c)(2)(A)														0
1146(d)(8)														0
1146.1														0
1146.1(a)(2)														0
1146.1(a)(8)														0
1146.1(b)(3)														0
1146.1(c)(1)														0
1146.1(c)(2)														0
1146.1(d)(4)														0
1146.1(d)(6)														0
1146.1(e)(1)														0
1146.1(e)(1)(B)														0
1146.1(e)(2)														0
1146.2														0
1146.2(c)(1)		1												1
1146.2(c)(4)		1	1											2
1146.2(c)(5)		1												1
1146.2(e)														0
1147		1				1								2
1147(c)(1)														0
1147(c)(10)														0
1147(c)(14)(B)														0
1150.1(d)(1)(C)(i)		1												1
1150.1(d)(4)														0
1150.1(d)(5)														0
1150.1(d)(10)														0
1150.1(d)(11)														0
1150.1(d)(12)														0
1150.1(d)(13)														0
1150.1(d)(14)														0
1150.1(e)(1)														0
1150.1(e)(2)														0
1150.1(e)(3)														0
1150.1(e)(1)(B)(C)														0
1150.1(e)(1)(C)														0
1151.1(e)(2)(B)(C)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1150.1(e)(2)(C)														0
1150.1(e)(3)(B)														0
1150.1(e)(3)(B)(C)														0
1150.1(e)(3)(C)														0
1150.1(e)(4)														0
1150.1(e)(6)(A)(I)														0
1150.1(e)(6)(A)(ii)														0
1150.1(f)(1)(A)(iii)(I)														0
1150.1(f)(1)(H)(i)														0
1151														0
1151(c)(8)														0
1151(2)														0
1151(5)														0
1151(d)(1)														0
1151(e)(1)														0
1151(e)(2)														0
1151(f)(1)														0
1153(c)(1)														0
1153(c)(1)(B)														0
1156(d)(5)(C)(i)														0
1158														0
1158(d)(2)														0
1158(d)(5)														0
1158(d)(7)														0
1158(d)(7)(A)(ii)														0
1158(d)(10)														0
1164(c)(1)(B)														0
1164(c)(2)														0
1166(c)(2)														0
1166(c)(2)(F)														0
1166, Part 12				1										1
1168														0
1168(c)(1)														0
1169(c)(13)(ii)														0
1171														0
1171(c)														0
1171(c)(1)														0
1171(c)(1)(A)(i)														0
1171(c)(1)(b)(i)														0
1171(c)(4)														0
1171(c)(5)														0
1171(c)(5)(A)(i)														0
1171(c)(6)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1173														0
1173(c)														0
1173(d)														0
1173(e)(1)														0
1173(f)(1)(B)														0
1173(g)														0
1175														0
1175(c)(2)														0
1175(c)(4)(B)														0
1175(c)(4)(B)(i)														0
1175(c)(4)(B)(ii)														0
1175(c)(4)(B)(ii)(I)														0
1175(b)(1) (C)														0
1175(d)(4)(ii)(II)														0
1176														0
1176(e)														0
1176(e)(1)														0
1176(e)(2)														0
1176(e)(2)(A)														0
1176(e)(2)(A)(ii)														0
1176(e)(2)(B)(v)														0
1176(f)(3)														0
1177(d)(2)(D)														0
1178(d)(1)(A)(xiii)														0
1178(d)(1)(A)(xiv)														0
1178(d)(1)(B)														0
1178(d)(1)(C)														0
1178(d)(3)(C)														0
1178(d)(3)(D)														0
1178(d)(3)(E)														0
1178(d)(4)(A)(i)														0
1178(g)														0
1186.1														0
1186.1														0
1189(c)(3)														0
1195														0
1195(d)(1)(D)														0
1303(a)														0
1303(a)(1)														0
1303(b)(1)														0
1401														0
1401(d)														0
1401(d)(1)(A)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1401(d)(1)(B)														0
1405(d)(3)(C)														0
1407(d)														0
1407(d)(1)														0
1407(d)(2)														0
1407(d)(5)		1												1
1407(f)(1)														0
1415(d)(3)														0
1418(d)(2)(A)														0
1420(d)(1)		1												1
1420.1(f)(3)														0
1420.1(g)(4)														0
1420.1(k)(13)(B)														0
1421(d)														0
1421(d)(1)(C)														0
1421(d)(1)(G)														0
1421(d)(3)(A)														0
1421(e)(2)(c)														0
1421(e)(1)(A)(vii)														0
1421(e)(3)(B)														0
1421(h)(1)(A)														0
1421(h)(1)(B)														0
1421(h)(1)(C)														0
1421(h)(1)(E)														0
1421(h)(3)														0
1421(i)(1)(C)														0
1425(d)(1)(A)														0
1469														0
1469(c)														0
1469(c)(8)														0
1469(c)(11)(A)														0
1469(c)(13)(ii)														0
1469(d)(5)														0
1469(e)(1)														0
1469(e)(7)														0
1469(g)(2)														0
1469(h)														0
1469(l)														0
1469(j)(4)(A)														0
1469(j)(4)(D)														0
1469(k)(3)(A)														0
1470														0
1470(c)(2)(C)(i)(l)														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1470(c)(2)(C)(iv)														0
1470(c)(3)(B)(ii)						1								1
1470(c)(3)(C)(iii)						4								4
1470(c)(4)														0
1470(c)(4)(B)			1											1
1470(c)(5)														0
1470(d)(2)(B)														0
1470(e)(2)(A)														0
2004(c)(1)		3												3
2004(c)(1)(C)														0
2004(f)(1)				4	2	1								7
2004(f)(2)														0
2004(k)														0
2005														0
2009(b)(2)														0
2009(c)														0
2009(f)(1)														0
2009(f)(2)														0
2009.1														0
2009.1(c)														0
2009.1(f)(1)														0
2009.1(f)(2)														0
2009.1(f)(3)														0
2011														0
2011 Attachment C														0
2011(c)(2)														0
2011(c)(2)(A)					1									1
2011(c)(2)(B)														0
2011(c)(3)(A)					1									1
2011(e)(1)														0
2011(f)(3)														0
2011(g)														0
2011(g)(1)														0
2011(k)														0
2011(k) Appen. A, Chap. 2, except E & Attach C														0
2011(k) Appen. A, Chap. 2, Section A.3 a-c, A.5 and B. 1-4 and Appen. A, Chap. 2, Section C.2.a, c & d														0
2011, Table 2011-1, Appen. A, Chap. 2, Attach. C														0
2012 Chapter 2														0
2012 Attach. C, B.2.a														0
2012 Appen. A, Attach. C, Section B.2.				1										1
2012 Appen. A, Attach. C, Section B.2.a. & b.														0
2012 Appen. A														0

Rules from which Variances and Order for Abatements were Requested in 2015

	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
2012 Appen. A, Chap. 2														0
2012 Appen A, Chap. 2, Sec. A														0
2012 Appen A, Chap. 2, Sec. A(1)						1								1
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				1										1
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)														0
2012(c)(2)(A)					1	1								2
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)				1										1
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)														0
2012(m) Table 2012-1, and Appen. A, Chp 2, & Attachment C														0
2012(m) Appen. A, Attach. C														0

Rules from which Variances and Order for Abatements were Requested in 2015														
	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
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
2202				1										1
3002				1										1
3002(c)														0
3002(c)(1)		3	1	3		1								8
3002(c)(2)														0
Regulation II														0
Regulation IX														0
Regulation IX, 40 CFR Part 60, Subpart J														0
Regulation XI														0
Regulation XIII														0
H&S 39152(b)														0
H&S 41510														0
H&S 41700		1												1
H&S 41701														0
H&S 93115.6(c)(2)(C)(1)														0
H&S 42303														0
Title 13 Code of Regulations §2452														0

Report of May 2015 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. Citrus Baseline 76, Kaykel Investment PR Case No. 6030-1 (S. Hanizavareh)	461	Petitioner failed vapor blockage test on commercial GDF.	Not Opposed/Granted	Ex Parte EV granted commencing 5/13/15 and continuing for 30 days or until the EV hearing currently scheduled for 5/27/15, whichever comes first.	None
2. Elsinore Valley Municipal Water District Case No. 5742-3 (R. Fernandez)	203(b)	Petitioner exceeding hours of operation limit for emergency generator.	Not Opposed/Granted	Ex Parte EV granted commencing 5/29/15 and continuing for 30 days or until the EV hearing currently scheduled for 6/4/15, whichever comes first.	Opacity: TBD by 6/13/15
3. Los Angeles Department of Water and Power Case No. 1263-73 (N. Sanchez)	203(b) 218(b)(2) 2004(f)(1) 2012(c)(2)(A) 2012(c)(3)(A) 2012(g)(1) 2012, Appendix A, Chapter 2, Section A(1) 3002(c)(1)	Petitioner must power down CEMS to convert to NH3 slip monitoring method and add NOx monitor at SCR entrance.	Not Opposed/Granted	SV granted commencing 5/26/15 and continuing through 6/15/15.	None
4. SCAQMD vs. Anita's Mexican Foods Corp. Case No. 6017-2 (W. Wong)	203(a) 1147	Bake oven cannot comply with 30 ppm NOx emissions limit.	Stipulated/Issued	O/A issued commencing 5/21/15; the Hearing Board shall retain jurisdiction over this matter until 7/31/16.	N/A
5. SCAQMD vs. City of Vernon Case No. 4957-7 (N. Feldman)	1470(c)(3)(B)(ii) 1470(c)(3)(C)(iii)	Respondent requests ten week compliance extension.	Stipulated/Issued	O/A issued commencing 5/6/15; the Hearing Board shall retain jurisdiction over this matter until 9/30/15.	N/A
6. SCAQMD vs. Elisabeth Gandarillas and Saily Gandarillas, individually and dba Norge Cleaners Case No. 6024-1 (N. Feldman)	203(a) 1102(e)(1) 1102(f)(1)	Respondent fails to keep records as required and is operating dry cleaning facility without valid permit.	Not Stipulated/Issued	O/A issued commencing 5/6/15; the Hearing Board shall retain jurisdiction over this matter until 8/28/15.	N/A

Case Name and Case No.	Rules	Reason for Petition	District Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
7. SCAQMD vs. KTLA, LLC Case No. 6027-1 (Consent Calendar; No Appearance)	1470(c)(3)(C)(iii)	Respondent operating non-compliant emergency diesel generator within 100 meters of school.	Stipulated/Issued	O/A issued commencing 5/21/15; the Hearing Board shall retain jurisdiction over this matter until 1/1/16.	N/A
8. SCAQMD vs. Los Angeles County, Probation Department; Camp Scudder; Camp Gonzales Case No. 6025-1 (N. Feldman)	203(a) 203(b) 1470(c)(3)(C)(iii)	Respondent operating three diesel-fired emergency generators without valid permits and exceeding PM limits.	Stipulated/Issued	O/A issued commencing 5/6/15; the Hearing Board shall retain jurisdiction over this matter until 1/15/16.	N/A
9. SCAQMD vs. SIC/LEED 1015 Santa Ana, LLC Case No. 6009-1 (T. Barrera)	1470(c)(3)(C)(iii)	Respondent operating non-compliant emergency diesel generator and cannot meet O/A condition requiring compliance by specified date.	Not Stipulated/Issued	Mod. O/A issued commencing 5/27/15; the Hearing Board shall retain jurisdiction over this matter until 12/31/15.	N/A

Acronyms

AOC: Alternative Operating Conditions
APC: Air Pollution Control
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
H₂S: 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

NH₃: Ammonia
NOV: Notice of Violation
NO_x: 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_x: Oxides of Sulfur
SV: Short Variance
TBD: To be determined
VOC: Volatile Organic Compound
VRS: Vapor Recovery System

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 24

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from May 1 through May 31, 2015, and legal actions filed by the General Counsel's Office from May 1 through May 31, 2015. An Index of District Rules is attached with the penalty report.

COMMITTEE: Stationary Source, June 19, 2015, Reviewed

RECOMMENDED ACTION:

Receive and file this report.

Kurt R. Wiese
General Counsel

KRW:lc

No Civil Actions Filed

Attachments

May 2015 Penalty Report

Index of District Rules and Regulations

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

May 2015 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$419,545.77
MSPAP Settlements:	\$34,835.00
Hearing Board Settlements:	\$10,000.00
Total Cash Settlements:	\$464,380.77
Total SEP Value:	\$0.00
Fiscal Year through May 2015 Cash Total:	\$8,383,777.65
Fiscal Year through May 2015 SEP Value Only Total:	\$299,000.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO.	TOTAL SETTLEMENT
CIVIL SETTLEMENTS:							
159111	ATLANTIC TIMES SQUARE LLC	203 (A), 1470		5/20/2015	RRF	P58694	\$5,000.00
69081	BAXTER HEALTHCARE CORP., HYLAND DIV	203 (B), 1146		5/19/2015	NSF	P59375	\$18,000.00
177694	BERKELEY HALL SCHOOL	203 (A), 1470 203 (A), 222, 1470		5/27/2015	NSF	P60658 P60655	\$5,000.00
33837	BODYCOTE THERMAL PROCESSING	1147 1147 1147		5/21/2015	WBW	P58263 P58265 P58270	\$300,000.00
144590	CALIBER COLLISION CENTERS, CALIBER AC	3002(C)(1)		5/27/2015	SH	P60125	\$1,500.00
31915	CASABLANCA FAN COMPANY Cash received through Bankruptcy Claim No. 000136; Case No. 91-67258	203		5/7/2015	ERS	Z38130	\$3,328.33
107533	COTO DE CAZA GOLF & RACQUET CLUB	222, 1146.2 222, 1146.2		5/20/2015	RRF	P59664 P59668	\$35,000.00
136173	E/M COATING SERVICES	3002(C)(1)		5/26/2015	NAS	P61313	\$2,500.00
161081	FLORENCE RTM INC. Small Claims	461		5/7/2015	PH	P62332	\$300.00
160079	GACO WESTERN LLC	1113(C)(1)		5/7/2015	LBN	P60326	\$750.00
140486	GAS & GO, HARI ALIPURIA DBA Small Claims	461		5/14/2015	PH	P59949	\$600.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO.	TOTAL SETTLEMENT
142907	GREIF PACKAGING LLC	1147		5/20/2015	KCM	P61443	\$1,700.00
166475	HEMET VALLEY MEDICAL CENTER	42401		5/14/2015	NAS	P60044	\$1,000.00
72040	KTLA INC	1470		5/7/2015	RRF	P59362	\$2,000.00
49805	LA CITY, BUREAU OF SANITATION (LOPEZ CANYON)	203, 3002		5/19/2015	ML	P49846	\$1,200.00
550	LA CO., INTERNAL SERVICE DEPT	2004(F)(1), 3002(C)(1)	Y	5/26/2015	KCM	P57819	\$3,500.00
129063	LOWE'S HIW INC	1470 1470		5/14/2015	NSF	P62156 P62153	\$25,000.00
62731	MAXIMA ENTERPRISES, INC.	203(B)		5/5/2015	NAS	P53083	\$500.00
58495	MOBIL DLR, K KASHANI	203(B), 41960.2		5/5/2015	NAS	P62230	\$3,000.00
139836	NEW LOOK CLEANERS	203 203		5/28/2015	NSF	P60047 P60048	\$1,500.00
157059	RENAISSANCE CLUB SPORT	1470 1470		5/12/2015	WBW	P59672 P59673	\$6,292.44
176377	TESORO LOGISTICS MARINE TERMINAL 2	3002(C)(1)		5/14/2015	KCM	P57741	\$1,875.00
TOTAL CIVIL PENALTIES:							\$419,545.77

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO.	TOTAL SETTLEMENT
MSPAP SETTLEMENTS:							
14148	A-1 ABRASIVE BLASTING	203 (A)		5/5/2015		P60701	\$1,200.00
177188	ALI OIL	461		5/12/2015		P59783	\$550.00
140813	AMERICAN FUEL	203 (B)		5/12/2015		P59773	\$2,520.00
168818	ARCO AMPM #83349, RANCHO PACIFIC	461		5/19/2015		P60920	\$800.00
168890	ARCO FAC #01981 - DUGAL PETROLEUM, IN	203(B), 461(C)(2)(B)		5/26/2015		P60909	\$1,350.00
175256	BEVERLY CENTER MOBIL	203 (B)		5/19/2015		P61773	\$400.00
137598	CARBON ACTIVATED CORPORATION	Title 13		5/5/2015		P62375	\$1,100.00
174192	COLLICUTT ENERGY SERVICES, INC	203(A)		5/5/2015		P44886	\$550.00
155368	COTT BEVERAGES	1146.1		5/7/2015		P52276	\$2,250.00
161331	CRYSTAL DRY CLEANERS	203 (B), 1421		5/20/2015		P60707	\$580.00
53162	DIMIC STEEL TECH, INC.	201, 203 (A), 203 (B)		5/12/2015		P57692	\$3,500.00
169585	ETIWANDA GAS MART	461, 41960.2		5/27/2015		P59782	\$420.00
124427	EXCALIBER FUELS # 5	461(C)(2)(B)		5/5/2015		P61659	\$500.00
39245	EXXONMOBIL DLR, MAL HUI LEE	461, 41960.2		5/5/2015		P60803	\$810.00
177741	FAITH & FLOWER	222		5/27/2015		P62479	\$100.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO.	TOTAL SETTLEMENT
162539	HANS ONESTOP ENTERPRISES INC	203 (B)		5/5/2015		P62345	\$800.00
170032	HASSAN & SONS INC	461, 41960.2		5/27/2015		P62434	\$600.00
124640	HIGHLAND CHEVRON, C H HOUSTON, LLC	461, 41960.2		5/7/2015		P59778	\$420.00
170585	HUDSON 6922 HOLLYWOOD, LLC	203 (A), 1470		5/27/2015		P59368	\$1,120.00
174130	IMPERIAL ENERGY, SOUAD ELBAIALY	203 (B), 461		5/29/2015		P61499	\$1,100.00
62862	IMPERIAL IRRIGATION DISTRICT/ COACHEL	3002(C)(1)		5/27/2015		P56040	\$250.00
173759	K & G READY MIX, INC	201, 203 (A)		5/5/2015		P58277	\$700.00
173759	K & G READY MIX, INC	403		5/5/2015		P58280	\$2,000.00
148451	MAGMA FINISHING CORPORATION	203 (A)		5/12/2015		P60407	\$550.00
171242	MAX CENTRAL CARSON, INC	461(C)(2)(B), 41960.2		5/19/2015		P60810	\$1,150.00
140738	MORENO VALLEY SERVICE STATION	461(C)(2)(B), 41960.2		5/19/2015		P59779	\$1,100.00
4242	SAN DIEGO GAS & ELECTRIC	2004	Y	5/29/2015		P57080	\$500.00
173061	SLAUSON @DEANE INC.	461, 41960.2		5/28/2015		P59343	\$1,200.00
173061	SLAUSON @DEANE INC.	461, 41960.2		5/28/2015		P60802	\$1,350.00
153913	STANTEC	203 (B) 203 (B)		5/7/2015		P54928 P54929	\$1,100.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO.	TOTAL SETTLEMENT
174947	THE EDISON RESTAURANT	222		5/19/2015		P62374	\$185.00
160952	TMIC GROUP- ROUTE 66 PIT CENTER	461		5/28/2015		P60926	\$1,040.00
163821	TONY MACIAS TREE EXPERTS	PERP 2460		5/29/2015		P62485	\$400.00
133928	ULTRAGLAS INC	203 (A)		5/26/2015		P61315	\$800.00
128724	VERSAY INC	461, 41960.2		5/22/2015		P59784	\$440.00
147246	WALPORT ENTERPRISES INC., ED O'SON	461(E)(2)(A)		5/28/2015		P61672	\$800.00
33824	WINALL OIL CO #2	461(C)(2)(B), 41960.2		5/28/2015		P60804	\$600.00

TOTAL MSPAP SETTLEMENT: \$34,835.00

HEARING BOARD SETTLEMENTS:

35188	3M COMPANY Hearing Board Case No. 5970-2 Penalty for ongoing operation of the facility's equipment in noncompliance until 9.15.15.	203, 1147, 1303		5/19/2015	KCM	HRB2275	\$4,000.00
44873	A. C. D. INC Hearing Board Case No. 6003-1 Facility self-reported and is now on under a stipulated Order for Abatement for ongoing operation of facility engine in violation of Rule 203.	203		5/7/2015	KCM	HRB2273	\$2,500.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO.	TOTAL SETTLEMENT
159199	SIC/LEED 1015 SANTA ANA LLC Hearing Board Case No. 6009-2 Facility operated a diesel-fueled ICE under an Order for Abatement beginning January 2015 thru May 2015 paying \$500 a month in civil penalties.		1470	5/26/2015	TRB	HRB2276	\$2,500.00
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	5/14/2015	NAS	HRB2274	\$1,000.00

TOTAL HEARING BOARD SETTLEMENTS: \$10,000.00

DISTRICT RULES AND REGULATIONS INDEX FOR MAY 2015 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 201 Permit to Construct (*Amended 1/5/90*)
- Rule 203 Permit to Operate (*Amended 1/5/90*)
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written permit Pursuant to Regulation II. (*Amended 5/19/00*)

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*
- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1113 Architectural Coatings (*Amended 6/20/01*)
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)
- Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 5/13/94*)
- Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)
- Rule 1147 NOx REDUCTIONS FROM MISCELLANEOUS SOURCES (9/08)

REGULATION XIII - NEW SOURCE REVIEW

- Rule 1303 Requirements (*Amended 4/20/01*)

REGULATION XIV - TOXICS

- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations (*Amended 6/13/97*)
- 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*)

REGULATION XXX - TITLE V PERMITS

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

CALIFORNIA HEALTH AND SAFETY CODE § 41700

42401 Violation of Order for Abatement
41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

PERP 2460 Portable Equipment Testing Requirements
Title 13 Mobile Sources and Fuels

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 25

REPORT: Lead Agency Projects and Environmental Documents Received By SCAQMD

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between May 1, 2015 and May 31, 2015, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, June 19, 2015, Reviewed

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

PF:JW:IM:MK:JW:AK

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 May 1, 2015 and May 31, 2015 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 in 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 Environmental Justice Initiative #4. Furthermore, as required by 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 by 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." However, if there is no notation, then SCAQMD staff did not provide testimony at a hearing for the proposed project.

During the period May 1, 2015 through May 31, 2015, the SCAQMD received 91 CEQA documents. Of the total of 105 documents* listed in Attachments A and B:

- 29 comment letters were sent;
- 36 documents were reviewed, but no comments were made;
- 11 documents are currently under review;
- 0 documents were not require comments (e.g., public notices, plot plans, Final Environmental Impact Reports);
- 0 documents was not reviewed; and
- 29 documents were screened without additional review.

* These statistics are from May 1, 2015 to May 31, 2015 and do not include the most recent “Comment Status” updates in Attachments A and B.

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>.

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. During May, one Lead Agency project was released to the public for review. As noted in Attachment C, the SCAQMD continued working on the CEQA documents for six active projects during May.

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
MAY 1, 2015 TO MAY 31, 2015**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers LAC150519-12 Case No. 887-889, TPM No. 73063 and Environmental Documents	The proposed project consists of the construction of the following: an approximately 406,000-square-foot concrete tilt-up building; an approximately 505,000-square-foot concrete tilt-up building; and an approximately 300,000-square-foot concrete tilt-up building on a 54-acre site. Reference LAC150212-08 Comment Period: N/A Public Hearing: 5/28/2015	Notice of a Public Hearing	City of Santa Fe Springs	Document reviewed - No comments sent
Warehouse & Distribution Centers RVC150519-03 Space Center Industrial Project (Case No. MA 14126)	The proposed project consists of developing 53.1 acres with two warehouse buildings totaling a combined 1,124,860 square feet. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/nopwarespace.pdf Comment Period: 5/19/2015 - 6/18/2015 Public Hearing: 5/26/2015	Notice of Preparation	City of Jurupa Valley	SCAQMD staff commented 5/21/2015
Industrial and Commercial LAC150505-03 Development Plan Approval Case No. 893	The proposed project consists of demolishing an existing building and construct a new approximately 184,475-square-foot concrete tilt-up industrial building and related improvements on a 9.68-acre site. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/mndcambridge.pdf Comment Period: N/A Public Hearing: N/A	Notice of a Public Hearing	City of Santa Fe Springs	SCAQMD staff commented 5/8/2015
Industrial and Commercial LAC150514-10 Pre-Application 15-02 (8602 Garvey Avenue)	The proposed project consists of incorporating auto body painting within an existing auto body specialty business involving the installation of tires and rims on motor vehicles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/other15-02.pdf Comment Period: 5/14/2015 - 5/21/2015 Public Hearing: N/A	Initial Project Consultation	City of Rosemead	SCAQMD staff commented 5/21/2015
Industrial and Commercial LAC150522-02 Burke Street Industrial Complex	The proposed project consists of construction of a new industrial concrete tilt-up building that will have a total floor area of 79,252 square feet on a proposed 4.46-acre site. Comment Period: 5/19/2015 - 6/8/2015 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Santa Fe Springs	Document reviewed - No comments sent

*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.

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
MAY 1, 2015 TO MAY 31, 2015**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Retail LAC150521-03 ENV-2015-429/ 1306 W. Washington Blvd; South Los Angeles	The proposed project consist of demolishing an existing 749-square-foot restaurant, 18,340-square-foot manufacturing building, and a 17,022-square-foot manufacturing building; and the construction, use and maintenance of an approximately 16,572-square-foot retail/pharmacy building and surface parking. Comment Period: 5/21/2015 - 6/22/2015 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
Retail RVC150508-04 Audi of Temecula Development Plan (PA15-0513)	The proposed project consists of a development plan to construct a 37,468-square-foot Audi dealership on a 4.5-acre site. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/nopaudi.pdf Comment Period: 5/8/2015 - 6/8/2015 Public Hearing: N/A	Notice of Preparation	City of Temecula	SCAQMD staff commented 5/12/2015
Retail RVC150528-13 Plot Plan No. 2015-115	The proposed project consists of developing a retail shopping center including ten buildings totaling 231,600 square feet on a 27.3 gross acre site. Comment Period: 5/28/2015 - 6/16/2015 Public Hearing: N/A	Initial Project Consultation	City of Menifee	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC150501-02 Sand Canyon Plaza Mixed-Use Project	The proposed project consists of developing the property with a mixed-use community including five Planning Areas. Planning Area 1 will be approximately 116,000 square feet of commercial floor area on 10 acres; Planning 2 will include 312 apartment units on 11 acres; Planning Area 3 will include 120 townhomes on approximately 11 acres; Planning Area 4 will include 71 single family homes on 10 acres; and Planning Area 5 will include 77 single family homes on 13 acres. The project will also include grading approximately two million cubic yards of cut and fill balanced on-site. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/nopsandcanyon.pdf Comment Period: 4/30/2015 - 5/29/2015 Public Hearing: N/A	Notice of Preparation	City of Santa Clarita	SCAQMD staff commented 5/7/2015

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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
Retail RVC150421-05 PA13-0032	The proposed project consists of a 185,761-square-foot retail store on a 19-acre parcel. The project includes a Conditional Use Permit for either a gas station, including 16 fueling pumps, a 2,900-square-foot convenience store, and a drive-through car wash or a 3,500-square-foot fast food restaurant with drive-through on a 1.01-acre parcel and a Tentative Parcel map to subdivide 21 acres into two parcels for development of a retail shopping center. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/deirwalmartmv.pdf Comment Period: 4/20/2015 - 6/4/2015 Public Hearing: N/A	Draft Environmental Impact Report	City of Moreno Valley	SCAQMD staff commented 5/27/2015
General Land Use (residential, etc.) LAC150414-04 Montebello Hills Specific Plan	The proposed project consists of approximately 488 acres within the Montebello Oil Field. The project includes residential construction on approximately 173.6 acres that would consist of up to 1,200 residential dwelling units; open space of approximately 314.6 acres and infrastructure. Reference LAC140911-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/feirmontebelosp.pdf Comment Period: N/A Public Hearing: 5/27/2015	Notice of a Public Hearing	City of Montebello	SCAQMD staff commented 5/27/2015
General Land Use (residential, etc.) LAC150416-12 ENV-2014-3973/ 1011-1031 S. Serrano Ave; Wilshire	The proposed project consists of the construction of a five-story, 91-residential unit building, including 8 units for very low income households on an approximately 31,050-square-foot site. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/env20143973.pdf Comment Period: 4/16/2015 - 5/18/2015 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 5/5/2015
General Land Use (residential, etc.) LAC150423-04 ENV-2014-952/ 1771-1831 W. Blake Ave and 2645-2661 N. Blimp St; Silver Lake-Echo Park-Elysian Valley	The proposed project consists of developing a mixed-use project with a total of 117 dwelling units and 29,017 square feet of commercial space on two project sites. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/mnd2014952.pdf Comment Period: 4/23/2015 - 5/26/2015 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 5/14/2015
General Land Use (residential, etc.) LAC150423-05 ENV-2014-3869/18529 W. Calvert St; Reseda-West Van Nuys	The proposed project consists of the development of a four-story apartment building with 24 residential units and subterranean parking on an approximately 16,561-square-foot site. One single-family residence will be demolished. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2015/may/env20143869.pdf Comment Period: 4/23/2015 - 5/13/2015 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 5/7/2015

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

**ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH MAY 31, 2015**

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 (EIR)</p>	<p>The Notice of Preparation/ Initial Study (NOP/IS) was circulated for a 30-day public comment period on March 26, 2012 to April 26, 2012. The consultant submitted the administrative Draft EIR to SCAQMD in late July 2013. The Draft EIR was circulated for a 45-day public review and comment period from September 30, 2014 to November 13, 2014. Two comment letters were received and responses to comments are being prepared.</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>Environmental Impact Report (EIR)</p>	<p>A previous Draft Negative Declaration was withdrawn in order for the storage tank project to be analyzed in a new CEQA document that also addresses the Tesoro-BP Refinery Integration Project. A NOP/IS was prepared for the integration project and released for a 30-day public review and comment period from September 10, 2014 to October 10, 2014. 86 comment letters were received, and responses to comments are being prepared. The consultant is preparing a Draft EIR.</p>	<p>Environmental Audit, Inc.</p>
<p>Quemetco is proposing an increase in daily furnace feed rate.</p>	<p>Quemetco</p>	<p>Environmental Impact Report (EIR)</p>	<p>An Initial Study has been prepared by the consultant and is under review by SCAQMD staff.</p>	<p>Trinity Consultants</p>
<p>Chevron is proposing modifications to its Product Reliability and Optimization (PRO) Project and has applied for a modification to its permit to increase the firing duty of its Tail Gas Unit to meet current BACT requirements.</p>	<p>Chevron</p>	<p>Addendum</p>	<p>An addendum to the 2008 Final EIR has been prepared by the consultant. Staff has reviewed the Addendum and provided edits to the consultant. Staff is reviewing responses to comments on the permit applications.</p>	<p>Environmental Audit, Inc.</p>

A shaded row indicates a new project.

**ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH MAY 31, 2015**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
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 (EIR)	The NOP/IS was released for a 30-day public review and comment period from December 4, 2014 to January 2, 2015. Two comment letters were received related to the NOP/IS and responses are being prepared. The Draft EIR was released for 45-day public review and comment period from April 15, 2015 to May 29, 2015. Two comment letters were received relative to the Draft EIR and response are being prepared.	Environ
DCOR LLC is proposing to install three flares on their off-shore oil Platform Esther.	DCOR LLC	Mitigated Negative Declaration	A preliminary draft Mitigated Negative Declaration has been prepared by the consultant and is under review by SCAQMD staff.	RBF Consulting

A shaded row indicates a new project.

 [Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 26

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2015 and portions of 2016.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

PF:JW:cg

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.

¹Subject to Board approval

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

Socioeconomic Analysis shall be referred to as "Socio."

2015

September		AQMP	Toxics	Other	Climate Change
415*	Odors from Animal Rendering			√	
1156*	Further Reductions of Particulate Emissions from Cement Manufacturing Facilities		√		
1420.1	Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities		√		
1420.2*	Emissions Standard for Lead from Metal Melting Operations		√		
October					
1106	Marine Coating Operations			√	
1106.1	Pleasure Craft Coating Operations			√	
1110.2	Emissions from Gaseous and Liquid-Fueled Engines			√	
1430.1*	Control of Toxic Air Contaminants from Grinding Operations at Forging Facilities		√		
Reg. XX ⁺	Regional Clean Air Incentives Market (RECLAIM) (CMB-01)	√			

2015 MASTER CALENDAR (continued)

2015

November		AQMP	Toxics	Other	Climate Change
219	Equipment Not Requiring a Written Permit Pursuant to Regulation II			√	
1113* ⁺	Architectural Coatings (CTS-01)	√			
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			√	
1402	Control of Toxic Air Contaminants from Existing Sources		√		
December					
416	Odors from Kitchen Grease Processing			√	
1118	Control of Emissions from Refinery Flares			√	√
1123 ⁺	Refinery Process Turnarounds (MCS-03)	√			
1466	Toxic Air Contaminant Emissions from Decontamination of Soil		√		
1171 ⁺	Solvent Cleaning Operations (CTS-02)	√			
1177 ⁺	Liquefied Petroleum Gas Transfer and Dispensing (FUG-02)	√			
1420 ⁺	Emissions Standard for Lead		√		
4001*	Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01)	√			

2015 MASTER CALENDAR (continued)

2015 TO-BE DETERMINED

TBD		AQMP	Toxics	Other	Climate Change
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)			√	
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			√	
Reg. XXVII	Climate Change				√

2015 MASTER CALENDAR (continued)

2015 TO-BE DETERMINED

TBD	(continued)	AQMP	Toxics	Other	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	√	√		
---	SIP Implementation	√			

2015 MASTER CALENDAR (continued)

2016

January		AQMP	Toxics	Other	Climate Change
1161 ⁺	VOC Reductions from Mold Release Agents (CTS-03)	√			
1188 ⁺	VOC Reductions from Vacuum Trucks (FUG-01)	√			
2301 ⁺	Control of Emissions from New or Redevelopment Projects (EGM-01)	√			
February					
1136	Wood Products Coatings (CTS-02)			√	
1450	Control of Methylene Chloride Emissions		√		
March					
1430	Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations		√		

ATTACHMENT A

AQMP Rule Activity Schedule

This attachment lists those control measures that are being developed into rules or rule amendments for Board consideration that are designed to implement the amendments to the 2012 Air Quality Management Plan.

2015

October	
Reg. XX* ⁺	<p>Regional Clean Air Incentives Market (RECLAIM) (CMB-01) <i>[Projected Emission Reduction: 3-5 TPD]</i> Proposed amendments to Regulation XX will seek to implement additional NOx emission reductions. <i>Joe Cassmassi 909.396.3155 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
November	
1113* ⁺	<p>Architectural Coatings (CTS-01) <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
December	
1123 ⁺	<p>Refinery Process Turnarounds (MCS-03) <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1171 ⁺	<p>Solvent Cleaning Operations (CTS-02) <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1177 ⁺	<p>Liquefied Petroleum Gas Transfer and Dispensing (FUG-02) <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>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

2015

December	(continued)
4001*	<p>Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01) <i>[Projected Emission Reduction: TBD]</i> If triggered, the proposed rule will address cost-effective NO_x, SO_x, and PM_{2.5} 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_{2.5} standard are maintained. <i>Randall Pasek 909.396.2251 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

To-Be Determined 2015

To-Be Determined	
1168	<p>Adhesive and Sealant Applications (CTS-02) <i>[Projected Emission Reduction: N/A]</i> Amendments to Rule 1168 will partially implement CTS-02 and reflect improvements in adhesive and sealant technology, as well as remove outdated provisions and include minor clarifications. <i>Naveen Berry 909.396.236 CEQA: MacMillan 909.396.3244 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>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

To-Be Determined 2015

To-Be Determined	
---	<p>Mobile Source Measures <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
---	<p>SIP Implementation <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

2016

January	
1161 ⁺	<p>VOC Reductions from Mold Release Agents (CTS-03) <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1188 ⁺	<p>VOC Reductions from Vacuum Trucks (FUG-01) <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>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

2016

January	(continued)
2301 ⁺	<p>Control of Emissions from New or Redevelopment Projects (EGM-01) <i>[Projected Emission Reduction: Committed to reduce 0.5 tons per day of VOC, 0.8 tons per day of NO_x, and 0.5 tons per day of PM_{2.5} in 2023.]</i></p> <p>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_x, 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 – Indirect Source Review to meet the “all feasible measures” requirement.</p> <p><i>Henry Hogo 909.396.3184 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule

This attachment lists those rules or rule amendments for Board consideration that are designed to implement the Air Toxics Control Plan.

2015

September	
1156*	<p>Further Reductions of Particulate Emissions from Cement Manufacturing Facilities <i>[Projected Emission Reduction: N/A]</i> Cement manufacturing facilities currently maintain a monitoring network for hexavalent chromium. The proposed 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>Tracy Goss 909.396.3106 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1420.1	<p>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities <i>[Projected Emission Reduction: N/A]</i> During the adoption of amendments to Rule 1420.1 at the March 6, 2015 Board meeting, the Board directed staff to return to the Board within six months with a proposal to lower the overall point source lead emission limit to 0.003 lb/hour and other options. Staff is proposing amendments to lower the overall point source lead emission limit and other requirements. <i>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1420.2*	<p>Emissions Standard for Lead from Metal Melting Operations <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/m³. 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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
October	
1430.1*	<p>Control of Toxic Air Contaminants from Grinding Operations at Forging Facilities <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule (continued)

2015

November	
1402	<p>Control of Toxic Air Contaminants from Existing Sources <i>[Projected Emission Reduction: TBD]</i> Amendments to Rule 1402 will address revised toxic air contaminant risk guidance that has been approved by OEHHA. <i>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
December	
1420 ⁺	<p>Emissions Standard for Lead <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/m³. 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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1466	<p>Toxic Air Contaminant Emissions from Decontamination of Soil <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1466 would establish requirements to control toxic metal emissions from activities involving storing, handling and transporting soils with toxic metals. This was previously listed as amendments to Rule 1166. <i>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

To-Be Determined 2015

To-Be Determined	
1148.2	<p>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule (continued)

To-Be Determined 2015

To-Be Determined	(continued)
1403	<p>Asbestos Emissions from Demolition/Renovation Activities <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1411	<p>Recovery of Recycling of Refrigerants from Motor Vehicle Air Conditioners <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: MacMillan 909.396.3244 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>
---	<p>Mobile Source Measures <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule (continued)

2016

February	
1450	<p>Control of Methylene Chloride Emissions <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
March	
1430	<p>Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule

This attachments lists rules or rule amendments for Board consideration that are designed to improve rule enforceability, SIP corrections, or implementing state or federal regulations.

2015

September	
415*	<p>Odors from Animal Rendering <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 and will consider enclosure and odor control requirements for the receipt and processing of rendering material and wastewater. The proposed rule may also contain requirements for an Odor Mitigation Plan for continuing odor issues at facilities subject to the rule. <i>Tracy Goss 909.396.3106 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
October	
1106 1106.1	<p>Marine Coating Operations Pleasure Craft Coating Operations <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1110.2	<p>Emissions from Gaseous- and Liquid-Fueled Engines <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 delayed emission reductions. <i>Joe Cassmassi 909.396.3155 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity (continued)

2015

November	
219	<p>Equipment Not Requiring a Written Permit Pursuant to Regulation II <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>Tracy Goss 909.396.3106 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1304.2*	<p>Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets for Load Serving Entities <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1304.2 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 to Rule 1304.1 and will provide offsets so 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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1304.3*	<p>Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets for Municipalities <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 to Rule 1304.1 and will provide offsets so that new, proposed and other existing electrical generating facilities run by local municipalities can meet the electricity reliability needs of their customers. <i>Naveen Berry 909.396.2363 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity (continued)

2015

December	
416	<p>Odors from Kitchen Grease Processing <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 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 may also contain requirements for an Odor Mitigation Plan for continuing odor issues at facilities subject to the rule. <i>Tracy Goss 909.396.3106 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1118	<p>Control of Emissions from Refinery Flares <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>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

To-Be Determined 2015

To-Be Determined	
219	<p>Equipment Not Requiring a Written Permit Pursuant to Regulation II <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>Tracy Goss 909.396.3106 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
222	<p>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I <i>[Projected Emission Reduction: N/A]</i> Amendments to 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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity (continued)

To-Be Determined 2015

To-Be Determined	(continued)
224	<p>Incentives for Super-Compliant Technologies <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 may be considered as a part of Rule 219 amendments or proposed as a separate incentive rule. <i>Naveen Berry 909.396.2363 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1107	<p>Coating of Metal Parts and Products <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1147	<p>NOx Reductions from Miscellaneous Sources <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1148.2	<p>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
1190 Series	<p>Fleet Vehicle Requirements <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
Reg. XIII	<p>New Source Review <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity (continued)

To-Be Determined 2015

To-Be Determined	(continued)
1902	<p>Transportation Conformity <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
2511	<p>Credit Generation Program for Locomotive Head End Power Unit Engines <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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>
2512	<p>Credit Generation Program for Ocean-Going Vessels at Berth <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: MacMillan 909.396.3244 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 C

Other Rule Activity (continued)

2016

February	
1136	<p>Wood Products Coatings <i>[Projected Emission Reduction: TBD]</i> The proposed amendments will 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: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT D
Climate Change

This attachments lists rules or rule amendments for Board consideration that are designed to implement SCAQMD’s Climate Change Policy or for consistency with state or federal rules.

To-Be Determined 2015

To-Be Determined	
Reg. XXVII	<p>Climate Change <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: MacMillan 909.396.3244 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>

2016

February	
1118	<p>Control of Emissions from Refinery Flares <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>Susan Nakamura 909.396.3105 CEQA: MacMillan 909.396.3244 Socio: Cassmassi 909.396.3155</i></p>

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 27

PROPOSAL: Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2015-16

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 first six months of FY 2015-16.

COMMITTEE: Administrative, June 12, 2015; Recommended for Approval

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

JCM:MAH:OSM:nv

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 July 1 and December 31, 2015.

Information provided for each project includes a brief project description, FY 2015-16 Budget, and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Major Projects for Period July 1 through December 31, 2015

ATTACHMENT
July 10, 2015 Board Meeting
Information Management Major Projects
for the Period of July 1 through December 31, 2015

Item	Brief Description	Budgeted Funds	Schedule of Board Actions	Status
OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year.	\$122,980	Approval Sole Source Purchase July 10, 2015	On Schedule
Oracle PeopleSoft Software Support	Purchase of Oracle PeopleSoft software support and maintenance for the integrated Finance/HR system.	\$328,800	Approve Purchase July 10, 2015	On Schedule
Website Evaluation and Improvement Contract	Award contract to _____ to evaluate SCAQMD's current website, make recommendations and implement those improvements.	TBD	September 4, 2015	On Schedule
Hearing Board and GB Rooms Audio Visual System Upgrades	Select vendor to upgrade the audio visual systems in the Hearing Board and GB rooms at the Diamond Bar headquarters.	\$401,000	Release RFP April 3, 2015; Award Contract September 4, 2015	On Schedule
Systems Development, Maintenance, and Support	Provide Development, Maintenance and support for: <ul style="list-style-type: none"> • Web Application Development • e-Commerce Implementation • CLASS System Replacement • CLASS System Enhancements • Version Upgrades 	TBD	October 2, 2015	On Schedule

Double-lined Rows - Board Agenda items current for this month

Shaded Rows - activities completed

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 29

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, June 12, 2015. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, July 17, 2015 at 10:00 a.m.

RECOMMENDED ACTION:

Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

GC

Attendance: Attending the June 12, 2015 meeting was Committee Member Judith Mitchell at SCAQMD headquarters and Committee Members William Burke and Clark Parker, Sr. via videoconference. Committee Member Dennis Yates was unable to participate.

ACTION/DISCUSSION ITEMS:

1. **Board Members' Concerns:** None.
2. **Chairman's Report of Approved Travel:** General Counsel Kurt Wiese reported that Board Member Judith Mitchell will be traveling to Sacramento to attend the monthly CARB Board meeting; Board Members Joe Lyou, Ben Benoit and Janice Rutherford will be speaking at the CCEEB Summer Issues Seminar in Squaw Valley regarding air quality-related issues; and Board Members Joe Lyou and Judith Mitchell will be attending the Asilomar Conference in Pacific Grove on Transportation & Energy on behalf of SCAQMD.

3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** Mr. Wiese reported that Board Member Cacciotti is requesting that David Czamanske be approved as his Board Consultant.

Moved by Mitchell; seconded by Parker; unanimously approved.

4. **Report of Approved Out-of-Country Travel:** Mr. Wiese reported that there is a request for out-of-country travel for staff member Sang-Mi Lee to travel to Seoul, Korea for a symposium sponsored by the Korean Academy of Science and Technology.
5. **Pre-audit Conference (Presenter: Melba Simpson):** Melba Simpson of Simpson and Simpson, CPAs, presented plans for performing the SCAQMD's annual Financial Statement Audit for Fiscal Year 2014-15 audit. She reported that the audit will begin on August 11 with all the necessary audit procedures completed and timely performed so that the audit reports can be issued by October 2 and the draft report presented at the November Administrative Committee meeting. Overall, the plan is to continue to make sure that the SCAQMD has discharged its responsibility to present financial statements in accordance with all government accounting standards, and in agreement, materially correct, and reasonably stated with no errors due to fraud or irregularities. They will continue to meet with management to update their understanding of any change in the SCAQMD's internal controls, as applicable, making sure that on the single audit report they are in compliance with all of the laws and regulations. Ms. Simpson mentioned, however, that this year a new Government Auditing Standards Board guideline (GASB 68) would impact the way pension liability is reported. Beginning with this year's audit, the SCAQMD's portion of the net pension liability for its employees with the San Bernardino County Employees Retirement Association and the Los Angeles County Employees Retirement Association will have to be reported as a liability on the face of the financial statements for more transparency. In the past under the old guidelines, those liabilities were included in the footnotes as a disclosure.

Dr. Parker inquired whether the pension deficit is reported as a deferred liability and how will it impact the viability of the agency relative to not operating at a deficit asset position. Ms. Simpson responded that as a result of the implementation of GASB 68, there will be a prior-period adjustment which will affect the net position of the SCAQMD for its share of the liability and that liability is not deferred and is reported as a long-term liability.

Dr. Burke inquired whether it affects our credit rating or ability to borrow. Ms. Simpson responded that it will not affect the credit rating directly. The credit raters will take into consideration how much the liability is impacted due to the GASB versus the operating results. She added that GASB 68 does not affect how the agency funds the pension plan or how the contributions are

determined. It has only changed how the liability is reported.

Councilmember Mitchell requested that the auditors fully examine the internal controls to make sure we have the correct internal controls in place.

Ms. Simpson responded that the internal controls at the SCAQMD are very well designed. The design and effectiveness have been tested and in 99% of cases, transactions are approved at three or four levels. However, she added that they will certainly have heightened awareness of that concern.

6. **Transfer and Appropriate Funds and Issue RFQs and Purchase Orders to Procure Laboratory and Field Equipment:** Assistant Deputy Executive Officer Laki Tisopulos reported that this item requests approval to utilize a portion of accumulated special revenue funds to continue upgrades and modernization efforts with respect to the monitoring laboratory and emergency response capabilities. Staff is seeking to utilize roughly \$950,000 to accomplish this task.

Moved by Mitchell; seconded by Parker; unanimously approved.

7. **Recognize Revenue and Appropriate Funds for Enhanced Particulate Monitoring Programs, NATTS, PAMS, PM2.5, Near-Road NO2 and AQ-SPEC Programs; Issue RFQs and Purchase Orders for Air Monitoring Equipment and CNG Vehicles:** Dr. Tisopulos reported that this item is to recognize and appropriate federal and U.S. EPA funding in the amount of \$1.8 million to assist with the operation and maintenance of our various air monitoring programs. This item also recognizes \$75,000 provided by U.S. EPA to support the AQ-SPEC, a low-cost air monitoring sensor testing program to be established. Roughly 75% of those funds will be used for network operation and 25% to upgrade monitoring instruments.

Moved by Mitchell; seconded by Parker; unanimously approved.

8. **Issue RFP for Enhancements of Web-Based Annual Emission Reporting Tool:** Assistant Deputy Executive Officer Jill Whynot reported that this item is to release an RFP related to SCAQMD's Annual Emission Reporting software. This is a web-based tool that approximately 1,800 facilities use every year to report their emissions inventory. This program has been upgraded over the last several years and now more detailed reporting is needed for the AQMP and other inventory needs. The RFP is for \$150,000 this year for needed enhancements to enhance ease-of-use programs and enable needed improvements for reporting and recordkeeping. It also includes an option to renew the contract for years two and three for an additional amount up to \$150,000 for program maintenance, optimization and support, if needed.

Dr. Burke inquired whether this item relates to the testing being done on the small wireless monitors for fence line monitoring. Dr. Tisopulos responded that staff plans to use some of the \$75,000 received from U.S. EPA to determine how to manage mega data, such as data compilation, retrieval, processing, visualization and analytics as it relates to SCAQMD's local-facility sensors and fence line monitoring.

Dr. Parker mentioned a recent EPA report about emissions in industrial and low income minority communities and strongly urged that the \$75,000 be used on a local basis in the communities in which we serve.

Moved by Parker; seconded by Mitchell; unanimously approved.

9. **Issue RFP for Consultant Services for SCAQMD Environmental Justice Outreach and Initiatives:** Deputy Executive Officer Lisha Smith reported that this item seeks approval to issue an RFP for consultant services for SCAQMD's Environmental Justice Outreach and Initiatives. Earlier this year, a day-long Environmental Justice Conference was held and in his opening remarks, Chairman Burke launched the agency's Environmental Justice Community Partnership Initiative. As part of that initiative, the Partnership would include outreach for SCAQMD to host a series of events and workshops throughout the year to further cultivate relationships and enhance alliances with community members and stakeholders. In addition, the RFP includes the formation of an Environmental Justice Advisory Council, executing the 2016 Environmental Justice Conference, and holding four events, one in each county, to recognize local environmental justice community leaders. The RFP is for one year in an amount not to exceed \$160,000 with options for up to two additional one-year extensions.

Moved by Mitchell; seconded by Parker; unanimously approved.

10. **Execute Contract for Health Insurance Brokerage and Consultant Services:** Dr. Burke recused himself and left the room because of a financial interest in Wells Fargo Bank, which is materially affected by this item. Assistant Deputy Executive Officer Bill Johnson reported that earlier this year staff released an RFP for health insurance brokerage services. Six competitive proposals were received for this project. Staff recommends awarding a contract to Alliant Insurance Services, Inc. which was deemed to be the lowest cost proposer as well as the proposer with the highest technical point score.

Moved by Mitchell; seconded by Parker. With Dr. Burke's recusal, due to the lack of a quorum, the Committee Members recommended this item be approved by the Board.

11. **Amend Salary Resolution to Provide Paid Sick Leave for SCAQMD Employees Not Currently Eligible to Receive Such Leave Benefits:** Mr. Johnson reported that last year the Legislature adopted a new law, AB 1522, to provide for paid sick leave for employees not currently covered by either an MOU or salary resolution. Staff is recommending amendments to the existing Salary Resolution to provide paid sick leave benefits in compliance with the law for primarily a small group of Board Student Interns, Board Member Consultants and Assistants who are considered employees, as well as some traditional employees.

Moved by Mitchell; seconded by Parker; unanimously approved.

12. **Authorize Purchase of OnBase Software Support:** Assistant Deputy Executive Officer Chris Marlia reported that OnBase is the agency's document management system for storing material and documents and is used to reduce our offsite storage. The licensing for this software expires in July and approval is requested to extend it another year. The cost this year is \$122,000, which is about a 2.2% increase over last year. Dr. Burke indicated that he was voting no on this item because he thought it was too expensive and perhaps a better price could be renegotiated with the OnBase owners.

Moved by Mitchell; motion failed for lack of a second. Dr. Burke directed staff to hold this item over until the July Administrative Committee meeting.

13. **Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2015-16:** Mr. Marlia reported that this item is a standard report that details the progress of major projects brought to the Board during the first six months of FY 2015-16. Staff recommends approval.

Moved by Parker; seconded by Mitchell; unanimously approved.

14. **Authorize Purchase of Oracle PeopleSoft Software and Support:** Mr. Marlia reported that Oracle and PeopleSoft are software used for the financial and human resource functions at the agency. This item is to renew maintenance support and licensing for those functions. Mr. Marlia explained that this year staff negotiated with Oracle not to increase the price each year if a commitment was made for a five-year licensing agreement. Included in the agreement was the purchase of another module to the software, the Benefits Administrative package, which is the web-based system that allows employees to track their own information. The cost of that module is \$90,000, which is a one-time purchase. The total cost this year for the support and maintenance software as well as the purchase of the extra module would be \$328,000; however, for the remainder of the five years, the cost would be \$238,000 per year.

Dr. Parker inquired whether our contracts have “best-price” or “most-favored-customer” clauses in them where the prices they have given us are the least cost that they have given any other company regardless of size. Mr. Wiese responded that has not been a standard feature of our contracts because most of them are competitively bid. Dr. Parker mentioned that it is a standard provision for large corporate entities to include in their contracts such language that states “under penalty of perjury, you will not sell this software to anyone for any lesser price than you are selling it directly to us.” He indicated that he would only support this item if staff legally explores inserting such language in these types of contracts. Dr. Burke thought it was an excellent suggestion and emphasized that this language should be included in every contract.

Moved by Parker; seconded by Mitchell; unanimously approved with Dr. Parker’s direction to staff to explore including “most-favored-customer” language in SCAQMD contracts.

15. **Local Government & Small Business Assistance Advisory Group Minutes for the March 13, 2015 Meeting (written report):** Attached for information only are the minutes from the March 13, 2015 meeting of the Local Government & Small Business Assistance Advisory Group.
16. **Review of the July 10, 2015 Governing Board Agenda:** There were no questions regarding the July 10, 2015 Board Agenda.
17. **Other Business:** None
18. **Public Comment:** None.

Meeting adjourned at 11:00 a.m.

Attachments

Local Government & Small Business Assistance Advisory Group Minutes from the March 13, 2015 Meeting



South Coast Air Quality Management District

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

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, MARCH 13, 2015 MEETING MINUTES

MEMBERS PRESENT:

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

MEMBERS ABSENT:

Felipe Aguirre
Todd Campbell, Clean Energy
Mary Ann Lutz, Mayor, City of Monrovia
Kelly Moulton, Paralegal
Lupe Ramos Watson, Councilmember, City of Indio

OTHERS PRESENT:

Earl Elrod, Board Member Assistant (*Yates*)
Ruthanne Taylor Berger, Board Assistant (*Benoit*)
Mark Abramowitz, Board Assistant (*Lyou*)

SCAQMD STAFF:

Derrick J. Alatorre, Asst. Deputy Executive Officer/Public Advisor
Philip M. Fine, Ph.D., Asst. Deputy Executive Officer
Tracy Goss, Program Supervisor
Elaine-Joy Hills, AQ Inspector II
Lori Langrell, Secretary
Nicholas Sanchez, Senior Deputy District Counsel
Laki Tisopulos, Asst. Deputy Executive Officer
Jill Whynot, Asst. Deputy Executive Officer

Agenda Item #1 - Call to Order/Opening Remarks

Mayor Dennis Yates called the meeting to order at 11:41 a.m.

Agenda Item #2 – Approval of January 16, 2015 Meeting Minutes/Review of Follow-Up/Action Items

Chair Yates called for approval of the January 16, 2015 meeting minutes. The Minutes were approved unanimously.

Agenda Item #2 – Review of Follow-Up/Action Items

Mr. Derrick Alatorre advised regarding the request for a status on the ASTM Conference presentation, this item will come before the advisory group in the May meeting.

Agenda Item #3 – Overview of Air Quality Sensors Workshop

Mr. Laki Tisopulos presented an overview of the Air Quality Sensor Workshop held at the SCAQMD on November 21, 2014.

Mr. Paul Avila asked, given the range in prices of equipment, is the technology up to the same standards as current technology being utilized. Mr. Tisopulos indicated that we are not yet in the process of replacing existing equipment, but the new technology sensors would be filling in and bulking up our existing equipment, assuming the new sensors are performing well. Mr. Avila further asked if Mr. Tisopulos was leading the charge on securing the new sensors. Mr. Tisopulos indicated he will have input, will be looking at test data, and will establish a website and database where feedback can be provided. In that manner, if a member of the public wants to purchase a monitor, they will have a reference to check out ratings, performance data, etc.

Agenda Item #4 – Update on Risk Management

Ms. Jill Whynot briefed the advisory group on joint efforts that California Air Pollution Control Officers Association (CAPCOA) and California Air Resources Board (CARB) are involved in updating Risk Management Guidelines for permitting and the AB2588 Hot Spots Program.

Mr. Blake asked if a company is in excellent compliance, is utilizing Best Available Control Technology (BACT) practices, but overnight becomes six times worse, how will a company comply when they are already spending tons to stay compliant. Ms. Whynot indicated that it is a California EPA-based program, which is factoring in businesses that are more sensitive to the updates and that there are different levels of analysis.

Mr. David Rothbart asked regarding the inhalation rates, if the recommendation of the 95th percentile the minimum acceptable level. Ms. Whynot indicated that the Office of Environmental Health Hazard Assessment (OEHHA) recommends the 95th percentile in their draft document, using this figure as the minimum acceptable level for the last trimester of pregnancy to two years old, and utilizes 80th percentile for all others. Mr. Rothbart further asked if there is discussion with stakeholders as to what is being stated to the public, so as not to get the public worked up. Ms. Whynot asked if he is asking that examples of key language be given, which Mr. Rothbart indicated yes. Ms. Whynot indicated she will make a note of that.

Agenda Item #5 – Rule 415 – Odors from Rendering Facilities / Rule 416 Odors from Kitchen Grease Processing

Dr. Philip Fine provided an update on rule development efforts for Proposed Rules 415 and 416.

Ms. Rita Loof commented regarding equipment manufacturers, that there is control of some but not all; Ms. Loof requested that the rule language be kept flexible in order to allow facilities a cost based decision. Dr. Fine advised that staff did visit some facilities that have the control equipment. Staff is trying to allow more flexibility, while still remaining compliant.

Mr. Avila asked if a person has been smelling these odors for 30-40 years, how can the company be measured for compliance, what is the measurement procedure? Dr. Fine indicated people have different sensitivities, which is hard to quantify. The District has authority to regulate public nuisances, and there are practices the facility can do, and we work with facilities to attain this.

Ms. Maria Elena Kennedy asked if this is more of a land use issue, or environmental justice issue, as the homes were there first. Dr. Fine replied that this is a big topic of discussion. On a recent two hour panel, one hour went into land use issues alone. Keeping this in mind, this is different than a NOx reduction rule. Enclosure is the standard for the industry; we want to make sure that the best practices are done every day, not just sporadically.

Mr. Blake inquired as to how many complaints are received per month. Dr. Fine indicated there have been approximately 350 complaints per year, with more complaints in the warmer summer months.

Vice-Chair Benoit asked if there are any good studies on health effects. Dr. Fine stated he does have a review article, not exact, but evidence if a strong odor may irritate or trigger asthma attacks. There is an article that he can share with the Advisory Group.

Action Item: Provide health effect article to members of LGSBA Advisory Group.

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

Ms. Rita Loof asked with regard to the 25 auto body shops assisted in February, did any of the facilities have issues with Rule 1147.

Action Item: Ascertain from Small Business Assistance staff whether any of the 25 body shops assisted during the month of February 2015 had issues with Rule 1147.

Mr. Avila asked if small business assistance helps out small body shops only, or what other types of businesses are helped. Mr. Alatorre indicated that the majority assisted are small businesses, but occasionally we will get calls from larger businesses.

Agenda Item #7 - Other Business

No comments.

Agenda Item #7 - Public Comment

No comments.

Adjournment

The meeting adjourned at 12:43 p.m.

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 30

REPORT: Special Administrative Committee

SYNOPSIS: A Special Meeting of the Administrative Committee was held on Wednesday, June 17, 2015 to interview proposers for website improvements and to consider the purchase of OnBase software support. The next Administrative Committee meeting is scheduled for Friday, July 17, 2015 at 10:00 a.m.

RECOMMENDED ACTION:
Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

GC

Attendance: Attending the June 17, 2015 meeting were Committee Member Dennis Yates at SCAQMD headquarters and Committee Members William Burke, Clark Parker, Sr. and Judith Mitchell via videoconference.

JULY AGENDA Items:

1. **Execute Contract for Website Evaluation and Improvement:** Assistant Deputy Executive Officer Chris Marlia reported that this item is to execute a contract for the planned website evaluation and improvement effort. An RFP was released in May with bidders given one month to respond. A Bidders Conference was held on May 12 with four proposals submitted on June 1. A panel reviewed and evaluated the proposals and selected three companies to be interviewed by the Committee. The fourth company did not meet the minimum technical scores required and was eliminated from further consideration.

Dr. Burke commented that after reviewing the proposals and noting the disparity in the costs and timeframes presented, he did not understand how a qualified company could perform the needed work required. He indicated that he did not think any of the bids were responsive to what the agency had in mind for the

website. Mr. Marlia responded that two of the companies have standard ways of evaluating websites, and they review them by using Google analytics and conducting interviews of stakeholders with set procedures where they can prepare the evaluations fairly quickly. The third company proposes to evaluate the website over a period of time, take surveys, make adjustments and measure how well those adjustments perform over time. Hence, there are two different approaches. If they are not doing migration work and not doing a lot of wholesale changes to the website, it is possible for the work to be done within the timeframe proposed.

Dr. Wallerstein added that there are three tasks associated with the contract. One is the review and evaluation, the second is recommendations for improvement, and the third is actual implementation. Until the contractors perform Tasks 1 and 2, including interviews with the Committee Members and other stakeholders, and examine the website in more detail, they will not know how big the remodel will be. It may be that as they go through this information-gathering process and present their recommendations, the cost for Task 3 may be quite large. He recommended that the Committee interview the proposers to discern their philosophical approach as well as get better information regarding their experience in evaluating websites.

Mayor Yates inquired whether it was possible for the three bidders to perform Task 1 first and have staff evaluate their recommendations. The Committee would then conduct interviews based on the recommendations they submitted and award Tasks 2 and 3 to the proposer with the best presentation on the results of Task 1. Dr. Burke thought that was an excellent idea.

Dr. Wallerstein clarified Mayor Yates' recommendation by stating that because two of the contractor proposals are very similar in price and the contract is for a nominal amount considering what the project means to the agency, the Committee would have all three proposers review and evaluate the website, return to the Committee not having developed their complete recommendations, but able to give a presentation of their initial assessment of the website and how well it performs with some general indications of what their strategy would be during the implementation phase. The Committee determined that the planned interviews for this meeting were not necessary and agreed that the proposers be given 30 days to perform Task 1. Dr. Burke directed staff to inform the bidders that the Committee has changed direction for the project and would like them to participate in the new approach.

2. **Authorize Purchase of OnBase Software Support:** Dr. Burke mentioned that this item was not passed at the regular meeting of the Administrative Committee on June 12 because he and Dr. Parker had questions regarding the fiscal aspects of the issue. However, after speaking with Dr. Wallerstein, Dr. Burke requested

that this item be placed on the agenda for this special meeting of the Administrative Committee to be reconsidered and forwarded to the full Board since the software license expires on July 31. However, Dr. Burke still expressed his dissatisfaction with the company's demands for the purchase of their software. Dr. Wallerstein thanked the Committee and commented that before this item comes up for renewal next year, staff will research other software companies to determine whether to renew with this software vendor or go elsewhere. Dr. Parker recommended that this effort be done at least 60 days prior to the license expiration.

Moved by Yates; seconded by Parker; unanimously approved.

3. **Public Comment:** None

Meeting adjourned at 12:55 p.m.

 Back to Agenda

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 31

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee met Friday, June 19, 2015 and discussed various issues detailed in the Committee report. The next Investment Oversight Committee meeting is scheduled for Friday, November 20, 2015 at 12:00 noon in Conference Room CC2.

RECOMMENDED ACTION:
Receive and file this report.

Michael Antonovich, Chair
Investment Oversight Committee

MBO:lg

Attendance: Present at SCAQMD were Committee members Gary Burton, Richard Dixon, and Brent Mason. Supervisor Michael Antonovich and Councilmember Michael A. Cacciotti attended by teleconference. Absent were Committee members Dr. William Burke, Dr. Joseph K. Lyou, and Supervisor Shawn Nelson.

Investment Committee Action Items:

Quarterly Report of Investments: The Committee reviewed the quarterly investment report that was provided to the Board. For the month of March 2015, the SCAQMD's weighted average yield on total investments of \$546,050,855.54 from all sources was .70%. The allocation by investment type was 84.56% in the Los Angeles County Pooled Surplus Investment Fund (PSI) and 15.44% in the State of California Local Agency Investment Fund (LAIF) and Special Purpose Investments (SPI). The one-year Treasury Bill rate as of March 31, 2015 was .26%. The Committee unanimously approved the quarterly report.

Investment Committee Discussion Item:

Cash Flow Forecast: Michael O’Kelly reported on the cash flows for the current year and projected for the next three years. SCAQMD Investment Policy limits its Special Purpose investments to 75% of the minimum amount of funds available for investment during the Cash Flow Horizon. That limit, which includes all funds (General, MSRC, Clean Fuels), is \$136.3 million.

Financial Market Update: Carlos Oblites from PFM Asset Management provided the Committee with information on current investment markets, economic conditions, and the overall outlook. He presented market information on the recent downswing and subsequent upswing in Treasury yields, two-year and ten-year Treasury yields, flattening of the still-steep yield curve, foreign and domestic central bank policies, and higher yields in foreign bond markets. Economic indicators were also presented showing slowing first quarter economic growth, strengthening U.S. dollar, falling crude oil prices, strengthening labor market, and continued patient monetary policy.

Other Business: None

Public Comment: None

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 32

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee met on Friday, June 12, 2015.
The next Legislative Committee meeting is scheduled for Friday,
July 17, 2015 at 9:00 a.m. in Conference Room CC8.

The Committee deliberated on agenda items for Board
consideration and recommended the following actions:

Agenda Item	Recommendation
Issue RFP for Legislative Representation in Washington, D.C.	Approve
SB 398 (Leyva) Green Assistance Program	Support
SB 400 (Lara) California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund	Support with Amendments
Greenhouse Gas Reduction Fund Investment Principles	Approve

RECOMMENDED ACTION:

Receive, file this report, and approve agenda items as specified above.

Judith Mitchell
Chair
Legislative Committee

Attendance [Attachment 1]

The Legislative Committee met on June 12, 2015. Committee Chair Judith Mitchell was present at SCAQMD's Diamond Bar headquarters. Committee Members Michael Antonovich, Dr. William A. Burke, Dr. Clark E. Parker Sr., and Janice Rutherford attended via videoconference.

Update on Federal Legislative Issues

SCAQMD federal legislative consultant, Warren Weinstein of Kadesh & Associates, reported on various key Washington, D.C. issues:

- Congresswoman Napolitano has drafted a letter to the Transportation and Infrastructure Committee leadership regarding the pending transportation bill. So far four of her colleagues on the Committee - Hahn, Garamendi, Huffman, and Brownley – have agreed to sign on to the letter that includes SCAQMD recommendations and references the Hahn and Lowenthal bills, which this agency supports. As the letter was drafted, congressional staff wanted to ensure that the letter was not too Southern California-specific so as to dissuade other Californian members from signing on.
- Appropriation bills remain stalled in the Senate. If the Defense appropriations bill moves this month, that bodes well for Energy and Water Appropriations (which includes the zero-emissions goods movement grant program). If Defense is held up, it bodes poorly for all the other Senate appropriations bills.
- The Senate Environment and Public Works Committee (EPW) is planning to mark up a transportation bill later this month. It is not clear whether amendments will be allowed. Nevertheless, this is a modest step forward. The challenge remains as to how the bill will be funded.
- EPW is also planning a hearing for three Assistant Administrators at U.S. EPA-- Jane Nishida, Ann Dunkin and Thomas Burke. As well, last week the Committee held a hearing on several bills that would weaken U.S. EPA's authority to regulate ozone under the National Ambient Air Quality Standards established by the Clean Air Act. Competing witness testimony focused on the costs and benefits of tighter ozone standards.

SCAQMD federal legislative consultant, Gary Hoitsma of the Carmen Group, also reported on key Washington, D.C. issues:

- Congress has now extended current MAP-21 transportation programs through the end of July. A further extension is expected to be enacted at that time carrying current programs to the end of December. The hope is that by the end of the year, significant new money will be found – possibly through some aspect of a mini-

corporate tax reform – that will allow passage of a new longer-term six year bill.

- The House voted this week to pass its version of the FY 2016 Transportation/HUD appropriations bill. Notably, the House bill reflects leadership priorities with proposed large cuts in the Transportation Investment Generating Economic Recovery (TIGER) grants, slight cuts to transit funding, and slight increases for aviation programs. The bill accommodates certain truck size and weight increases favored by the trucking industry. The bill also has zero funding for High Speed Rail (HSR) and includes a specific ban on any funding for the California HSR project. The bill has already drawn a veto threat from the President.
- This week, the House Appropriations Subcommittee on Interior, Environment, and related Agencies marked-up their FY 2016 bill, which funds the EPA among other agencies. The Committee, with Congressman Calvert's help, included \$20 million for the Targeted Airshed Grant Program. This is double the funding level of \$10 million included in the current year. In addition, the Committee included \$50 million for the Diesel Emission Reduction Act (DERA) Program, a \$20 million increase from the current level (of \$30 million).
- On May 19th, Gary Hoitsma of the Carmen Group attended the roundtable discussion by the Senate Committee on Banking, Housing, & Urban Affairs focused on No and Low Emission transit bus vehicles. The discussion focused on the lack of adequate funding for new vehicle technology. Refueling and recharging infrastructure remain the biggest obstacle to the full deployment and commercialization of electric, fuel cell and hybrid bus vehicles.

Update on State Legislative Issues

SCAQMD state legislative consultant, Will Gonzalez of Gonzalez, Quintana & Hunter, briefed the Committee on key Sacramento issues:

- SB 513 (Beall) - Carl Moyer program modernization passed the Senate floor last week 40-0 and is now pending referral in the Assembly.
- Major climate change related bills moved out of their respective houses of origin and are expected to be meet greater challenges in the second house. The key bills, previously discussed in Committee, include:
 - SB 350 (De León) - 50% Renewables Portfolio Standard (RPS), oil use reduction and energy efficiency
 - SB 32 (Pavley) - New 2030 and 2050 Greenhouse Gas (GHG) goals
 - AB 645 (Williams) - 50% RPS
 - AB 1288 (Atkins) - removes sunset on GHG cap and trade program

- The state Budget appears likely to meet the June 15th deadline for passage. The 60 percent continuous appropriations of the Greenhouse Gas Reduction Fund (GGRF) (high speed rail, sustainable communities, etc.) that was agreed to in the 2014 budget settlement agreement will continue through 2019. However, the remaining 40 percent of the GGRF that is subject to annual appropriation will not be finalized until later this summer.

SCAQMD state legislative consultant, Paul Gonsalves of Joe A. Gonsalves & Son, also briefed the Committee on key Sacramento issues:

- The state’s response to the historic drought, as well as the ongoing effort to reduce GHGs, continues to color all policy and budget discussions in Sacramento. Regarding the state budget, he also anticipates that it will be passed by the June 15th constitutional deadline, despite ongoing disputes between the Governor and the Legislature over appropriate reserve fund levels and conditions placed on the University of California Regents regarding fees and funding levels.
- Pertaining to climate change, California Governor Jerry Brown signed a first-of-its-kind agreement with international leaders from 11 other states and provinces, representing more than 100 million people, to limit the increase in global average temperature to below 2 degrees Celsius. Scientists say catastrophic climate disruptions are likely above this warming threshold. The signatories to “Under 2 MOU” are giving themselves just 35 years to either reduce GHG emissions 80 to 95 percent below 1990 levels by 2050 or achieve a per capita annual emission target of less than two metric tons by 2050. This subnational agreement is intended to show a path for nations to follow as they work toward a legally-binding global agreement to reduce GHG emissions ahead of this year’s United Nations Climate Change Conference in Paris in December.

Issue RFP for Legislative Representation in Washington, D.C.

Lisha B. Smith, Deputy Executive Officer presented on this item. The current SCAQMD contracts for legislative representation in Washington, D.C. expire on January 14, 2016, necessitating an RFP for continued legislative representation in Sacramento.

The Legislative Committee APPROVED staff’s recommendation to Issue an RFP for Legislative Representation in Washington, D.C.

AYES: Antonovich, Burke, Mitchell, Parker, and Rutherford

NOES:

[Refer to the July 10, 2015 Board Agenda Item No. 17 for additional information]

Recommend Position on Bills [Attachment 2]

AB 450 (McCarty) Greenhouse Gas: Energy Efficiency: Financing

Chair Judith Mitchell stated that staff has decided to continue to watch this bill and at this time will not present it to the committee for recommendation.

Guillermo Sanchez, Senior Public Affairs Manager, presented on the following two bills:

SB 398 (Leyna) Green Assistance Program

This bill is an effort to ensure that the promise held in the Greenhouse Gas Reduction Fund investment is fully and fairly realized. To that end, it creates the Green Assistance Program (GAP) and requires the Secretary for Environmental Protection, coordinating with other agencies, to provide outreach and technical assistance to small business and non-profits. Focusing on the state's most disadvantaged communities, GAP is meant to help small businesses and nonprofits access programs already funded by the GGRF for energy efficiency upgrades or projects that lessen the negative health impacts of poor air quality. Of the 1993 census tracts identified by CalEnviro Screen as being within the top 25% most disadvantaged communities, 1,368 are within SCAQMD's jurisdiction.

Recommended Position: Support

The Legislative Committee approved staff's recommendation to SUPPORT SB 398.

AYES: Mitchell, Parker, Rutherford

NOES: Antonovich, Burke

SB 400 (Lara) California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund

This bill would require the California High-Speed Rail Authority (HSRA) to allocate not less than 25% of the cap-and-trade funds appropriated from the GGRF to projects that either reduce or offset GHG emissions directly associated with the construction of the high-speed rail project and provide a co-benefit of improving air quality. The bill would also require priority to be given within this expenditure category to measures and projects located in areas designated as extreme nonattainment. San Joaquin and the South Coast Basin are in extreme nonattainment for ozone.

Recommended Position: Support with amendments clarifying that air quality co-benefits specifically means criteria pollutant and/or toxic contaminant emission reductions.

The Legislative Committee approved staff's recommendation to SUPPORT WITH AMENDMENTS SB 400 (Lara).

AYES: Burke, Antonovich, Parker, Mitchell, Rutherford
NOES:

Greenhouse Gas Reduction Fund Investment Principles [Attachment 3]
Guillermo Sanchez presented this item.

The attached principles were brought before the Committee to maximize criteria pollutant and toxic contaminant co-benefits from GGRF investments. It restates long-standing SCAQMD efforts in this area and allows the Agency to comprehensively address GGRF investments without picking and choosing amongst competing proposals or individually negotiating with over a dozen agencies. In short, the principles request that all GGRF investments be prioritized, in rank order, by:

- Air quality co-benefits;
- Public health impacts; and
- Other co-benefits, including support for clean technologies, jobs and the economy.

Recommended Position: Approve

The Legislative Committee approved staff's recommendation to APPROVE Greenhouse Gas Reduction Fund Investment Principles.

AYES: Burke, Antonovich, Parker, Mitchell, Rutherford
NOES:

Report from SCAQMD Home Rule Advisory Group [Attachment 4]
Please refer to Attachment 4 for written report.

Other Business:
None

Public Comment Period:
None

Attachments

1. Attendance Record
2. Bill and Bill Analyses
3. Greenhouse Gas Reduction Fund Investment Principles
4. SCAQMD Home Rule Advisory Group Report

ATTACHMENT 1

ATTENDANCE RECORD –June 12, 2015

SCAQMD BOARD MEMBERS:

Councilmember Judith Mitchell, Chair
Supervisor Michael Antonovich (Videoconference)
Dr. William A. Burke (Videoconference)
Dr. Clark E. Parker, Sr. (Videoconference)
Supervisor Janice Rutherford (Videoconference)

STAFF TO COMMITTEE:

Lisha B. Smith, Deputy Executive Officer
Derrick Alatorre, Assistant Deputy Executive Officer/Public Advisor
Guillermo Sanchez, Senior Public Affairs Manager
Julie Franco, Senior Administrative Secretary

SCAQMD STAFF:

Barbara Baird, Chief Deputy Counsel
Philip Fine, Assistant Deputy Executive Officer
Bayron Gilchrist, Assistant Chief Deputy Counsel
Matt Miyasato, Deputy Executive Officer
Mohsen Nazemi, Deputy Executive Officer
Kurt Wiese, General Counsel
Sam Atwood, Media Manager
Marc Carrel, Program Supervisor
David Madsen, Senior Public Information Specialist
Robert Paud, Telecommunications Supervisor
Todd Warden, Senior Public Information Specialist (Videoconference)
Patti Whiting, Staff Specialist
Kim White, Public Information Specialist
Rainbow Yeung, Senior Public Information Specialist (Videoconference)

OTHERS PRESENT:

Mark Abramowitz, Governing Board Member Consultant (Lyou)
Paul A. Gonsalves, Joe A. Gonsalves & Son (Teleconference)
Will Gonzalez, Gonzalez, Quintana & Hunter, LLC (Teleconference)
Gary Hoitsma, Carmen Group (teleconference)
Chung Liu, Governing Board Member Consultant (Mitchell)
Rita Loof, RadTech
David Rothbart, Los Angeles County Sanitation District
Andy Silva, Governing Board Member Consultant (Rutherford)
Susan Stark, Tesoro
Warren Weinstein, Kadash & Associates (Teleconference)

ATTACHMENT 2A

SB 398 (Leyva) Green Assistance Program

Summary:

This bill creates the Green Assistance Program (GAP) through the Office of the Secretary for Environmental Protection to provide technical assistance to small businesses, small non-profits and disadvantaged communities to access funding for energy efficiency upgrades or projects that lessen the negative health impacts of poor air quality.

Background:

Existing Law

Under the California Global Warming Solutions Act of 2006, existing law requires the California Air Resources Board (ARB) to determine the 1990 statewide greenhouse gas (GHG) emissions level, to approve a statewide GHG emissions limit equivalent to that level that will be achieved by 2020, and to adopt GHG emissions reductions measures by regulation. ARB is authorized to use market-based mechanisms to comply with the regulations and which has been implemented as its greenhouse gas cap and trade program. All moneys collected are to be deposited in the Greenhouse Gas Reduction Fund (GGRF).

Under the GGRF Investment Plan and Communities Revitalization Act, GGRF moneys must be used to facilitate GHG emission reductions consistent with the Global Warming Solutions Act of 2006. Appropriations of the GGRF funds in the annual budget are required to be consistent with the three-year investment plans developed by the Department of Finance in consultation with ARB and other relevant state agencies.

Pursuant to SB 535 (DeLeon), the GGRF investment plan is to allocate a minimum of 25% of the funds to projects that benefit disadvantaged communities and to allocate 10% of the funds to projects located within disadvantaged communities.

Cap-and-Trade Expenditure Plan in the Annual Budget

The 2014-15 Budget Act allocates cap-and-trade revenues for the 2014-15 fiscal year established a long-term plan for the allocation of cap-and-trade revenues beginning in fiscal year 2015-16. The Budget continuously appropriates 35% of cap-and-trade funds for investments in transit, affordable housing, and sustainable communities. Twenty-five percent of the revenues are continuously appropriated to continue the construction of high-speed rail. The remaining 40% will be appropriated annually by the Legislature for investments in programs that include low-carbon transportation, energy efficiency and renewable energy, and natural resources and waste diversion.

For the 2014-15 budget year, the Budget provided \$832 million of cap-and-trade proceeds to reduce GHG emissions and meet SB 535 goals. Reflecting swelling revenues being deposited in the GGRF, the Governor's 2015 May Revise proposes \$2.237 billion in cap-and-trade funding for the 2015-16 budget year as follows:

- \$ 1.6 billion for Sustainable Communities and Clean Transportation
 - including \$500 million for High Speed Rail Authority
- \$ 385 million for Energy Efficiency and Clean Energy
- \$ 237 million for Natural Resources and Waste Diversion

Disadvantaged Communities

CalEnviroScreen, a tool developed by the Office of Environmental Health Hazard Assessment, and through the direction of SB 535, determined a list of disadvantaged communities throughout California in October 2014. The areas within which the majority of disadvantaged communities were identified included the San Joaquin Valley, parts of Los Angeles and the Inland Empire, and large portions of the Coachella Valley and Mojave Desert, in addition to communities located near industrial areas and major roadways. (See attached map of SB 535 disadvantaged communities in the greater Los Angeles area.)

Bill Status: 6/3/15 Read third time. Passed. (Ayes 31. Noes 9.) Ordered to the Assembly.

Specific Provisions:

This bill:

- 1) Establishes GAP to be administered by the Secretary in concert with environmental justice programs.
- 2) Tasks the GAP with providing technical assistance to small businesses and small nonprofits, both as defined by the Secretary, and disadvantaged communities applying for GGRF moneys. The technical assistance may include, but is not limited to:
 - a) Basic information on available programs, eligibility requirements, and deadlines.
 - b) Referrals to designated contact people in agencies administering the programs.
- 3) Requires the Secretary, who may coordinate with other state agencies, local agencies, and nonprofits, to conduct outreach activities to inform eligible entities about the GAP.
- 4) Requires that the program use existing resources appropriated by the Legislature to the Office of the Secretary in the annual Budget Act.

Impacts on SCAQMD's Mission, Operations or Initiatives:

Southern California is home to some of the worst air quality in the nation, particularly those communities that serve as a primary corridor for transporting goods from the Ports of Long Beach and Los Angeles through the Inland Empire to other parts of the West Coast and nation. Unfortunately, many of California's and our region's most polluted areas are in disadvantaged communities with higher rates of poverty and incidences of asthma and cancer. These disadvantaged

communities, as well as small non-profits and businesses, typically do not have the technical expertise or marketing capabilities to develop and pursue grant and financing options, leaving them at a clear disadvantage in applying for green assistance funds.

GGRF investments have the promise of supporting local businesses and jobs while addressing the negative impacts of air quality from greenhouse gas emission reductions and cobenefit criteria pollutant and toxic emission reductions. SB 398 will help ensure that GGRF investments are made equitably and include investments within the SCAQMD as consistent with our population and pollution burden. Pursuant to SB 535, CalEnviroScreen identifies the top 25% most disadvantaged communities in the state: 1,368 of the 1,993 census tracts identified across the state are within SCAQMD’s jurisdictional boundaries.

SB 398 will help address an ongoing gap between green funding resources currently available at the state level and ability of small communities, non-profits and businesses within SCAQMD to access those funds.

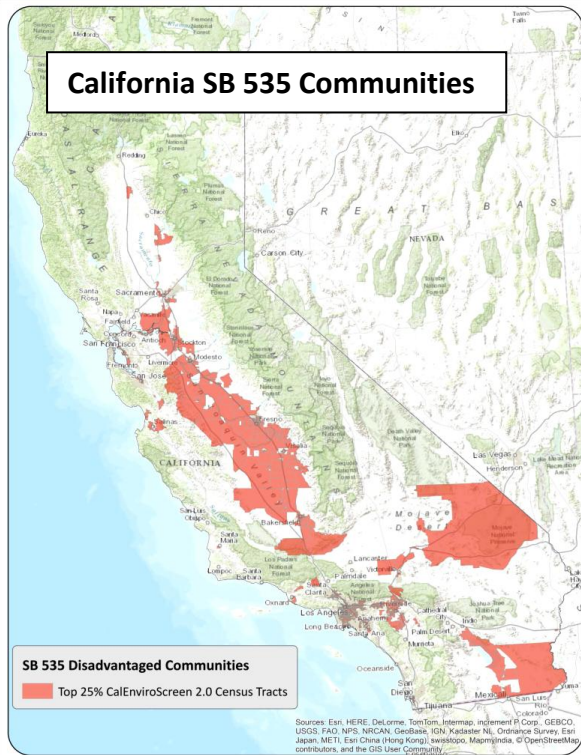
Recommended Position: SUPPORT

SUPPORT: (Verified 6/1/15)

- American Lung Association in California
- Asian Pacific Environmental Network
- Breathe California
- California League of Conservation Voters
- Climate Resolve
- Coalition for Clean Air
- Environmental Defense Fund
- Leadership Council for Justice and Accountability
- Lutheran Office of Public Policy, California
- Move LA
- National Resources Defense Council
- Physicians for Social Responsibility
- ReLeaf
- Sierra Club California
- Strategic Concepts in Organizing and Policy Education
- Trust for Public Lands
- Union of Concerned Scientists
- Valley Clean Air Now

OPPOSITION: (Verified 6/1/15)

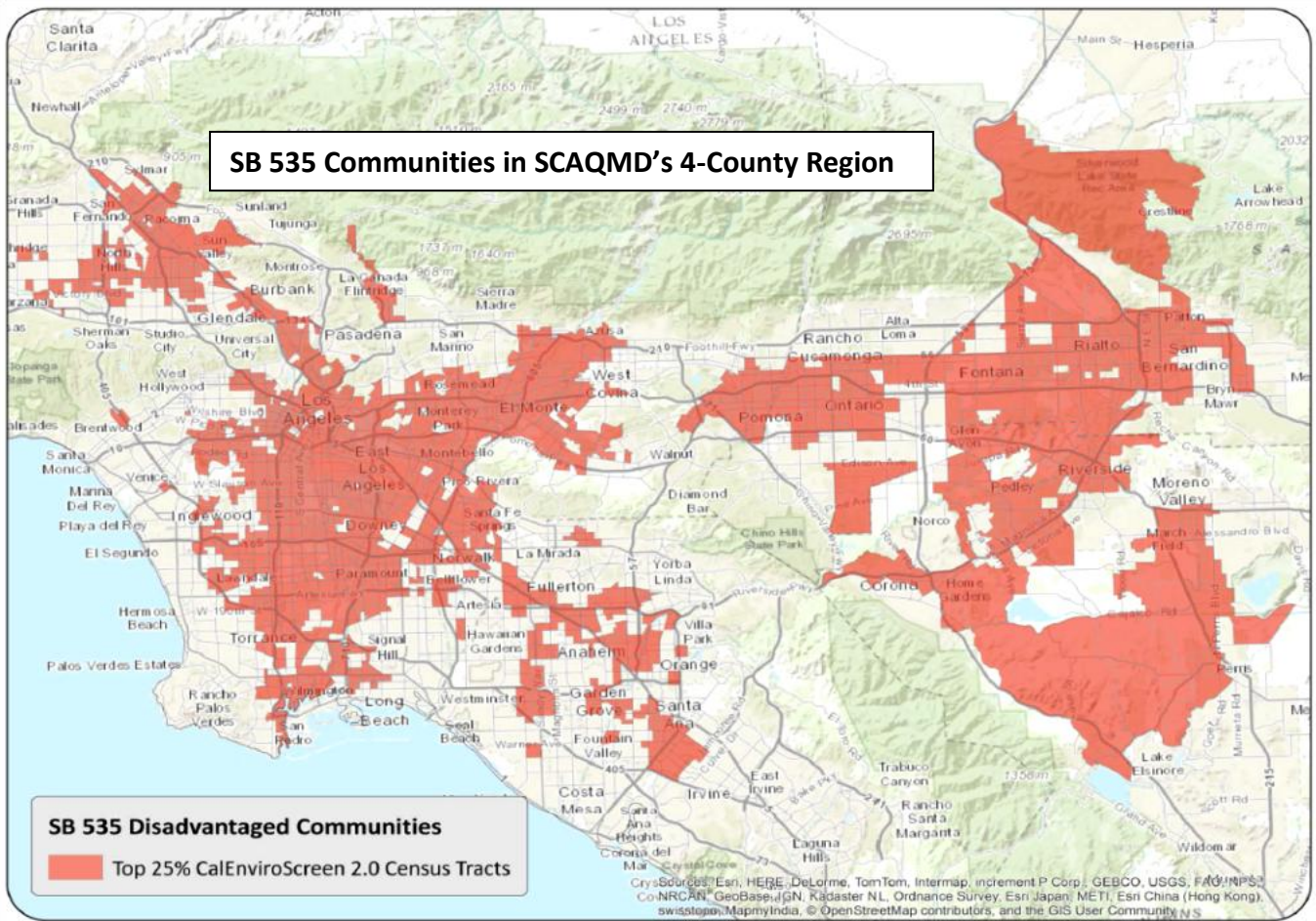
None received



Pursuant to SB 535, CalEnviroScreen identifies the top 25% most disadvantaged communities in the state: 1,368 of the 1,993 census tracts identified across the state are within SCAQMD’s jurisdictional boundaries.

Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. A census tract usually covers a contiguous area; however, the spatial size of census tracts vary widely depending on the density of settlement.

Census tract boundaries generally follow visible and identifiable features as well as nonvisible legal boundaries.



AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE APRIL 14, 2015

SENATE BILL

No. 398

**Introduced by Senator Leyva
(Coauthors: Senators Beall and Pavley)**

February 25, 2015

An act to add Part 10 (commencing with Section 44480) to Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 398, as amended, Leyva. Green Assistance Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

Existing law generally designates the state board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources.

This bill would establish the Green Assistance Program, to be administered by the Secretary for Environmental Protection in concert with environmental justice programs, that, among other things, would provide technical assistance to small businesses, small nonprofits, and

disadvantaged communities in applying for an allocation of moneys from the Greenhouse Gas Reduction Fund. The bill would declare that the secretary use existing resources for the program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
 2 following:

3 (a) Small businesses, small nonprofits, and disadvantaged
 4 communities often lack the technical expertise to develop grant
 5 and financing options.

6 (b) In order for the state to meet its greenhouse gas emissions
 7 reductions goals, every entity and community must have the same
 8 opportunity to compete for funding that is available to meet those
 9 goals.

10 SEC. 2. Part 10 (commencing with Section 44480) is added to
 11 Division 26 of the Health and Safety Code, to read:

12

13 PART 10. GREEN ASSISTANCE PROGRAM

14

15 44480. For purposes of this part, “secretary” means the
 16 Secretary for Environmental Protection.

17 44482. (a) The Green Assistance Program is hereby established
 18 and shall be administered by the secretary in concert with
 19 environmental justice programs. The program shall provide
 20 technical assistance to small businesses and small nonprofits, as
 21 both of those terms are defined by the secretary, and disadvantaged
 22 communities, as identified pursuant to Section 39711, in equitably
 23 applying for an allocation of the moneys deposited in the
 24 Greenhouse Gas Reduction Fund, created pursuant to Section
 25 16428.8 of the Government Code.

26 (b) The technical assistance provided as part of the program
 27 established pursuant to this part may include, but is not limited to,
 28 ~~any of~~ the following:

29 (1) Basic information on available programs, eligibility
 30 requirements, and deadlines.

31 (2) Referrals to designated contact people in public agencies
 32 administering the programs.

1 ~~(3) Assistance during the application preparation and submission~~
2 ~~process.~~

3 44484. (a) The secretary shall conduct outreach activities to
4 inform small businesses, small nonprofits, and disadvantaged
5 communities of the program established pursuant to this part.

6 (b) The secretary may coordinate outreach activities with other
7 state agencies, local agencies, and nonprofits that serve eligible
8 program applicants.

9 44486. The program established pursuant to this part shall use
10 existing resources appropriated by the Legislature to the office of
11 the Secretary for Environmental Protection in the annual Budget
12 Act.

O

ATTACHMENT 2B

SB 400 (Lara)

California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund.

Summary: This bill would require the California High-Speed Rail Authority (HSRA) to allocate not less than 25% of the cap-and-trade funds appropriated from the Greenhouse Gas Reduction Fund (GGRF) to projects that either reduce or offset greenhouse gas (GHG) emissions directly associated with the construction of the high-speed rail project and provide a cobenefit of improving air quality. The bill would also require priority to be given within this expenditure category to measures and projects located in areas designated as extreme nonattainment.

Background: The California Global Warming Solutions Act of 2006 (AB 32) designates the State Air Resources Board (ARB) as the state agency charged with monitoring and regulating sources of GHG emissions. ARB is required to adopt a statewide GHG emissions limit equivalent to the statewide GHG emissions level in 1990, to be achieved by 2020. AB 32 authorizes ARB to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by ARB from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited into the GGRF and be available upon appropriation.

Existing law creates the HSRA to direct development and implementation of intercity high-speed rail service that is fully coordinated with other public transportation services. In 2008, voters approved Proposition 1A authorizing \$9.95 billion in general obligation bonds for the high-speed rail program. In addition to bond funds, HSRA has also received some federal grants to partially fund the construction of the system.

Also, existing law establishes a long-term cap-and-trade expenditure plan by continuously appropriating portions of the funds for designated purposes. Among other things, existing law continuously appropriates 25% of the annual proceeds from cap-and-trade to HSRA for various project components of the high-speed rail program, including:

- a) Acquisition and construction costs
- b) Environmental review and design costs
- c) Other capital costs
- d) Repayment of any loans made to the authority

The Governor's May Revise includes \$500 million of GGRF monies for the High Speed Rail Authority in his proposal for the 2015-16 State Budget.

Status: 6/2/15 - In Assembly. Read first time. Held at Desk.

Specific Provisions: Specifically, this bill would:

- 1) Require HSRA to allocate not less than 25% of the appropriated cap-and-trade funds to projects that either reduce or offset GHG emissions directly associated with the construction of the high-speed rail project **and** provide a cobenefit of improving air quality; and
- 2) Require HSRA to prioritize allocating this funding for measures and projects in communities that are located in areas designated as extreme nonattainment.

Impacts on SCAQMD’s mission, operations or initiatives: According to the author, many of the communities along the proposed high-speed rail route are in regions that are disproportionately impacted by poor air quality. Residents living in close proximity to heavily congested transportation corridors already suffer adverse health effects from increased emissions. This bill would facilitate the HSRA’s use of some of the cap-and-trade funds to help impacted communities and would prioritize projects that reduce GHG emission in these affected regions. To further clarify what types of GHG emission reduction projects HSRA could propose, the bill includes a list of example projects eligible for this funding, including:

- 1) Public transit improvements that reduce congestion by improving transit service or frequency of service;
- 2) Transportation improvements that reduce congestion, including network improvements and roadway modifications;
- 3) Alternative transportation options, including infrastructure improvements that support clean transportation, facilitate bicycle and pedestrian use, and connect bicycle and pedestrian routes to transit facilities;
- 4) Natural systems, including rural and urban forests, that reduce GHG emissions or increase the sequestration of carbon to mitigate the impacts of GHG emissions and create greater climate resiliency; and
- 5) The use of low- and zero-emission equipment for transportation and construction.

This bill is consistent with District policy priorities because it provides a substantial funding source to support clean transportation and infrastructure, as well as low and zero emission equipment for transportation and construction, among other things. These efforts would help reduce emissions of criteria pollutants and toxic air contaminants within the South Coast region, thereby helping to protect public health and the attainment of federal air quality standards within the South Coast.

SCAQMD recommends an amendment to the current bill language:

- Replace “provide a cobenefit of improving air quality.” on Page 3, lines 23-24 with “provide a cobenefit by reducing criteria pollutant and/or toxic air contaminant emissions.”

Recommended Position: SUPPORT WITH AMENDMENTS

AMENDED IN SENATE JUNE 1, 2015
AMENDED IN SENATE APRIL 23, 2015
AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 400

Introduced by Senator Lara

February 25, 2015

An act to amend Section 39719 of the Health and Safety Code, relating to greenhouse gases, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 400, as amended, Lara. California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law makes a specified continuous appropriation to the High-Speed Rail Authority from the fund.

This bill would require the High-Speed Rail Authority to allocate not less than 25% of the moneys continuously appropriated to the authority from the fund to ~~environmental mitigation measures and projects that~~

~~reduce greenhouse gas emissions from transportation sources projects that either reduce or offset greenhouse gas emissions directly associated with the construction of the high-speed rail project~~ and provide a cobenefit of improving air quality. The bill would require priority to be given within this expenditure category to measures and projects that are located in communities in areas designated as extreme nonattainment. The bill would expand the purposes of a continuous appropriation, thereby making an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39719 of the Health and Safety Code is
 2 amended to read:
 3 39719. (a) The Legislature shall appropriate the annual
 4 proceeds of the fund for the purpose of reducing greenhouse gas
 5 emissions in this state in accordance with the requirements of
 6 Section 39712.
 7 (b) To carry out a portion of the requirements of subdivision
 8 (a), annual proceeds are continuously appropriated for the
 9 following:
 10 (1) Beginning in the 2015–16 fiscal year, and notwithstanding
 11 Section 13340 of the Government Code, 35 percent of annual
 12 proceeds are continuously appropriated, without regard to fiscal
 13 years, for transit, affordable housing, and sustainable communities
 14 programs as following:
 15 (A) Ten percent of the annual proceeds of the fund is hereby
 16 continuously appropriated to the Transportation Agency for the
 17 Transit and Intercity Rail Capital Program created by Part 2
 18 (commencing with Section 75220) of Division 44 of the Public
 19 Resources Code.
 20 (B) Five percent of the annual proceeds of the fund is hereby
 21 continuously appropriated to the Low Carbon Transit Operations
 22 Program created by Part 3 (commencing with Section 75230) of
 23 Division 44 of the Public Resources Code. Moneys shall be
 24 allocated by the Controller, according to requirements of the
 25 program, and pursuant to the distribution formula in subdivision
 26 (b) or (c) of Section 99312 of, and Sections 99313 and 99314 of,
 27 the Public Utilities Code.

1 (C) Twenty percent of the annual proceeds of the fund is hereby
2 continuously appropriated to the Strategic Growth Council for the
3 Affordable Housing and Sustainable Communities Program created
4 by Part 1 (commencing with Section 75200) of Division 44 of the
5 Public Resources Code. Of the amount appropriated in this
6 subparagraph, no less than 10 percent of the annual ~~proceeds~~,
7 *proceeds* shall be expended for affordable housing, consistent with
8 the provisions of that program.

9 (2) (A) Beginning in the 2015–16 fiscal year, notwithstanding
10 Section 13340 of the Government Code, 25 percent of the annual
11 proceeds of the fund is hereby continuously appropriated to the
12 High-Speed Rail Authority and shall be allocated for the following
13 components of the initial operating segment and Phase I Blended
14 System as described in the 2012 business plan adopted pursuant
15 to Section 185033 of the Public Utilities Code:

- 16 (i) Acquisition and construction costs of the project.
- 17 (ii) Environmental review and design costs of the project.
- 18 ~~(iii) Environmental mitigation measures and projects that reduce~~
19 ~~greenhouse gas emissions from transportation sources and provide~~
20 ~~a cobenefit of improving air quality.~~
- 21 *(iii) Projects that either reduce or offset greenhouse gas*
22 *emissions directly associated with the construction of the*
23 *high-speed rail project and provide a cobenefit of improving air*
24 *quality.*
- 25 (iv) Other capital costs of the project.
- 26 (v) Repayment of any loans made to the authority to fund the
27 project.

28 (B) The High-Speed Rail Authority shall allocate not less than
29 25 percent of the moneys appropriated pursuant to subparagraph
30 (A) for the purposes of clause (iii) of subparagraph (A). Priority
31 for allocating funding for those purposes shall be given to measures
32 and projects in communities that are located in areas designated
33 as extreme nonattainment.

34 (C) Measures and projects eligible for funding pursuant to clause
35 (iii) of subparagraph (A) may include, but are not limited to, the
36 following:

- 37 (i) Public transit improvements that reduce congestion by
38 improving transit service or frequency of transit service.
- 39 (ii) Transportation improvements that reduce congestion,
40 including network improvements and roadway modifications.

- 1 (iii) Alternative transportation options, including infrastructure
- 2 improvements that support clean transportation, facilitate bicycle
- 3 and pedestrian use, and connect bicycle and pedestrian routes to
- 4 transit facilities.
- 5 (iv) Natural systems, including rural and urban forests, that
- 6 reduce greenhouse gas emissions or increase the sequestration of
- 7 carbon to mitigate the impacts of greenhouse gas emissions and
- 8 create greater climate resiliency.
- 9 ~~(v) Reduction of emissions directly associated with construction~~
- 10 ~~of the high-speed rail project, including the~~ *The* use of low and
- 11 zero-emission equipment for transportation and construction.
- 12 (c) In determining the amount of annual proceeds of the fund
- 13 for the purposes of the calculation in subdivision (b), the moneys
- 14 subject to Section 39719.1 shall not be included.

ATTACHMENT 3

SCAQMD Principles Regarding Greenhouse Gas Reduction Fund Investments

The growing funds deposited in the Greenhouse Gas Reduction Fund (GGRF) present a momentous opportunity for the state to maintain its leadership in addressing climate change, relieving millions of Californians from the impacts of poor air quality, and provide investments to support jobs and the economy. Nevertheless, despite the increasing funds available under the GGRF and the state General Fund, California's resources are not unlimited and the challenges it must address are many. Thus, it is imperative that state investments be carefully planned to maximize the benefits to the state.

Fortunately, many strategies to reduce greenhouse gas emissions also have cobenefits for criteria and toxic air pollution. While California's climate change program is unparalleled, in regards to criteria pollution, many areas in the state are still in nonattainment of national ambient air quality standards despite the great progress made to date. Continued failure to meet the federal clean air standards not only has significant negative public health impacts but also exposes the state to costly federal sanctions that would impact the transportation sector and state and local economies.

Consequently, to maximize the benefit to the state from its GGRF investments and protect the public from the negative public health impacts of poor air quality, SCAQMD recommends the following three principles in ranked order to guide GGRF investments:

- 1) All GGRF investments be prioritized according to the criteria and toxic pollution cobenefits achieved;
- 2) All GGRF investments be prioritized by their public health impacts; and
- 3) All GGRF investments should be prioritized by their other cobenefits including, but not limited to support for clean technologies, jobs and the economy.

ATTACHMENT 4

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

LEGISLATIVE REPORT FROM HOME RULE ADVISORY GROUP MEETING OF MAY 20, 2015

HRAG members present:

Dr. Joseph Lyou, Chairman

Philip Fine, SCAQMD

Mike Carroll, Latham & Watkins on behalf of the Regulatory Flexibility Group

Curt Coleman, Southern California Air Quality Alliance

Chris Gallenstein, CARB (participated by phone)

Jayne Joy, Eastern Municipal Water District (participated by phone)

Bill LaMarr, California Small Business Alliance

Rongsheng Luo, SCAG (participated by phone)

Art Montez, AMA International

Diane Moss, Renewables 100 Policy Institute

Terry Roberts, American Lung Association of California

David Rothbart, Los Angeles County Sanitation Districts

Larry Rubio, Riverside Transit Agency (participated by phone)

Lee Wallace, So Cal Gas and SDG&E

Others: Mark Abramowitz (Board Consultant to Dr. Lyou); Sue Gornick (WSPA); Daniel McGivney (SoCalGas/SDG&E); Noel Muyco (SoCalGas/SDG&E); Rita Loof (Radtech); and Susan Stark (Tesoro).

AQMD Staff: Susan Nakamura, Guillermo Sanchez, Bill Wong, and Marilyn Traynor

LEGISLATIVE UPDATE

Guillermo Sanchez reported on the following items that were discussed at the Legislative Committee meeting that was held after the Board Retreat on May 8, 2015:

State

There are several state bills pending which will allow for the commercial use of drones or unmanned aircraft; however, government agencies will have certain restrictions. Prompting the discussion is the Federal Aviation Administration's (FAA) proposed regulations intended to open up the airspace to commercial drones. The FAA estimates that there will be over 50,000 drones flying within the next few years. The principal limitation on such drones under the existing proposed regulations is that they must be operated within the line of sight of the operator, but already pressure is mounting to drop that restriction.

Although SCAQMD has no immediate plans to employ drones, pursuant to a Board request, Laki Tisopulos, Assistant Deputy Executive Officer for Technology Advancement, presented a white paper at the last Legislative Committee meeting outlining the state of the technology for

unmanned aircraft as well as their potential implications. Dr. Lyou noted the value of drones in emergency situations and for use by small APCDs with limited staff.

Ultimately, the issue comes down to two questions:

- 1) How do we balance our right of privacy with technological innovation?
- 2) How do we ensure that our legitimate concerns about privacy and civil liberties do not hamper innovations that benefit society?

Agency staff will continue to monitor the state of the technology as well as legislation and regulations on the matter.

Greenhouse gas-related legislation and the Greenhouse Gas Reduction Fund are major drivers of policy this legislative session. Over 140 bills related to greenhouse gas and climate change have been introduced this year. Many of them represent contending priorities on how the growing Greenhouse Gas Reduction Fund should be spent. Nevertheless, this discussion represents a major opportunity for the SCAQMD to maximize the benefit of the state's investments by securing co-benefit emission reductions of criteria pollutants along with GHG emission reductions. The parameters of this legislative discussion will be better known after the Senate and Assembly Appropriations Committees' suspense hearings on May 28, 2015.

Discussion

With regard to drones, Dr. Fine noted that the issue of privacy is a primary concern. Mr. Montez stressed the importance of worker safety; he encouraged the Board to proceed with the use of drones and let the lawyers work out the liability issues with the insurance companies later. Mr. LaMarr asked if SCAQMD has immediate plans to purchase or use drones. He added that the stakeholders have several concerns, privacy rights being one. Mr. Sanchez responded that SCAQMD has no plans to employ drones at this point; however, drone technology is rapidly moving forward and staff feels that SCAQMD, as well as research institutions and other agencies, should be included in the policy discussions.

With regard to the budget, Mr. Montez asked where the majority of the surplus money is going. Mr. Sanchez responded that this is the crux of the debate in Sacramento. Much of the surplus funds in the state's general fund will go to formula requirements such as the state's Proposition 98 funding guarantee for education. Another significant portion of funding will go to pay down past state obligations to local governments. With regard to "surplus funds" generated by cap-and-trade revenues being deposited in the Greenhouse Gas Reduction Fund, staff will have a better sense once the bills begin to move through their respective second chambers.

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 33

REPORT: Mobile Source Committee

SYNOPSIS: The Mobile Source Committee met on Friday, June 19, 2015. Following is a summary of that meeting. The next Mobile Source Committee meeting is scheduled for Friday, July 24, 2015 at 9:00 a.m.

RECOMMENDED ACTION:
Receive and file.

Dr. Clark E. Parker, Sr., Chair
Mobile Source Committee

PMF: afm

Attendance

Committee Chair Dr. Clark E. Parker, Sr. and Committee Member Shawn Nelson attended via teleconference; Committee Member Judith Mitchell attended at SCAQMD headquarters. Committee Members Dr. Joseph Lyou and Ben Benoit were absent. Dr. Parker called the meeting to order at 9:05 a.m.

The following items were presented:

INFORMATIONAL ITEMS:

1) Low-Emission Leaf Blower Vendors

Dr. Barry Wallerstein, Executive Officer, explained that this item was inadvertently posted as an informational item, though it is in fact an action item. Therefore, if there were no objections from the Committee members, staff recommended that this item be forwarded to the full Board for consideration at the Board meeting in July.

Committee member Mitchell asked if electric leaf blowers were included in the program. Mr. Vasken Yardemian, Senior Staff Specialist, and Dr. Matt Miyasato,

Deputy Executive Officer, responded that the Program Announcement is open to any technology meeting the PA's criteria, including electrical leaf blowers. Dr. Parker had a concern about whether these companies were offering SCAQMD the best price as part of this program. He suggested that these companies should apply their wholesale price rather than manufacturers' suggested retail price because of the large number of products being exchanged. Dr. Wallerstein indicated that commercial electric leaf blower technology is still being developed and at this time there is one company who has the low emission certified leaf blower that is commercially available.

2) Draft 2016 AQMP Business Case White Paper

Dr. Elaine Shen, Program Supervisor, provided an update on efforts regarding the preliminary draft "A Business Case for Clean Air Strategies" white paper. The presentation discussed the definition of "business case" in the context of clean air attainment, as well as the purpose of this 2016 AQMP white paper. The content of the paper was guided by the working group process, and enriched by industry case studies and stakeholder comments. Staff continues to research more cases and examples, which will help further develop and refine planning concepts to guide eventual control measures and related programs in the upcoming AQMP. The preliminary draft of the white paper was made publicly available online on June 18, 2015 and will be discussed during the June 23, 2015 A Business Case for Clean Air working group meeting. The final white paper will be presented to the SCAQMD Board with nine other white papers in September, 2015. Eventually, the planning concepts developed from the paper will be used to evaluate potential AQMP control strategies.

In regards to the Southern California Gas Company case study that Dr. Shen presented, Dr. Parker inquired about the total dollar amount of incentives needed to incentivize the purchase of newer, near-zero emission natural gas trucks. Dr. Shen replied that the focus of the preliminary study was to derive the amount per truck only. Dr. Wallerstein commented on available public funds for necessary technology adoption, especially for small businesses. Dr. Parker asked about the difference between such funds and the Carl Moyer Program. Dr. Wallerstein replied that to attain federal air quality standards, all available funds will be needed for the deployment of needed technologies. Supervisor Nelson commented that he liked the general direction of the paper, but was concerned that major capital investments already made needed to be respected as new rules are passed in subsequent years.

WRITTEN REPORTS:

3) Rule 2202 Activity Report

The report was received as submitted.

4) Monthly Report on Environmental Justice Initiatives – CEQA Document Commenting Update

The report was received as submitted.

OTHER BUSINESS:

None.

PUBLIC COMMENT:

None.

The meeting was adjourned at 9:48 a.m.

Attachment

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE COMMITTEE MEETING
Attendance Roster- June 19, 2015**

NAME	AFFILIATION
Dr. Clark E. Parker, Sr.	SCAQMD Governing Board (<i>via videoconference</i>)
Supervisor Shawn Nelson	SCAQMD Governing Board (<i>via videoconference</i>)
Councilmember Judith Mitchell	SCAQMD Governing Board
Board Consultant Chung Liu	SCAQMD Governing Board (Mitchell)
Board Consultant Ruthanne Taylor-Berger	SCAQMD Governing Board (Benoit)
Board Consultant Andrew Silva	SCAQMD Governing Board (Rutherford)
Curtis Coleman	SoCal Air Quality Alliance
Sue Gornick	WSPA
Daniel McGivney	SoCalGas
Noel Muyco	SoCalGas
Susan Stark	Tesoro
Barry Wallerstein	SCAQMD Staff
Philip Fine	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Henry Hogo	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Joe Cassmassi	SCAQMD Staff
Adewale Oshinuga	SCAQMD Staff
Sam Atwood	SCAQMD Staff
Richard Carlson	SCAQMD Staff
Tina Cox	SCAQMD Staff
Shah Dabirian	SCAQMD Staff
Carol Gomez	SCAQMD Staff
Tracy Goss	SCAQMD Staff
Bayron Gilchrist	SCAQMD Staff
Priscilla Hamilton	SCAQMD Staff
Sang-Mi Lee	SCAQMD Staff
Ian MacMillan	SCAQMD Staff
Chris Marlia	SCAQMD Staff

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE COMMITTEE MEETING
Attendance Roster- June 19, 2015**

Randall Pasek	SCAQMD Staff
Elaine Shen	SCAQMD Staff
Kim White	SCAQMD Staff
Patti Whiting	SCAQMD Staff
Vasken Yardemian	SCAQMD Staff

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 34

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, June 19, 2015.
Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Dennis Yates, Chair
Stationary Source Committee

MN:am

Attendance

The meeting began at 10:30 a.m. In attendance at SCAQMD Headquarters were Committee Chair Dennis Yates and Committee Member Judith Mitchell. Committee Member Shawn Nelson attended via videoconference. Absent were Committee Members Dr. Joseph Lyou and Ben Benoit.

ACTION ITEMS

1. Home Rule Advisory Group Membership

Deputy Executive Officer Dr. Philip Fine presented the request from Western States Petroleum Association to appoint Ms. Sue Gornick to the Home Rule Advisory Group, with Mr. Mike Wang as an alternate.

Moved (Mitchell), seconded (Nelson) and unanimously recommended for approval.

2. Amend Contract for Media, Advertising and Public Outreach for Check Before You Burn Program

Mr. Sam Atwood, Media Relations Manager, presented this item. In 2013, following a competitive bid process, the Board awarded a contract to Sensis to develop and implement an outreach campaign for the 2013-14 Check Before You Burn program. The purpose of the program is to raise general awareness of the program and alert people to no-burn days to improve program compliance. This past

season there were 25 no-burn days. Last season's outreach program consisted of paid advertisements on TV, radio, the Internet and digital billboards, which resulted in 35 million impressions, about 36,000 website clicks through to the Check Before You Burn webpage, about 400 news stories through earned media and almost 1,000 people signing up to receive AirAlerts.

The current contract with Sensis includes an option to renew for a second and final one-year contract. The Board approved the first additional one-year contract last year. Staff is recommending that the contract with Sensis be renewed for a final year in an amount not to exceed \$493,000.

Councilmember Mitchell commented that there were only 1,000 Air Alert signups and asked how this number could be increased, since it is such a valuable tool and an easy way to receive notification of a no-burn alert on smart phones. Mr. Atwood replied that he will work with Sensis to see how to refocus some of the advertising and the outreach strategy, including social media, to increase signups to Air Alerts.

Mayor Yates suggested contacting school districts to see if we can get parent's permission to have their children sign up for Air Alerts, possibly as part of the overall information package provided at the start of each school year.

Moved (Nelson), seconded (Mitchell) and unanimously recommended for approval.

INFORMATIONAL ITEMS

3. Summary of Proposed Amended Rule 1420.1

Ms. Susan Nakamura, Director of Strategic Initiatives, provided a summary of the proposed amendments to Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities. The rule proposes reducing the lead point source emission rate, requiring annual source testing, and including closure provisions for facilities that are permanently ceasing production.

Mr. Michael Buckantz, Quemetco, supported the 0.003 lb/hr mass emission limit for lead. He said that Quemetco plans to advocate for the same lead point source emission rate in other states, such as Indiana and New York, and at the national level. Mr. Buckantz also noted that the proposed rule removes the biennial source test option and instead requires annual source testing. Mayor Yates asked why the biennial source test option was being removed. Ms. Nakamura responded that annual source testing is necessary because the proposed limits are extremely low. Mayor Yates asked about the cost of source testing, and Mr. Buckantz replied that the additional source testing would cost Quemetco \$250,000. Executive Officer Dr. Barry Wallerstein commented that there have been fluctuations in past source tests

and that Quemetco has a permit application to increase their throughput by 25 percent. Mayor Yates asked about the status of their permit application. Deputy Executive Officer Mohsen Nazemi responded that Quemetco applied for permits in 2013 but CEQA review is still pending and Dr. Wallerstein indicated that there are other compliance issues which have delayed the process. Mr. Nazemi added that the permit decision may be issued sometime this year.

4. Update on Proposed Amended 1420.2 – Emission Standards for Lead from Metal Melting Facilities

Ms. Nakamura presented an update on Proposed Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities. Ms. Nakamura reported on the status of several issues that staff has worked on with stakeholders over the past month. Mark Olson, Vice President/General Manager of Gerdau (Rancho Cucamonga), reported positive progress and stated that rule staff has addressed significant areas of concern. Mr. Olson stated that Gerdau, as the largest seismic steel bar manufacturer in the U.S., is confident that the \$40 million investment it has committed to will result in the facility meeting both the National Ambient Air Quality Standards and the 0.100 µg/m³ standard. Mr. Olson stated that Gerdau is prepared to make this investment to ensure clean technology and hopes that the rule achieves the Board’s objectives. Mr. Olson thanked SCAQMD staff and stated that he looks forward to working with SCAQMD in the future. Councilmember Mitchell thanked staff for working with the regulated community. Mayor Yates asked staff to look into street sweepers fueled by CNG and potential SCAQMD Moyer or other funding to help the facilities purchase these cleaner sweepers.

5. Update Regarding Health Risk Assessments for Two Specific Facilities

Mr. Ian MacMillan, Planning and Rules Manager, presented an update on the AB 2588 Toxic Hot Spots Health Risk Assessments (HRAs) for two facilities, Quemetco and Hixson Metal Finishing. A facility may be required to prepare an HRA through a traditional AB 2588 process of quadrennial emissions reporting followed by prioritization and finally a request for an HRA using the base emission year from the quadrennial update. Alternatively, based on supplemental data such as ambient monitoring or source tests, the Executive Officer may require a facility to prepare an HRA (typically using the base emission year corresponding to when the supplemental data was collected) if there is the potential that the risks from the facility exceed action risk level, triggering risk reduction. A description was also given on how emissions from different years are used in AB 2588 HRAs. A base emission year is used in the HRA for public notification purposes; however, if emissions have changed since the HRA was requested, this can be presented as supplemental information in the HRA. In the case of Hixson, public notification happened recently based on 2013 emissions. In the case of Quemetco, emissions have also decreased, and this will be considered in the HRA, however the most

recent revision of the HRA is still under review by SCAQMD staff. A short description of the Hixson HRA and public notification process was also provided. Following the presentation, Mayor Yates inquired on the origin of the hexavalent chromium at Hixson and whether or not it is related to hexavalent chromium emissions from cement production. Mr. Nazemi replied that Hixson uses chromic acid in some of its processes. Councilmember Mitchell asked if a facility is given credit if it puts in place control measures after an HRA is requested. Dr. Wallerstein replied that this is taken into consideration and it is even possible that a facility would not be required to conduct risk reduction activities if they can demonstrate that they have put in place enforceable reductions.

Councilmember Mitchell also inquired about how emissions from the HRA are used for public notification for these two facilities specifically. Mr. MacMillan replied that in the case of Hixson, the risk results from the base year (2013) were used to notify approximately 7,700 addresses with a letter providing information about the HRA, and a public meeting was subsequently held to provide more specific information and to answer questions. Quemetco will go through the same process. Councilmember Mitchell followed up asking whether there are any subsequent notifications to the public. Mr. MacMillan replied that if risks are above certain thresholds, then a facility must conduct annual meetings until risks are reduced. Dr. Wallerstein also stated that there are other public notification processes such as Proposition 65 requirements. Mayor Yates asked whether we notify the public if a facility has reduced risks below thresholds. Dr. Wallerstein stated that because there is a cost to notification, we do not require a facility to conduct notification if risks drop below thresholds. However, in the case of Hixson, we have committed to hold a followup public meeting and provide an update on activities to the community in six months.

During public comment, Mr. Mike Buckantz from Quemetco emphasized that changes have occurred at Quemetco since the AB 2588 HRA was requested in late 2013, including several revisions of the HRA, changes to facility operations, and significant testing and monitoring. Mayor Yates asked if Quemetco knew what caused the elevated arsenic levels in source tests conducted in 2013. Mr. Buckantz replied that he believes the source could have been from various test methods or processes; however, the more important result is that recent source tests show lower levels. Quemetco also understands that public notification is critical and committed early to it. Mr. Buckantz expressed his concern about when the facility spends considerable resources doing HRAs and source testing, and yet the 'good news' isn't reported. He wants to make sure that the Committee isn't left with the impression that Quemetco hasn't done anything in the last year and a half. Dr. Wallerstein agreed that the facility has taken a number of actions in this time period. However, there are a number of considerations with this facility including: that it deals with hazardous pollutants, it has a history of test results showing high levels of several

pollutants including lead, arsenic, carbon monoxide, and most recently benzene, and it is applying for a 25% increase in throughput that will require a CEQA document with its own HRA. Given all of these factors, staff believes it is in the best interest of everyone, including the facility, to go through this process once and get it right the first time. Mr. Buckantz agreed that this is the right approach. Finally, Mr. Buckantz felt that while comparing monitoring results to modeling results isn't inappropriate, he did feel that a monitor out in the community would be better suited for this exercise, but he is willing to have more of a dialog about this issue.

Mr. Curt Coleman from the Southern California Air Quality Alliance stated that he wasn't sure that the use of the new Office of Environmental Health Hazard Assessment (OEHHA) guidance is appropriate when it has not yet been approved by CARB. He indicated that CARB just recently held a meeting on the revised Risk Management Guidelines using the new OEHHA guidelines. However, seeing that Quemetco will require a CEQA analysis for its permit application, he felt it is appropriate for the District to use the new guidance for CEQA analysis. He also recognized that unique circumstances led to the treatment approach for Hixson and Quemetco, and expects that other facilities will have simpler processes in the future.

Supervisor Nelson asked what the response is from the public when older data is presented first if newer information is available. Dr. Wallerstein responded that it depends on which segment of the public is involved and the public notice serves the community right to know. However, in the most recent case of Hixson, SCAQMD staff was complimented on how information had been presented. He felt that by presenting the older information first, the public has faith that the facility will continue to make reductions. There is also good reason to show the older information first to avoid any appearance that something may be hidden. Most importantly, it is important to show a full picture of facility emissions historically.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

PUBLIC COMMENTS

There were no Public Comments.

Mayor Yates announced that the next Stationary Source Committee meeting is scheduled for July 24, 2015, but he will not be in attendance, and adjourned the meeting at 11:35 a.m.

Attachment

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
June 19, 2015
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board
Councilmember Judith Mitchell	SCAQMD Governing Board
Supervisor Shawn Nelson (VT)	SCAQMD Governing Board
Board Consultant Chung Liu	SCAQMD Governing Board (Mitchell)
Rita Loof	Rad Tech
Bill LaMarr	Small Business Alliance
Barry Wallerstein	SCAQMD Staff
Mohsen Nazemi	SCAQMD Staff
Philip Fine	SCAQMD Staff
Kurt Wiese	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Susan Nakamura	SCAQMD Staff
Sam Atwood	SCAQMD Staff
Ian MacMillan	SCAQMD Staff
Kim White	SCAQMD Staff

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 35

REPORT: Technology Committee

SYNOPSIS: The Technology Committee met on June 19, 2015. Major topics included Technology Advancement items reflected in the regular Board Agenda for the July Board meeting. A summary of these topics with the Committee's comments is provided. The next Technology Committee meeting will be held on July 24, 2015.

RECOMMENDED ACTION:

Receive and file.

Dennis R. Yates
Acting Technology Committee Chair

MMM:pmk

Attendance: Mayor Dennis Yates, in attendance at SCAQMD headquarters, chaired the meeting in Supervisor John Benoit's absence. Councilmember Judith Mitchell was also in attendance at SCAQMD headquarters. Councilmember Joe Buscaino and Supervisor Janice Rutherford participated by videoconference. Mayor Miguel Pulido was absent due to a conflict with his schedule.

JULY BOARD AGENDA ITEMS

1. Issue Program Announcement for Proposition 1B-Goods Movement Emission Reduction Program

In June 2015, CARB approved updates to the Proposition 1B-Goods Movement Emission Reduction Program Guidelines identifying new specifications and funding levels for eligible heavy-duty truck projects. The updates include funding for new and used diesel trucks for small fleets and near-zero and zero emission trucks for large fleets. In order to maximize participation statewide, air districts plan to release Program Announcements in a synchronized manner. A release date has not yet been established. This action is to issue a Program Announcement for heavy-duty truck projects once CARB has finalized the solicitation criteria in consultation with air districts.

Moved by Mitchell; seconded by Rutherford; unanimously approved.

2. Amend Contract to Provide Additional Funding to Develop and Demonstrate Plug-In Hybrid Vehicles 

The Board previously recognized \$45,443,332 from the DOE for the development and demonstration of a fleet of medium-duty plug-in hybrid vehicles at utilities and other fleets across the nation, and a contract was executed with the Electric Power Research Institute (EPRI) to conduct the project. This action is to amend the contract with EPRI to continue data collection in order to further evaluate performance and operational benefits while providing feedback for optimization of these plug-in hybrid vehicles in an amount not to exceed \$250,000 from the Clean Fuels Fund (31).

Councilmember Buscaino joined the meeting.

Councilmember Mitchell asked if all of the additional requested funds would be going toward data collection only, while Mayor Yates inquired if there was enough money left in the program to do the data collection. Staff responded the funds were for data collection, analysis and reporting. The 296 vehicles would continue to be tracked across the country since the vehicles have not been on the road long enough to get significant data. The program is ending next month, and funds have been spent on an unexpected amount of time and cost to perform the certification testing required by CARB and EPA. Staff emphasized the importance of maintaining a good relationship with DOE.

Moved by Mitchell; seconded by Rutherford; unanimously approved.

3. Amend Contract to Provide Additional Funding for Hydrogen Fueling Station Demonstration 

The Board previously approved a contract with Linde, LLC, for \$250,000 to design and build a hydrogen station in Laguna Niguel. Subsequently, due to the inability to come to an agreement with site owners, a new site in Orange County was identified for the hydrogen station. The permitting requirements for the new site, however, have increased costs by \$160,000. To ensure the station moves forward, Linde, LLC has requested additional funds to equally share the higher costs. This action is to amend the contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration in an amount not to exceed \$80,000 from the Clean Fuels Fund (31).

In response to a question by Councilmember Mitchell on the new site (San Juan Capistrano) being far south in our Basin, staff responded that it will serve as a connector station from the South Coast to San Diego and is in a convenient location next to the freeway.

Moved by Buscaino; seconded by Rutherford; unanimously approved.

4. Execute Contracts for Two Heavy-Duty CNG Vehicles in Coachella Valley 

In 2009, the MSRC awarded the City of Desert Hot Springs \$25,000 in match funds to purchase one heavy-duty CNG-powered truck. Financial constraints have prevented the City from purchasing this vehicle. Additionally, the Coachella Valley Association of Governments (CVAG) has requested funding for the purchase of a paratransit vehicle for deployment at Roy's Desert Resource Center, the first comprehensive resource center for the transitionally homeless in Coachella Valley. This action is to award contracts from the Clean Fuels Fund (31) to: 1) the City of Desert Hot Springs to cost-share the purchase of a CNG truck with the MSRC in an amount not to exceed \$38,000; and 2) CVAG to purchase a heavy-duty CNG paratransit vehicle in an amount not to exceed \$140,000.

Councilmember Buscaino inquired whether the MSRC funds are still available for the City of Desert Hot Springs (DHS) project. Staff verified that MSRC funding awarded to DHS in 2009 is still available. Councilmember Mitchell also inquired about the use of the paratransit bus for Roy's Desert Resource Center (DRC). Staff responded that Roy's DRC provides ground transportation services to its clients to and from North Palm Springs. The program enables the homeless to get to and from the shelter as well as connects with public transportation services such as Sunline Transit. Mayor Yates inquired as to why DHS was not able to meet the terms of the MSRC grant it had applied for in 2009. Staff indicated that DHS experienced significant financial hardship as a result of the recession and could not provide the match funding required in the MSRC grant.

Moved by Mitchell; seconded by Buscaino; unanimously approved.

5. Recognize Revenue and Appropriate Funds from Clean Fuels, Carl Moyer AB 923 and Proposition 1B-Goods Movement Programs for Administrative Support, Outreach and Education, Capital Outlays, and Related Activities 

The Technology Advancement Office executes hundreds of contracts annually to implement incentive, demonstration and technology transfer projects, involving ongoing administrative support, outreach and education, capital outlays, and related activities. This action is to recognize up to \$1,585,000 in revenue into the General Fund and appropriate \$1,585,000 to the Science & Technology Advancement FY 2015-16 Budget from the following special revenue funds: \$1,185,000 from the Clean Fuels Program Fund (31); \$100,000 from the Carl Moyer Program AB 923 Fund (80); and \$300,000 from the Proposition 1B-Goods Movement Program Fund (81). These appropriations will ensure flexibility and expediency in administering and implementing these programs and in procuring and maintaining equipment required by the programs. Publication requirements will be waived for advanced technology vehicle acquisitions as they are available from limited dealerships.

Moved by Mitchell; seconded by Buscaino; unanimously approved.

ITEM FOR DISCUSSION ONLY

6. Concept for Residential EVSE Pilot Program

Staff will provide information on residential Electrical Vehicle Supply Equipment (EVSE) incentive programs and seek input on a conceptual residential EVSE buy-down program in the SCAQMD jurisdiction.

Mayor Yates asked how much Southern California Edison is providing by way of rebate. Staff responded that SCE is not providing any residential EVSE incentives.

Councilmembers Mitchell and Buscaino supported the concept of a residential EVSE incentive program. However, Councilmember Buscaino felt there needed to be additional support for residents of Environmental Justice (EJ) communities to incentivize infrastructure in these areas. Staff responded that EJ residents would be referred to the Enhanced Fleet Modernization Program Plus-Up (EFMP Plus-Up), which provides low-income families more-generous incentives towards the purchase of PEVs and installation of infrastructure than the proposed EVSE pilot program.

7. Other Business

There was no other business.

8. Public Comment Period

There was no public comment.

Next Meeting: July 24, 2015

Attachment

Attendance

Attachment – Attendance

Councilmember Joseph Buscaino	SCAQMD Governing Board (via VT)
Councilmember Judith Mitchell.....	SCAQMD Governing Board
Supervisor Janice Rutherford	SCAQMD Governing Board (via VT)
Mayor Dennis Yates	SCAQMD Governing Board
Andrew Silva.....	Board Consultant (Rutherford)
Bob Ulloa	Board Consultant (Yates)
Barry Wallerstein, Executive Officer.....	SCAQMD
Barbara Baird, Chief Deputy Counsel.....	SCAQMD
Matt Miyasato, STA.....	SCAQMD
Laki Tisopulos, STA	SCAQMD
Randall Pasek, STA.....	SCAQMD
Dean Saito, STA.....	SCAQMD
Jason Aspell, STA	SCAQMD
Al Baez, STA	SCAQMD
Phil Barroca, STA	SCAQMD
Brian Choe, STA	SCAQMD
Drue Hargis, STA.....	SCAQMD
Joseph Impullitti, STA	SCAQMD
Patricia Kwon, STA	SCAQMD
Lourdes Cordova Martinez, STA.....	SCAQMD
Lisa Mirisola, STA.....	SCAQMD
Walter Shen, STA.....	SCAQMD
Mei Wang, STA	SCAQMD
Vicki White, STA.....	SCAQMD
Matthew Gribble, STA	SCAQMD Student Intern
Naveen Berry, PRDAS.....	SCAQMD
Robert Paud, IM	SCAQMD
Penny Shaw Cedillo, STA.....	SCAQMD
Pat Krayser, STA.....	SCAQMD
Danielle Robinson	California Air Resources Board
Jon Leonard	Gladstein, Neandross. & Associates LLG.
Tom Gross	Southern California Edison
Susan Stark.....	Tesoro

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 36

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on June 18, 2015. The next meeting is scheduled for Thursday, August 7, 2015, at 2:00 p.m., in Conference Room CC8.

RECOMMENDED ACTION:
Receive and file.

Henry Hogo
Assistant Deputy Executive Officer
SCAQMD Liaison to the MSRC

MMM:HH:AP

Meeting Minutes Approved

The MSRC unanimously approved the minutes from its May 21, 2015 meeting. Those approved minutes are attached for your information (*Attachment 1*).

Replacement Contract for Website Services

Following an open RFP process in 2011, the MSRC selected Mineral LLC to redesign, host and maintain the MSRC website. The contract effectuating the award allowed for up to two extensions of two years each, contingent upon allocation of funds by the MSRC and approval by the SCAQMD Board. The MSRC approved exercising the first option in February 2013. At their January 2015 meeting, the MSRC unanimously approved executing the second two-year option, including an allocation of an additional \$17,200 to the contract to supplement the remaining balance of \$8,690, but Mineral was unable to return the signed contract modification before the original contract expired on April 30, 2015. The MSRC considered and approved a 22-month replacement contract in the amount of \$25,890 as part of the FYs 2014-16 Work Program. The SCAQMD Board will consider this replacement contract at its July 10, 2015 meeting.

Exercise Option Clause of Technical Advisor's Contract

Following an open RFP process in June 2013 to solicit Technical Advisor services, the MSRC selected Raymond Gorski. The contract was for a two-year period from

October 1, 2013 through September 30, 2015, and included an option clause for a second two-year period. The option clause provided for an approximate 1.7% cost of living adjustment for a not-to-exceed contract amount of \$299,600. The MSRC evaluated Mr. Gorski's performance and approved exercising the option, extending the contract term to September 30, 2017 and increasing the contract value by \$299,600. Of the \$299,600 amount, 75% (\$224,700) will come from the respective FY work programs, and 25% (\$74,900) will come from the respective Administrative Budgets. The SCAQMD Board will consider this contract modification at its July 10, 2015 meeting.

Approval of FY 2015-16 Administrative Budget

Administrative costs for the AB 2766 Discretionary Program are limited by the state to five percent annually of the overall budget. Every year, the MSRC adopts an Administrative Budget for the upcoming fiscal year to ensure costs remain within this limitation. On June 18, 2015, the MSRC adopted its FY 2015-16 Administrative Budget in the amount of \$699,185, which is more than \$65,000 below the five percent cap. As part of the adoption of the FY 2015-16 Administrative Budget, the MSRC included an allocation of \$56,000 for miscellaneous expenditures, such as postage, office supplies and equipment, advertising, travel, etc. These funds will be transferred to the Science & Technology Advancements FY 2015-16 Budget. Expenses will be tracked and any funds not expended by the end of the fiscal year will be returned to the MSRC. The SCAQMD Board will consider authorization of the fund transfer at its July 10, 2015 meeting.

Received and Approved Final Reports

The MSRC received and unanimously approved four final report summaries this month as follows:

1. County of Los Angeles Department of Public works, Contract #MS08018, which provided \$60,000 for the purchase of two trucks equipped with advanced natural gas engines;
2. County of Los Angeles Department of Public Works, Contract #MS10015, which provided \$37,955 for the purchase of two trucks equipped with advanced natural gas engines;
3. 99 Cents Only Stores, Contract #MS12072, which provided \$100,000 towards the construction of a CNG station;
4. City of Los Angeles, Bureau of Sanitation, Contract #MS12082, which provided \$175,000 towards the installation of a CNG station.

Contract Modification Request

The MSRC considered a contract modification request for the City of Coachella Contract #ML12057, which provides \$57,456 for the purchase of a natural gas heavy-duty vehicle and street sweeping, and unanimously approved the City's request to revise the street sweeping route specified in their contract, as well as a 23-month no-cost term extension, as part of the FY 2011-2012 Local Government Match Program.

Contracts Administrator's Report

The MSRC's AB 2766 Contracts Administrator provides a written status report on all open contracts from FY 2004-05 through the present. The Contracts Administrator's Report for June 2015 is attached (*Attachment 2*) for your information.

Attachment

- Attachment 1 – Approved May 21, 2015 Meeting Minutes
- Attachment 2 – June 2015 Contracts Administrator's Report



MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, MAY 21, 2015 MEETING MINUTES
21865 Copley Drive, Diamond, Bar, CA 91765- Conference Room CC-8

MEMBERS PRESENT:

(Chair) Greg Pettis, representing RCTC
(Vice Chair) Larry McCallon, representing SANBAG
Michael Antonovich, representing SCAQMD (via v/c)
Michele Martinez, representing SCAG
Brad McAllester (Alt.), representing Los Angeles County MTA (via v/c)
Dolores Roybal Saltarelli, representing Regional Rideshare Agency (via v/c)
Todd Sax (Alt.), representing California Air Resources Board
Steve Veres, representing LA County MTA (via v/c)
Erik White, representing California Air Resources Board
Greg Winterbottom, representing OCTA

MSRC-TAC MEMBERS PRESENT:

(MSRC-TAC Chair) Gretchen Hardison, representing City of Los Angeles
Rongsheng Luo (Alt.), representing Southern California Association of Governments
Dean Saito, representing SCAQMD
Rick Teebay (Alt.), representing Los Angeles County Board of Supervisors
Earl Withycombe, representing California Air Resources Board

OTHERS PRESENT:

Michael Cacciotti, Councilmember, City of South Pasadena and
SCAQMD Governing Board Member (via v/c)
Lauren Dunlap, Southern California Gas
Earl Elrod, SCAQMD Board Asst (Yates)
Thomas Halleran, Vice President of Transportation for L.A. 2015
Kelly Lynn, representing San Bernardino Associated Governments
Debra Mendelsohn, SCAQMD Board Asst (Antonovich)
Ric Teano, OCTA

SCAQMD STAFF & CONTRACTORS

Ray Gorski, MSRC Technical Advisor-Contractor
Matt MacKenzie, MSRC Contracts Assistant
Ana Ponce, MSRC Administrative Liaison
Cynthia Ravenstein, MSRC Contracts Administrator
Veera Tyagi, Senior Deputy District Counsel
Rachel Valenzuela, MSRC Contracts Assistant

CALL TO ORDER

- Call to Order

MSRC Chair Greg Pettis called the meeting to order at 2 p.m.

- Opening Comments

Chair Pettis presented a Certificate of Recognition to MSRC Member Earl Withycombe for his service to the MSRC from April 2008 to April 2015. He thanked Mr. Withycombe for his dedication, time, effort and expertise over the last seven years. MSRC Member Greg Winterbottom also acknowledged Mr. Withycombe's contributions and stated that the organization was much enhanced by his work and conscientiousness in helping the MSRC stay the course on spending their money and fulfilling their goal of getting rid of smog. Earl Withycombe thanked the MSRC for the opportunity to serve on the Committee. He will now be assuming the role of CARB's representative to the MSRC-TAC.

PUBLIC COMMENT PERIOD

- Public comments were allowed during the discussion of each agenda item. No comments were made on non-agenda items.
- Election of MSRC Chair and Vice Chair

MSRC Chair Greg Pettis conducted the annual election of MSRC Chair and Vice Chair. MSRC Member Greg Winterbottom recommended that the nomination for Chair and Vice Chair be taken as one motion.

Nominations for the Chair and Vice Chair were opened.

A MOTION WAS INTRODUCED BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER MICHELE MARTINEZ, TO NOMINATE GREG PETTIS AS CHAIR, AND LARRY MCCALLON AS VICE CHAIR, FOR ANOTHER TERM.

No further nominations were offered, so nominations were closed.

THE ABOVE MOTION WAS UNANIMOUSLY APPROVED.
AYES: MARTINEZ, SALTARELLI, VERES, WHITE,
WINTERBOTTOM, MCCALLON, PETTIS.
NOES: NONE.

CONSENT CALENDAR (Items 1 through 5)**Receive and Approve Items**

MSRC Member Greg Winterbottom pulled Item #2 from the consent calendar.

Agenda Item #1 – Minutes of the April 16, 2015 MSRC Meeting

The minutes of the April 16, 2015 MSRC meeting were distributed at the meeting.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC VICE CHAIR LARRY MCCALLON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 5, THE MSRC UNANIMOUSLY VOTED TO APPROVE THE APRIL 16, 2015 MSRC MEETING MINUTES.

AYES: MARTINEZ, SALTARELLI, VERES, WHITE, WINTERBOTTOM, ANTONOVICH, MCCALLON, PETTIS.
NOES: NONE.

ACTION: Staff will include the minutes in the MSRC Committee Report for the June 5, 2015 SCAQMD Board meeting, and place a copy on the MSRC's website.

Agenda Item #2 – Summary of Final Reports by MSRC Contractors

Veera Tyagi, Senior Deputy District Counsel, made a disclosure on behalf of MSRC Member Greg Winterbottom, that he has a financial interest and is required to identify for the record that he is a member of the Board of Directors for OCTA, which is involved in this item.

MSRC Member Greg Winterbottom spoke to Item #2 on the consent calendar. He thanked the MSRC staff and his colleagues for assisting OCTA in the OC Fair Express. They did a great job. One lesson learned was that usage of one of the routes was not quite as robust as they would have liked, so that route is not coming this year. However, there were several lines that were standees only and they had to run a sweeper behind them because they were so crowded. It was a fantastic result from the expenditure of about \$600,000.

[MSRC Member Michael Antonovich arrived during the discussion of this item.]

Three final report summaries were included in the agenda package, as follows:

1) Ryder System Incorporated, Contract #MS11068, which provided \$175,000 towards the installation of an LNG/LCNG Fueling Station in Fontana; 2) Ryder System Incorporated, Contract #MS11069, which provided \$175,000 towards the installation of an LNG/LCNG Fueling Station in Orange; and 3) Orange County Transportation Authority, Contract #MS14008, which provided \$601,187 to implement Express Bus Service to the Orange County Fair.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC VICE CHAIR LARRY MCCALLON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 5, THE MSRC UNANIMOUSLY VOTED TO APPROVE THE FINAL REPORTS ABOVE.

AYES: MARTINEZ, SALTARELLI, VERES, WHITE, WINTERBOTTOM, ANTONOVICH, MCCALLON, PETTIS.
NOES: NONE

ACTION: MSRC staff will file the final reports and release any retention on the contracts.

Receive and File Items

Agenda Item #3 – MSRC Contracts Administrator's Report

The MSRC AB 2766 Contracts Administrator's Report for March 26 through April 29, 2015, was included in the agenda package.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC VICE CHAIR LARRY MCCALLON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 5, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR'S REPORT FOR MARCH 26 THROUGH APRIL 29, 2015. AYES: MARTINEZ, SALTARELLI, VERES, WHITE, WINTERBOTTOM, ANTONOVICH, MCCALLON, PETTIS. NOES: NONE.

ACTION: SCAQMD staff will include the MSRC Contracts Administrator's Report in the MSRC Committee Report for the June 5, 2015 SCAQMD Board meeting.

Agenda Item #4 – AB 2766 Discretionary Fund Financial Report

A financial report on the AB 2766 Discretionary Fund for the period ending April 30, 2015 was included in the agenda package.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC VICE CHAIR LARRY MCCALLON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 5, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE PERIOD ENDING APRIL 30, 2015. AYES: MARTINEZ, SALTARELLI, VERES, WHITE, WINTERBOTTOM, ANTONOVICH, MCCALLON, PETTIS. NOES: NONE.

ACTION: No further action is required.

Agenda Item #5 – Consider Modified Scope of Work and 25-Month Term Extension by City of Gardena, Contract #ML11032 (\$102,500 – Purchase Vehicle, Expand Stations & Upgrade Maintenance Facility)

The City requests to substitute a CNG street sweeper for the heavy-duty LPG vehicle specified in the contract. The City further requests to substitute the larger dispenser for the three smaller dispensers as part of their CNG station expansions, as well as a 25-month contract term extension. The MSRC-TAC unanimously recommended approval.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND SECONDED BY MSRC VICE CHAIR LARRY MCCALLON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1 THROUGH 5, THE MSRC UNANIMOUSLY VOTED TO APPROVE THE CITY OF GARDENA, CONTRACT #ML11032, TO SUBSTITUTE THE A CNG STREET SWEEPER FOR THE HEAVY-DUTY LPG VEHICLE; THE LARGER DISPENSER FOR THREE SMALLER DISPENSERS; AND A 25-MONTH CONTRACT TERM EXTENSION, AS PART OF THE FY 2010-11 LOCAL GOVERNMENT MATCH PROGRAM. AYES: MARTINEZ, SALTARELLI, VERES, WHITE, WINTERBOTTOM, ANTONOVICH, MCCALLON, PETTIS. NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

ACTION CALENDAR (Items 6 through 8)**FYs 2014-16 Work Program****Agenda Item #6 – Consider Funding for Proposal(s) Received under the Major Event Center Transportation Program**

MSRC Member Michael Antonovich stated that he has no financial interest in the proposal that the MSRC is approving, but noted for the record that he is a member of the MTA Board of Directors.

Veera Tyagi, Senior Deputy District Counsel, made a disclosure on behalf of MSRC Member Greg Winterbottom, that he has no financial interest but is required to identify for the record that he is a member of the Board of Directors for OCTA, which is involved in this item; and Brad McAllester is also not required to recuse himself, but has to note for the record that he is a staff member of the Los Angeles County Metropolitan Transportation Authority, which is involved in this item.

MSRC-TAC Member Kelly Lynn, Chair/TCM Subcommittee, presented this item to the Committee.

Two project applications have been received to date. Los Angeles County Metropolitan Transportation Authority (Metro) proposes to implement express transportation services between Union Station and Dodger Stadium. The transportation program will support all LA Dodgers home games for the 2015 and 2016 seasons and promote the use of transit (bus and Metrolink rail) in lieu of personal automobile. Dodger Stadium Express service will be provided on a 10-minute frequency from two hours prior to game, up to the third inning. Transportation service will be provided on an as-needed basis between the third inning and seventh inning. Post-game Dodger Stadium Express service will be provided “load and go” from the 7th inning to 45 minutes after the game’s end. In 2010 they had 121,000 participants; in 2013-14, 397,000 participants. They are anticipating over 400,000 participants for the 2015 season. The total project cost is estimated at \$2,700,000. Metro and Metrolink will contribute no less than \$1,350,000 towards development and implementation of outreach and promotional materials. The transportation services will include bus transportation to and from Union Station and Dodger stadium for all games, and Metrolink service in support of a cross-town link. When the Angels play at Dodger Stadium they would add a service on the Orange Line from Oceanside to Union Station, and then passengers would take the Express Service to Dodger Stadium.

The Orange County Fair Express proposes to implement express transportation service between nine existing transit facilities and the Orange County Fair. The Fair Express will provide service on Friday nights (12 noon-1 a.m.) and all day on Saturdays and Sundays for all five weekends of the 2015 Fair season. They will also cover the nine concerts happening during the Fair. The total project cost is estimated at \$1,445,566. OCTA and the Orange County Fair and Event Center will collectively contribute no less than \$723,300 towards the project. The MSRC is asked to contribute \$722,266 to offset operating costs. The services will include transportation every 20-40 minutes, depending upon route, to and from the Fullerton Park & Ride, the Depot at Santa Ana, Goldenwest Transportation Center, Anaheim Canyon Metrolink Station, Laguna Hills Transportation Center, Irvine Transportation Center, Junipero Serra Park & Ride, the Village at Orange, and Anaheim Regional Transportation Intermodal Center (ARTIC). They will utilize LNG and CNG buses.

The MSRC-TAC recommends that Metro be awarded \$1,350,000 for Implementation of the Dodger Stadium Express for the 2015 and 2016 baseball seasons. The MSRC-TAC also

recommends that OCTA be awarded \$722,266 towards implementation of the Orange County Fair Express for the 2015 Fair season.

Ray Gorski will be providing quantified data for the Event Center Programs to illustrate what the benefits are, based upon rider surveys, to MSRC Member Erik White.

MSRC Member Michele Martinez agrees that first and last-mile connections and making sure that people are able to access transit is extremely important. Programs like these help remove the stigma that only poor people take public transportation. Having programs like these help us move a notch forward. Let's continue to have that open mind and look beyond just using a bus and looking at rideshare and bike share and other modes so that we are able to connect everything. We want to make sure that in all our communities we provide the different multi-modal opportunities. This is a great example that we can utilize to start educating the public.

ON MOTION BY MSRC VICE CHAIR LARRY MCCALLON, AND
SECONDED BY MSRC MEMBER MICHELE MARTINEZ, THE MSRC
VOTED UNANIMOUSLY TO AWARD METRO \$1,350,000 FOR
IMPLEMENTATION OF THE DODGER STADIUM EXPRESS FOR THE
2015 AND 2016 BASEBALL SEASONS; AND TO AWARD OCTA \$722,266
TOWARDS THE IMPLEMENTATION OF THE ORGANGE COUNTY FAIR
EXPRESS FOR THE 2015 FAIR SEASON, AS PART OF THE FY 2014-'16
EVENT CENTER TRANSPORTATION PROGRAM.
AYES: ANTONOVICH, MARTINEZ, SALTARELLI, VERES, WHITE,
WINTERBOTTOM, MCCALLON, PETTIS.
NOES: NONE.

ACTION: Staff will include this item for consideration by the SCAQMD Board at its June 5, 2015 meeting.

Agenda Item #7 – Consider Unsolicited Proposal to Assist in Implementing Clean Air Transportation Services in Support of Special Olympics World Games

Ray Gorski, MSRC Technical Advisor, reported on this item. At the last meeting there was a request by the MSRC to have staff work with the Games Organizing Committee on behalf of the Special Olympics World Games to determine if there were any opportunities to provide assistance in support of clean transportation for the Special Olympics World Games which are going to be held in Los Angeles starting towards the middle end of July. When it was presented to us, it set in motion a very quick succession of events because of the timeline needed to implement any program within the public process. Even though this starts in July, from staff's perspective, that requires them to go through the Committee process to ensure that any potential funding recommendation has been done in accordance with SCAQMD and MSRC policies and the public process. Representatives from the Games Organizing Committee on behalf of the Special Olympics World Games, are present and would like to address the MSRC. To set the stage prior to their comments, Mr. Gorski will inform the MSRC what staff did and where they are today relative to that request.

Staff put together some draft guidelines to assist the Special Olympics World Games Organizing Committee in submitting a proposal for MSRC consideration. This is Attachment A provided to the MSRC today for reference. The Special Olympics Games Organizing Committee responded with a proposal, which is also attached. They are seeking approximately \$380,536 to assist in providing clean transportation in support of the multiple venues which will host the Special Olympics World Games. This, as far as sporting events go, is the second largest sporting event in

the world, next only to the regular Olympics held every four years. This is a huge event being hosted in the greater Los Angeles region. Venues, however, are going to be in multiple locations throughout the southland. The transportation obligations and requirements to move not only the 70,000 plus athletes and participants, but also the half a million spectators to and from these venues are dramatically large. Once the proposal was received from the Games Organizing Committee, staff sent it through a technical committee, as well as the MSRC-TAC, for review. The outcome was a recommendation by the TAC to award \$380,536 to the Games Organizing Committee to implement clean transportation services from Park & Ride lots to the various venues which will be hosting the athletic events. The proposal that they submitted had other funding request components to it, but the TAC recommendation was to focus on one specific element of their proposal and fund that for the entire requested amount of \$380,536.

Subsequent to the TAC meeting two weeks ago, staff had contact with the Games Organizing Committee. They have made staff aware that while they are extremely appreciative of the recommendation that came forward from the TAC and will abide by any recommendation and any offer of funding assistance which the MSRC provides, they did want to notify staff that the transportation needs are still evolving, and that there have been some changes. There have been shortfalls in transportation services identified, as well as funding needs identified, subsequent to the TAC recommendation. Yesterday they provided staff with a memorandum which outlined some additional transportation needs which they have encountered. Funding for this project will be coming from the unallocated balance which the MSRC currently has in their Discretionary Fund for the 2014-16 Work Program period. There is approximately \$15 million available which is currently not allocated, and that is the portion of the Discretionary Fund from which the funds would be drawn.

PUBLIC COMMENT: Thomas Halleran, Vice President of Transportation for L.A. 2015. Thank you for this opportunity to speak to you. I really appreciate the efforts that have been made on the part of the TAC to assist us through the process at a rather accelerated rate. To start with, our major problem with the transportation planning effort is that most events are not ticketed, unlike the Olympic games where every event is ticketed. In that situation you can begin to build some idea of where the people will be coming from and then plan Park & Ride lots, and this is exactly how we approached it in 1984 with the Olympic games. As the Director of Transportation for that event, I had a pretty good idea of where our groups were coming from as spectators. The Special Olympics participants we can identify that are full-time residents of this area, in that we have a good idea of where they are initiating their travels from, are our staff and volunteers and that number is between 20,000 and 30,000 people that would normally be driving their cars and coming to work every day. We are trying to get them to use different modes of transportation to lessen the impact on air quality. We started with that theory at the beginning when we decided to make the games as green as we could. That being said, I would like to point out that Metro and 13 other transit districts within the games' footprint have agreed to provide us rides on their equipment without additional cost. They will recognize our credentials as approval to board. That being said, with the flexibility of information that is coming in and the lack of knowledge of certain points of travel, it would be helpful if we could find a way to reduce the number of smaller vehicles by using larger vehicles, either mini buses, larger vans, or buses. The LAUSD has provided 300 buses which are all CNG so that we can use that to supplement where we need to. I think our theme is consistent and we have made a lot of progress and we are just down to the final two months before the games, trying to round out this transportation program so that we can achieve what we have set out to do. Mr. Halleran introduced the Director of Administration and the Manager of Administration. These two gentlemen have worked hand-in-hand with Ray Gorski and his folks through the process. If there are more specific questions beyond the development and design of the program, he would like to defer to them.

PUBLIC COMMENT: Mr. Halleran indicated that their transportation budget has about \$2 million that haven't been covered through sponsorships and partnerships to date; the full transportation budget is about \$10 million. That is money they are still trying to raise and hopefully will be able to reduce that shortfall through the participation of this area. We do recognize without question that there are strict guidelines that we have to meet before we can expect to receive the money and that is why we are asking for some flexibility in our approach to this. We certainly expect to be held accountable for being in compliance with MSRC guidelines. About \$2 million is currently the unsupported effort.

MSRC Vice Chair Larry McCallon asked if the \$380,536 is enough to cover these areas.

PUBLIC COMMENT: Mr. Halleran replied that given the guidelines of what we can hope to offset, that is enough. We are just asking for flexibility in how we use that amount. Our needs are going to be changing, and some will fit within the guidelines of what the MSRC has approved us to apply for. We recognize that it is going to be audited and decided upon whether we are reimbursed or not, so obviously we are going to keep our eye on that target to make sure that we can access as much of the \$380,536 as we are permitted to do.

MSRC Vice Chair Larry McCallon asked Mr. Gorski if the MSRC can allocate the moneys and say that as long as they stay within our guidelines, it's okay? Mr. Gorski said the MSRC has the discretion to award whatever amount they feel is appropriate and has the ability to give whatever levels of flexibility they deem appropriate. He offered the continued support of staff to assist the Special Olympics World Games in ensuring that at the end of the day all parties can stand up and say that the transportation and mobility services that were provided resulted in air quality benefits. Veera Tyagi, Senior Deputy District Counsel, added that the contract has to be enforceable. We can have some flexibility, but the contract has to have enforceable terms. She would caution that if you do not provide that then you allow us to determine, when they provide the paperwork, whether it complies with it or not, that doesn't provide them with the assurance that they will be reimbursed and it leaves the agency a little bit more vulnerable in our after-the-fact decision-making. It is always better to have a fully enforceable contract that is clear on its face.

MSRC Member Greg Winterbottom asked if the Organization is asking for assistance in transportation with the people who are working the games, not the participants.

PUBLIC COMMENT: Mr. Halleran replied that that is essentially correct. The participants are budgeted for, and we have money to take care of them, with the help of the L.A. Unified School District. They will primarily be moved by the school buses during the events. There are hundreds of events that we'll be supporting within that structure. An example would be in Long Beach. Metro has made the Blue Line available for spectators to travel to the games in Long Beach and then Long Beach Transit is providing the shuttle system to take them to each of the four venues in the city. It is a collaborative effort that hopefully will displace a lot of the car travel.

Mr. Winterbottom asked if we are going to be able to collect the necessary information to evaluate effectiveness. How is the process going to work? Mr. Gorski indicated that it is not completely defined. As Ms. Tyagi said, we would need staff to work with the Organizing Committee to build in those types of accounting obligations. We would need to know specifically what vehicles were going to be deployed where; what those vehicles' characteristics were; the number of passengers ultimately which were transported; to come up with a reduction in the vehicle miles traveled or trips which would have happened had that transportation service not been provided.

Mr. Gorski indicated that the TAC recommendation was the formal action taken and that cannot change. The only modifications to that can be made by the MSRC. He referred to the top of page 2 of the handout, which lists four additional areas where the Special Olympics World Games has sought flexibility: 1) Clean fuel bus services; 2) "Last Mile" circulators connecting to athletic venues; 3) Support for extended rail service; and 4) LADOT traffic mitigation services. MSRC Chair Greg Pettis asked if the MSRC funds the \$380,536, but gave them flexibility with this, staff would still need to work with them on how to keep track of it. Mr. White clarified his understanding that there would be flexibility upon any of these modes of transportation within that \$380,536. Mr. Gorski indicated that that is correct.

PUBLIC COMMENT: Juan Diego, Manager of Transportation Administration, for the Games Organizing Committee Transportation Department. He thanked the MSRC for hearing their proposal. In our planning for transportation, we mostly deal with our direct participants; our volunteer workforce, and things like that. I am looking at the data right now and it is really spread out over Los Angeles County, Orange County. We have a really wide footprint, not only with our venues. We have a sense that people are going to be coming from a lot of different places. We are heavily advertized in kind in a lot of different areas through a lot of different channels. Ray Gorski has touched really well on the fact that there are a lot of moving pieces that still haven't been figured out. We are real busy planning for how our athletes are going to get from where they are staying to the sporting events they are participating in. We have a partner in LAUSD who is allowing us to use their advanced vehicle technology that was actually paid for with MSRC funds to modernize their fleets. We are asking to pay more attention to our participants. The participants coming to LAX, for example, there has been communication with Super Shuttle who has CNG equipment that we can possibly utilize. When we say our van program, we feel that can actually realize a clean air benefit. So we are just asking for that flexibility, again, to operate the way that we know will service our constituents as well as possibly spectators in collaboration with Metro and the different transit organizations that we have been working with, and just realize the most beneficial program for the communities that would be impacted by our event.

MSRC Member Greg Winterbottom asked if there is any need for MSRC to review the amount that they are considering. MSRC Chair Greg Pettis said the Board will do what it wants, but he would be inclined to vote no on a request that would go into a higher dollar amount because Los Angeles has already had its max for special events and this is an extra over and above and while he thinks it is a very valid and valuable service that the MSRC can provide, we still have to be conscious of the region and what we are doing. Mr. Winterbottom stated that the point is well taken about the expenditure in the County. He moved the item with the ability for staff to have maximum latitude. We have to meet all of the requirements set forth by the contract. He asked when this will be reviewed again by the MSRC. Mr. Gorski said probably not until after the event has happened, considering it will be happening in July/August. Mr. White requested that fuel cell technology be considered as one of the types of transportation that may be utilized.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND
SECONDED BY MSRC VICE CHAIR LARRY MCCALLON, THE MSRC
VOTED UNANIMOUSLY TO FUND CLEAN FUEL TRANSPORTATION
SERVICES BETWEEN PARK & RIDE LOTS TO THE VARIOUS VENUES
WHICH WILL BE HOSTING ATHLETIC EVENTS IN AN AMOUNT NOT
TO EXCEED \$380,536., WITH THE ABILITY FOR STAFF TO HAVE
MAXIMUM LATITUDE WHILE MEETING ALL THE REQUIREMENTS.
AYES: ANTONOVICH, MARTINEZ, SALTARELLI, VERES, WHITE,
WINTERBOTTOM, MCCALLON, PETTIS.
NOES: NONE.

ACTION: Staff will include this item for consideration by the SCAQMD Board at its June 5, 2015 meeting.

Agenda Item #8 – Update on Development of Options for a Rideshare Thursday Public Awareness Campaign

Ray Gorski, MSRC Technical Advisor, reported on this item. Last month staff brought forward for MSRC consideration a Rideshare Thursday campaign. This campaign had as its hallmark heavy reliance upon the prior campaign which was implemented as an element of the 2011-12 Work Program. The proposal was to allocate \$1 million to enter into a contract which would utilize the created material to the maximum extent feasible and redeploy it out into the communities in an effort to stimulate multiple occupant and public transit utilization. There were several issues both technical and programmatic which were raised last month. Specifically, there were questions as to whether or not the \$1 million targeted funding level was sufficient to implement a regional program. There were questions as to the timeliness of the message and does it resonate with the millennial group of people, the younger people, who for all intents and purposes are the ones we want to reach because we want to alter their transportation habits for the rest of their lives. There were concerns that maybe the Rideshare Thursday campaign was carpooling centric and did not take into account other modes of transportation, specifically active transportation or other forms of rideshare. There were questions as to whether or not the prior campaign was, in fact, effective and was the message that we tried to convey received. Finally, there was concern relative to the necessity and the appropriateness of entering into a sole source contract with the thought being that maybe this could be competitively bid.

This has been reviewed. The action that was taken last month and the conversation that was had last month have been discussed at the MSRC TCM Subcommittee as well as the MSRC TAC levels. There are four potential next steps which we would like the MSRC to consider: 1) Pause. You don't need to do anything. There is no need at this time to implement a follow-on public awareness or regional outreach campaign. If the MSRC would choose to simply sit back for a while to see how other things develop, there is no downside to doing that. 2) If there is any additional information that staff could bring forward from the prior campaign to alleviate any of the concerns, both technical or programmatic, we could stay the course and make any necessary modifications to the program. By staying the course, that could be correcting deficiencies, adding additional emphasis in areas which you felt were appropriate and then doing it either as a sole source or as another Request for Proposals. 3) Remand this back to your TAC. The direction would be to develop a new public outreach campaign which again would have as its outcome increased utilization of transportation, ridesharing, alternative modes of transportation, including active transportation, to alleviate congestion and reduce mobile source emissions. That would require a little bit of time of course because the MSRC-TAC would need to for all intents and purposes start to try to put together something that would pass muster with this Committee. 4) Convene a Scoping Committee which would include members of the MSRC, which would draw upon your own experience/knowledge as well as what you believe the priorities should be for doing a public outreach campaign, and then bring other key stakeholders as you deem fit into the conversation to set a framework for a follow-on public awareness campaign which then would be handed off to the TAC to allow them to put together the details of a future program.

The Scoping Committee has some attractive elements to it. Starting from scratch without any guidance, it is possible that we could go down the wrong path, and after several months of effort bring to the MSRC something which the Committee would not find satisfactory. So any ability to work with the membership upfront to help set the boundaries of what should/should not be included, where the emphasis is, what could be done differently than last time, what are the

lessons learned, would again increase the probability that what we brought to the MSRC in the future would in fact pass the test of this Committee's scrutiny.

In conversation with the Technical Committees, they are seeking MSRC guidance as to what the MSRC believes is the next appropriate step in the process.

MSRC Member Michele Martinez opted for the Scoping Committee. Her recommendation is #4. MSRC Vice Chair McCallon agreed that the MSRC should probably not do a sole source. The MSRC does need to provide guidance because there are new modes of transportation and sharing that need to be considered. He thinks Michele Martinez would be a viable member on the Scoping Committee. MSRC Chair Pettis added that if we do the Scoping Committee meeting an effort should be made to have conversations in the outlying areas. In San Bernardino and Riverside County you cannot get anywhere in any mode other than the traditional bus and even that is challenging when there are one-hour time frames, so the young people and seniors are severely impacted. Those can be set in terms of a rolling community outreach meeting or tie them into the normal ones we have been doing. Mr. McCallon commented SANBAG started a project to look at all of the Metrolink stations and how they could provide access through active transportation or sharing buses. Right now the first-mile, last-mile connection is missing in a lot of our stations.

Mr. Gorski said that staff will put together some correspondence to all the MSRC members asking for their desire to participate in the Scoping Committee; asking for any initial areas you would like to have presented when the first Scoping Committee meeting is held; anything else you would like to convey to staff relative to needs within a specific region of the jurisdiction; and find a timeframe in which all the members can conveniently participate. Staff will be working closely with the MSRC-TAC Chair Gretchen Hardison and the MSRC-TAC to develop the materials and setting the logistics of the Scoping Committee.

MSRC Member Steve Veres indicated that a colleague wanted to make a comment.

PUBLIC COMMENT: Michael Cacciotti, Councilmember, City of South Pasadena, and SCAQMD Board Member representing Eastern Los Angeles County Cities, stated that he supports wholeheartedly staff's approach to reprising a program. Last month he spoke against reprising the rideshare campaign for obvious reasons. He mentioned that Santa Barbara has a Car-free.org program funded by the Air Pollution Control District in Santa Barbara. He supports the #4 approach, the Scoping Committee. He would like to be one of the stakeholders on that Committee. His recommendation would be not to move forward right away too fast. There is not a rush, but don't delay too long. There are some incredible opportunities coming up early next year with the opening of two major lines to Azusa Pacific, the Gold Line Foothill Extension Construction Authority and in a few months after that, the Expo Line to the beach; and other lines are progressing. Hopefully we can get something together so that when that opens we can partner (hopefully an RFP and not sole source) with these different entities: Metro, Amtrak, Metrolink, SCAQMD, OCTA, Riverside, SCAG, Uber, Lyft, and Foothill Extension Construction. Reach out to all the different communities, the general population, in this outreach marketing campaign: Latino, Chinese, Mandarin, Cantonese, Korean, Vietnamese, Armenian, seniors, youth, building existing partnerships with these already-existing programs. He mentioned the Metrolink Upland Lemon Festival; and Railroad Days in Fullerton. Other recommendations would be to use that \$1 million to partner with other people, supplement their existing great outreach programs; focus on big major events like the opening of the Foothill Gold Line Construction Authority Lines. As these events open up, work with KNX. Work with some of these television shows. When these lines open up, have a whole week series. Focus on a lot of short videos; 15-30 second videos showing a happy family getting on the train to Chinatown or Little Tokyo. Last week he took the

Dodger Shuttle. This is an incredible opportunity. Don't rush it, but let's get it moving forward. For the first time since 1940 we can take a train from the ocean almost to the San Bernardino mountains and Riverside. Look at the Santa Barbara car-free program. He took the Amtrak up there, with his bike, rode around, locked the bike, took an electric shuttle, went wine tasting, went to the Mission, without even touching a car. Let's get out of our cars, whether it's walking, riding a bike, taking a bus, or taking Lyft. We can do it!

OTHER BUSINESS

Agenda Item #9 – Other Business

No other business was introduced.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC MEETING
ADJOURNED AT 3:20 P.M.

NEXT MEETING:

Thursday, June 18, 2015, at 2 p.m., Room CC-8.

[Prepared by Ana Ponce]



MSRC Agenda Item No. 3

DATE: June 18, 2015

FROM: Cynthia Ravenstein

SUBJECT: AB 2766 Contracts Administrator's Report

SYNOPSIS: This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from April 30 to May 27, 2015.

RECOMMENDATION: Receive and file report

WORK PROGRAM IMPACT: None

Contract Execution Status

2014-16 Work Program

On December 5, 2014, the SCAQMD Governing Board approved an award under the AB118 Enhanced Fleet Maintenance Program. This contract is executed.

2012-14 Work Program

On April 5, 2013, the SCAQMD Governing Board approved three awards under the Event Center Transportation Program. These contracts are executed.

On July 5, 2013, the SCAQMD Governing Board approved an additional award to Orange County Transportation Authority under the Event Center Transportation Program. This contract is executed.

On September 6, 2013, the SCAQMD Governing Board approved an award to Transit Systems Unlimited under the Event Center Transportation Program. This contract is executed.

On November 1, 2013, the SCAQMD Governing Board approved two awards under the Event Center Transportation Program. These contracts are executed.

On December 6, 2013, the SCAQMD Governing Board approved 25 awards under the Local Government Match Program, 12 awards under the Alternative Fuel Infrastructure Program, one award under the Alternative Fuel School Bus Incentives Program, and one award under the Event Center Transportation Program. These contracts are under development, with the prospective contractor for signature, or executed.

On January 10, 2014, the SCAQMD Governing Board approved three awards under the Local Government Match Program, one award under the Alternative Fuel Infrastructure Program, and one award under the Alternative Fuel School Bus Incentives Program. These contracts are executed.

On February 7, 2014, the SCAQMD Governing Board approved two awards under the Local Government Match Program and one award under the Alternative Fuel Infrastructure Program. These contracts are executed.

On April 4, 2014, the SCAQMD Governing Board approved two awards under the Local Government Match Program and three awards under the Traffic Signal Synchronization Partnership Program. These contracts are executed.

On May 2, 2014, the SCAQMD Governing Board approved 12 awards under the Local Government Match Program. These contracts are with the prospective contractor for signature, or executed.

On June 6, 2014, the SCAQMD Governing Board approved an award under the Traffic Signal Synchronization Partnership Program. This contract is executed.

On July 11, 2014, the SCAQMD Governing Board approved an award under the Traffic Signal Synchronization Partnership Program. This contract is executed.

On September 5, 2014, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On October 3, 2014, the SCAQMD Governing Board approved an award under the Alternative Fuel Infrastructure Program. This contract is executed.

On December 5, 2014, the SCAQMD Governing Board approved 12 awards under the Alternative Fuel Infrastructure Program and two awards under the Event Center Transportation Program. These contracts are awaiting responses from the prospective contractor, undergoing internal review, with the prospective contractor for signature or with the SCAQMD Board Chair for signature.

On February 6, 2015, the SCAQMD Governing Board approved 3 awards under the Alternative Fuel Infrastructure Program. These contracts are under development or with the SCAQMD Board Chair for signature.

Work Program Status

Contract Status Reports for work program years with open and pending contracts are attached. MSRC or MSRC-TAC members may request spreadsheets covering any other work program year.

FY 2004-05 Work Program Contracts

One contract from this work program year is open.

FY 2004-05 Invoices Paid

No invoices were paid during this period.

FY 2005-06 Work Program Contracts

4 contracts from this work program year are open; and 3 are in “Open/Complete” status, having completed all obligations save ongoing operation.

FY 2005-06 Work Program Invoices Paid

No invoices were paid during this period.

FY 2006-07 Work Program Contracts

3 contracts from this work program year are open; and 15 are in “Open/Complete” status. One contract passed into Open/Complete status during this period: CSULA, Contract #MS07022 – Install New Hydrogen Fueling Station.

FY 2006-07 Invoices Paid

No invoices were paid during this period.

FY 2007-08 Work Program Contracts

11 contracts from this work program year are open; and 26 are in “Open/Complete” status.

FY 2007-08 Invoices Paid

No invoices were paid during this period.

FY 2008-09 Work Program Contracts

6 contracts from this work program year are open; and 15 are in “Open/Complete” status.

FY 2008-09 Invoices Paid

No invoices were paid during this period.

FY 2009-10 Work Program Contracts

2 contracts from this work program year are open; and 14 are in “Open/Complete” status.

FY 2009-10 Invoices Paid

No invoices were paid during this period.

FY 2010-11 Work Program Contracts

32 contracts from this work program year are open; and 22 are in “Open/Complete” status. One proposed contract with the Los Angeles Unified School District is still with them for signature following MSRC approval of modifications.

FY 2010-11 Invoices Paid

2 invoices totaling \$35,000.00 were paid during this period.

FY 2011-12 Work Program Contracts

47 contracts from this work program year are open, and 15 are in “Open/Complete” status.

FY 2011-12 Invoices Paid

Two invoices totaling \$466,837.00 were paid during this period.

FYs 2012-14 Work Program Contracts

50 contracts from this work program year are open, and one is in “Open/Complete” status.

FYs 2012-14 Invoices Paid

One invoices in the amount of \$45,000.00 was paid during this period.

FYs 2014-16 Work Program Contracts

One contract from this work program year is open.

FYs 2014-16 Invoices Paid

No invoices were paid during this period.

Administrative Scope Changes

One administrative scope change was initiated during the period of April 30 to May 27, 2015:

- ML12020 – City of Los Angeles, Department of General Services (Purchase 15 Heavy-Duty CNG Vehicles) – One-year no-cost term extension

Attachments

- FY 2004-05 through FYs 2014-16 Contract Status Reports



AB2766 Discretionary Fund Program Invoices

April 30, 2015 to May 27, 2015

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2010-2011 Work Program</i>							
5/21/2015	5/21/2015	5/22/2015	5/22/2015	MS11069	Ryder System Inc.	Final	\$17,500.00
5/21/2015	5/21/2015	5/22/2015	5/22/2015	MS11068	Ryder System Inc.	Final	\$17,500.00
Total: \$35,000.00							
<i>2011-2012 Work Program</i>							
5/27/2015	6/9/2015	6/9/2015	6/10/2015	ML12020	City of Los Angeles, Department of General Ser	FINAL	\$450,000.00
5/5/2015	5/21/2015	5/22/2015	5/22/2015	ML12019	City of Palm Springs	1	\$16,837.00
Total: \$466,837.00							
<i>2012-2014 Work Program</i>							
5/19/2015	5/21/2015	5/22/2015	5/22/2015	MS14009	A-Z Bus Sales, Inc.	B3089	\$45,000.00
Total: \$45,000.00							

Total This Period: \$546,837.00

FYs 2004-05 Through 2012-14 AB2766 Contract Status Report

6/11/2015

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2004-2005 Contracts									
Open Contracts									
ML05014	Los Angeles County Department of	5/21/2007	11/20/2008	3/20/2016	\$204,221.00	\$0.00	Traffic Signal Synchronization	\$204,221.00	No
Total: 1									
Declined/Cancelled Contracts									
ML05005	City of Highland				\$20,000.00	\$0.00	2 Medium Duty CNG Vehicles	\$20,000.00	No
ML05008	Los Angeles County Department of				\$140,000.00	\$0.00	7 Heavy Duty LPG Street Sweepers	\$140,000.00	No
ML05010	Los Angeles County Department of				\$20,000.00	\$0.00	1 Heavy Duty CNG Bus	\$20,000.00	No
MS05030	City of Inglewood				\$31,662.00	\$0.00	2 CNG Street Sweepers	\$31,662.00	No
MS05032	H&C Disposal				\$34,068.00	\$0.00	2 CNG Waste Haulers	\$34,068.00	No
MS05044	City of Colton				\$78,720.00	\$0.00	CNG Station Upgrade	\$78,720.00	No
Total: 6									
Closed Contracts									
ML05006	City of Colton Public Works	7/27/2005	7/26/2006		\$30,000.00	\$30,000.00	3 Medium Duty CNG Vehicles	\$0.00	Yes
ML05011	Los Angeles County Department of	8/10/2006	12/9/2007	6/9/2008	\$52,409.00	\$51,048.46	3 Heavy Duty LPG Shuttle Vans	\$1,360.54	Yes
ML05013	Los Angeles County Department of	1/5/2007	7/4/2008	1/4/2013	\$313,000.00	\$313,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05015	City of Lawndale	7/27/2005	7/26/2006		\$10,000.00	\$10,000.00	1 Medium Duty CNG Vehicle	\$0.00	Yes
ML05016	City of Santa Monica	9/23/2005	9/22/2006	9/22/2007	\$350,000.00	\$350,000.00	6 MD CNG Vehicles, 1 LPG Sweep, 13 CNG	\$0.00	Yes
ML05017	City of Signal Hill	1/16/2006	7/15/2007		\$126,000.00	\$126,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05018	City of San Bernardino	4/19/2005	4/18/2006		\$40,000.00	\$40,000.00	4 M.D. CNG Vehicles	\$0.00	Yes
ML05019	City of Lakewood	5/6/2005	5/5/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05020	City of Pomona	6/24/2005	6/23/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05021	City of Whittier	7/7/2005	7/6/2006	4/6/2008	\$100,000.00	\$80,000.00	Sweeper, Aerial Truck, & 3 Refuse Trucks	\$20,000.00	Yes
ML05022	City of Claremont	9/23/2005	9/22/2006		\$20,000.00	\$20,000.00	2 M.D. CNG Vehicles	\$0.00	Yes
ML05024	City of Cerritos	4/18/2005	3/17/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05025	City of Malibu	5/6/2005	3/5/2006		\$10,000.00	\$10,000.00	1 Medium-Duty CNG Vehicle	\$0.00	Yes
ML05026	City of Inglewood	1/6/2006	1/5/2007	2/5/2009	\$60,000.00	\$60,000.00	2 CNG Transit Buses, 1 CNG Pothole Patch	\$0.00	Yes
ML05027	City of Beaumont	2/23/2006	4/22/2007	6/22/2010	\$20,000.00	\$20,000.00	1 H.D. CNG Bus	\$0.00	Yes
ML05028	City of Anaheim	9/8/2006	9/7/2007	5/7/2008	\$85,331.00	\$85,331.00	Traffic signal coordination & synchronization	\$0.00	Yes
ML05029	Los Angeles World Airports	5/5/2006	9/4/2007		\$140,000.00	\$140,000.00	Seven CNG Buses	\$0.00	Yes
ML05071	City of La Canada Flintridge	1/30/2009	1/29/2011		\$20,000.00	\$20,000.00	1 CNG Bus	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML05072	Los Angeles County Department of	8/24/2009	5/23/2010	1/23/2011	\$349,000.00	\$349,000.00	Traffic Signal Synchronization (LADOT)	\$0.00	Yes
MS05001	A-Z Bus Sales, Inc.	2/4/2005	12/31/2005	12/31/2006	\$1,385,000.00	\$1,385,000.00	CNG School Bus Buydown	\$0.00	Yes
MS05002	California Bus Sales	2/4/2005	12/31/2005	12/31/2006	\$1,800,000.00	\$1,800,000.00	CNG School Bus Buydown	\$0.00	Yes
MS05003	BusWest	1/28/2005	12/31/2005	12/31/2006	\$2,100,000.00	\$1,620,000.00	CNG School Bus Buydown	\$480,000.00	Yes
MS05004	Johnson/Ukropina Creative Marketin	11/27/2004	1/18/2006	4/18/2006	\$1,000,000.00	\$994,612.56	Implement "Rideshare Thursday" Campaign	\$5,387.44	Yes
MS05031	City of Ontario, Housing & Municipal	7/22/2005	3/21/2007		\$191,268.00	\$191,268.00	11 CNG Waste Haulers	\$0.00	Yes
MS05033	Waste Management of the Desert	9/26/2005	5/25/2007		\$202,900.00	\$202,900.00	10 CNG Waste Haulers	\$0.00	Yes
MS05034	Sukut Equipment, Inc.	9/9/2005	5/8/2007		\$1,151,136.00	\$1,151,136.00	Repower 12 Scrapers	\$0.00	Yes
MS05035	Varner Construction Inc.	11/28/2005	4/27/2007	2/27/2008	\$334,624.00	\$334,624.00	Repower 5 Off-Road H.D. Vehicles	\$0.00	Yes
MS05036	Camarillo Engineering	8/18/2005	1/17/2007		\$1,167,276.00	\$1,167,276.00	Repower 12 Scrapers	\$0.00	Yes
MS05037	Road Builders, Inc.	11/21/2005	4/20/2007	6/20/2008	\$229,302.00	\$229,302.00	Repower 2 Scrapers	\$0.00	Yes
MS05038	SunLine Transit Agency	3/30/2006	9/29/2007		\$135,000.00	\$135,000.00	15 CNG Buses	\$0.00	Yes
MS05039	Los Angeles County MTA	4/28/2006	4/27/2008		\$405,000.00	\$405,000.00	75 CNG Buses	\$0.00	Yes
MS05040	Orange County Transportation Autho	3/23/2006	12/22/2007	6/22/2008	\$200,000.00	\$200,000.00	25 CNG Buses	\$0.00	Yes
MS05041	The Regents of the University of Cali	9/5/2006	8/4/2007	9/4/2008	\$15,921.00	\$15,921.00	CNG Station Upgrade	\$0.00	Yes
MS05042	City of Ontario, Housing & Municipal	11/21/2005	9/20/2006	7/20/2007	\$117,832.00	\$74,531.27	CNG Station Upgrade	\$43,300.73	Yes
MS05043	Whittier Union High School District	9/23/2005	7/22/2006		\$15,921.00	\$15,921.00	CNG Station Upgrade	\$0.00	Yes
MS05045	City of Covina	9/9/2005	7/8/2006		\$10,000.00	\$7,435.61	CNG Station Upgrade	\$2,564.39	Yes
MS05046	City of Inglewood	1/6/2006	5/5/2007		\$139,150.00	\$56,150.27	CNG Station Upgrade	\$82,999.73	Yes
MS05047	Orange County Transportation Autho	10/20/2005	10/19/2006	1/19/2007	\$75,563.00	\$75,563.00	CNG Station Upgrade	\$0.00	Yes
MS05048	City of Santa Monica	7/24/2006	11/23/2007		\$150,000.00	\$150,000.00	CNG Station Upgrade	\$0.00	Yes
MS05049	Omnitrans	9/23/2005	2/22/2007		\$25,000.00	\$7,250.00	CNG Station Upgrade	\$17,750.00	Yes
MS05050	Gateway Cities Council of Governme	12/21/2005	4/20/2010		\$1,464,839.00	\$1,464,838.12	Truck Fleet Modernization Program	\$0.88	Yes
MS05051	Jagur Tractor	1/16/2006	4/15/2007	10/15/2007	\$660,928.00	\$660,928.00	Repower 6 Scrapers	\$0.00	Yes
MS05052	Caufield Equipment, Inc.	8/3/2005	1/2/2007		\$478,000.00	\$478,000.00	Repower 4 Scrapers	\$0.00	Yes
MS05070	Haaland Internet Productions (HIP D	6/24/2005	5/31/2007	11/30/2011	\$100,715.00	\$92,458.24	Design, Host & Maintain MSRC Website	\$8,256.76	Yes

Total: 44

Closed/Incomplete Contracts

ML05007	Los Angeles County Dept of Beache	6/23/2006	6/22/2007	12/22/2007	\$50,000.00	\$0.00	5 Medium Duty CNG Vehicles	\$50,000.00	No
ML05009	Los Angeles County Department of	6/22/2006	12/21/2007	9/30/2011	\$56,666.00	\$0.00	2 Propane Refueling Stations	\$56,666.00	No
ML05012	Los Angeles County Department of	11/10/2006	5/9/2008	1/9/2009	\$349,000.00	\$0.00	Traffic Signal Synchronization (LADOT)	\$349,000.00	No
ML05023	City of La Canada Flintridge	3/30/2005	2/28/2006	8/28/2008	\$20,000.00	\$0.00	1 CNG Bus	\$20,000.00	No

Total: 4

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2005-2006 Contracts

Open Contracts

ML06031	City of Inglewood	4/4/2007	6/3/2013	9/3/2015	\$150,000.00	\$65,602.40	Purchase 4 H-D LPG Vehicles & Install LPG	\$84,397.60	No
ML06035	City of Hemet, Public Works	11/10/2006	12/9/2012	1/9/2017	\$338,107.00	\$175,000.00	7 Nat Gas Trucks & New Nat Gas Infrastruct	\$163,107.00	No
ML06054	Los Angeles County Department of	6/17/2009	6/16/2016		\$125,000.00	\$125,000.00	3 CNG & 2 LPG HD Trucks	\$0.00	No
ML06070	City of Colton	4/30/2008	2/28/2015	4/30/2015	\$50,000.00	\$0.00	Two CNG Pickups	\$50,000.00	No

Total: 4

Declined/Cancelled Contracts

ML06018	Los Angeles County Dept of Beache				\$375,000.00	\$0.00	New CNG Station & 2 CNG Dump Trucks	\$375,000.00	No
ML06019	Los Angeles County Dept of Beache				\$250,000.00	\$0.00	New CNG Station & 2 CNG Dump Trucks	\$250,000.00	No
ML06023	City of Baldwin Park	6/16/2006	9/15/2012		\$20,000.00	\$0.00	CNG Dump Truck	\$20,000.00	No
ML06024	City of Pomona	8/3/2007	7/2/2013	7/2/2014	\$286,450.00	\$0.00	New CNG Station	\$286,450.00	No
ML06030	City of Burbank	3/19/2007	9/18/2011		\$287,700.00	\$0.00	New CNG Fueling Station	\$287,700.00	No
ML06037	City of Lynwood				\$25,000.00	\$0.00	1 Nat Gas Dump Truck	\$25,000.00	No
ML06039	City of Inglewood	2/9/2007	2/8/2008	4/8/2011	\$50,000.00	\$0.00	Modify Maintenance Facility for CNG Vehicle	\$50,000.00	No
ML06055	City of Los Angeles, Dept. of Genera				\$125,000.00	\$0.00	5 Gas-Electric Hybrid Buses	\$125,000.00	No
ML06059	City of Fountain Valley				\$25,000.00	\$0.00	One H.D. CNG Truck	\$25,000.00	No
MS06009	Clean Energy Fuels Corp.	6/23/2006	12/22/2012		\$250,000.00	\$0.00	New CNG Station - Laguna Niguel	\$250,000.00	Yes
MS06040	Capistrano Unified School District				\$136,000.00	\$0.00	New CNG Fueling Station	\$136,000.00	No
MS06041	Clean Energy Fuels Corp.	12/1/2006	3/31/2013	6/18/2009	\$250,000.00	\$0.00	New CNG Station-Newport Beach	\$250,000.00	No
MS06046	City of Long Beach, Dept. of Public				\$250,000.00	\$0.00	LNG Fueling Station	\$250,000.00	No
MS06051	Menifee Union School District	3/2/2007	7/1/2014		\$150,000.00	\$0.00	CNG Fueling Station	\$150,000.00	No

Total: 14

Closed Contracts

ML06016	City of Whittier	5/25/2006	5/24/2012	11/24/2012	\$50,000.00	\$50,000.00	2 CNG Refuse Trucks	\$0.00	Yes
ML06017	City of Claremont	8/2/2006	4/1/2012		\$50,000.00	\$50,000.00	2 CNG Refuse Trucks	\$0.00	Yes
ML06020	Los Angeles Department of Water a	3/19/2007	9/18/2013	4/18/2014	\$25,000.00	\$25,000.00	CNG Aerial Truck	\$0.00	Yes
ML06021	Los Angeles World Airports	9/13/2006	5/12/2013		\$150,000.00	\$150,000.00	6 CNG Buses	\$0.00	Yes
ML06022	City of Los Angeles, Bureau of Sanit	5/4/2007	1/3/2014		\$1,250,000.00	\$1,250,000.00	50 LNG Refuse Trucks	\$0.00	Yes
ML06025	City of Santa Monica	1/5/2007	11/4/2012	12/14/2014	\$300,000.00	\$300,000.00	12 H.D. CNG Vehicles	\$0.00	Yes
ML06026	City of Cerritos	10/27/2006	9/26/2010		\$60,500.00	\$60,500.00	CNG Station Upgrade	\$0.00	Yes
ML06027	City of Redondo Beach	9/5/2006	5/4/2012	10/4/2012	\$50,000.00	\$50,000.00	2 Heavy-Duty CNG Trucks	\$0.00	Yes
ML06028	City of Pasadena	9/29/2006	11/28/2012	3/28/2014	\$245,000.00	\$245,000.00	New CNG Station & Maint. Fac. Upgrades	\$0.00	Yes
ML06029	City of Culver City Transportation De	9/29/2006	8/28/2012	12/28/2012	\$50,000.00	\$50,000.00	2 CNG Heavy-Duty Trucks	\$0.00	Yes
ML06032	City of Rancho Cucamonga	2/13/2007	3/12/2013	2/12/2014	\$237,079.00	\$237,079.00	New CNG Station & 2 CNG Dump Trucks	\$0.00	Yes
ML06033	City of Cathedral City	11/17/2006	12/16/2012	12/16/2013	\$125,000.00	\$125,000.00	5 Heavy-Duty CNG Trucks	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML06034	City of South Pasadena	9/25/2006	9/24/2012		\$16,422.42	\$16,422.42	2 Nat. Gas Transit Buses	\$0.00	Yes
ML06036	City of Riverside	3/23/2007	3/22/2013		\$200,000.00	\$200,000.00	8 Heavy-Duty Nat Gas Vehicles	\$0.00	Yes
ML06038	City of Los Angeles, Department of	5/21/2007	1/20/2014		\$625,000.00	\$625,000.00	25 CNG Street Sweepers	\$0.00	Yes
ML06044	City of Pomona	12/15/2006	3/14/2013		\$50,000.00	\$50,000.00	2 CNG Street Sweepers	\$0.00	Yes
ML06052	City of Hemet, Public Works	4/20/2007	2/19/2013		\$25,000.00	\$25,000.00	Purchase One CNG Dump Truck	\$0.00	Yes
ML06053	City of Burbank	5/4/2007	7/3/2013		\$125,000.00	\$125,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
ML06056	City of Los Angeles, Dept. of Genera	11/30/2007	11/29/2008		\$350,000.00	\$350,000.00	Maintenance Facility Mods.	\$0.00	Yes
ML06057	City of Rancho Cucamonga	8/28/2007	6/27/2013	8/27/2014	\$100,000.00	\$100,000.00	4 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML06058	City of Santa Monica	7/12/2007	7/11/2013		\$149,925.00	\$0.00	3 H.D. CNG Trucks & CNG Fueling Station	\$149,925.00	No
ML06060	City of Temple City	6/12/2007	6/11/2013		\$31,885.00	\$0.00	Upgrade existing CNG infrastructure	\$31,885.00	No
ML06061	City of Chino Hills	4/30/2007	4/29/2013		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML06062	City of Redlands	5/11/2007	5/10/2013		\$100,000.00	\$100,000.00	4 H.D. LNG Vehicles	\$0.00	Yes
ML06063	City of Moreno Valley	3/23/2007	11/22/2012		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML06064	City of South Pasadena	1/25/2008	11/24/2013	11/24/2014	\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML06065	City of Walnut	6/29/2007	6/28/2013		\$44,203.00	\$44,203.00	Upgrade Existing CNG Infrastructure	\$0.00	Yes
ML06066	City of Ontario, Housing & Municipal	5/30/2007	1/29/2013		\$125,000.00	\$125,000.00	5 H.D. CNG Vehicles	\$0.00	Yes
ML06067	City of El Monte	3/17/2008	5/16/2014	11/16/2014	\$157,957.00	\$157,957.00	Upgrade existing CNG infrastructure	\$0.00	Yes
ML06068	City of Claremont	8/28/2007	6/27/2013		\$60,000.00	\$60,000.00	Expand existing CNG infrastructure	\$0.00	Yes
ML06069	City of Palos Verdes Estates	11/19/2007	11/18/2013		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
MS06001	Riverside County Transportation Co	8/3/2007	9/2/2011		\$825,037.00	\$825,037.00	New Freeway Service Patrol	\$0.00	Yes
MS06002	Orange County Transportation Autho	11/7/2007	11/6/2013		\$928,740.00	\$925,091.00	New Freeway Service Patrol	\$3,649.00	Yes
MS06003	San Bernardino Associated Govern	10/19/2006	6/18/2010		\$804,240.00	\$804,239.87	New Freeway Service Patrol	\$0.13	Yes
MS06004	Los Angeles County MTA	8/10/2006	7/9/2010		\$1,391,983.00	\$1,391,791.98	New Freeway Service Patrol	\$191.02	Yes
MS06010	US Airconditioning Distributors	12/28/2006	6/27/2012		\$83,506.00	\$83,506.00	New CNG Station - Industry	\$0.00	Yes
MS06011	County Sanitation Districts of L.A. C	6/1/2006	7/31/2012		\$150,000.00	\$150,000.00	New CNG Station - Carson	\$0.00	Yes
MS06012	Consolidated Disposal Service	7/14/2006	9/13/2012	9/13/2014	\$297,981.00	\$297,981.00	New LNG Station & Facility Upgrades	\$0.00	Yes
MS06042	Clean Energy Fuels Corp.	1/5/2007	1/4/2013		\$150,000.00	\$150,000.00	New CNG Station-Baldwin Park	\$0.00	Yes
MS06043X	Westport Fuel Systems, Inc.	2/3/2007	12/31/2010	9/30/2011	\$2,000,000.00	\$2,000,000.00	Advanced Natural Gas Engine Incentive Pro	\$0.00	Yes
MS06045	Orange County Transportation Autho	8/17/2007	12/16/2013		\$200,000.00	\$200,000.00	CNG Fueling Station/Maint. Fac. Mods	\$0.00	Yes
MS06047	Hemet Unified School District	9/19/2007	11/18/2013		\$125,000.00	\$125,000.00	CNG Refueling Station	\$0.00	Yes
MS06048	Newport-Mesa Unified School Distric	6/25/2007	8/24/2013	8/24/2014	\$50,000.00	\$50,000.00	CNG Fueling Station	\$0.00	Yes
MS06050	Rossmoor Pastries	1/24/2007	10/23/2012		\$18,750.00	\$14,910.50	CNG Fueling Station	\$3,839.50	Yes

Total: 44

Open/Complete Contracts

ML06071	City of Santa Monica	6/13/2014		11/30/2016	\$149,925.00	\$149,925.00	3 H.D. CNG Trucks & CNG Fueling Station	\$0.00	Yes
MS06013	City of Commerce	1/9/2008	7/8/2014	7/8/2015	\$350,000.00	\$350,000.00	New L/CNG Station - Commerce	\$0.00	Yes
MS06049	Clean Energy Fuels Corp.	4/20/2007	7/19/2013	11/30/2015	\$250,000.00	\$228,491.18	CNG Fueling Station - L.B.P.D.	\$21,508.82	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2006-2007 Contracts

Open Contracts

ML07044	City of Santa Monica	9/8/2008	3/7/2015	3/7/2017	\$600,000.00	\$50,000.00	24 H.D. Nat. Gas Vehicles	\$550,000.00	No
ML07045	City of Inglewood	2/6/2009	4/5/2015		\$75,000.00	\$25,000.00	3 H.D. Nat. Gas Vehicles	\$50,000.00	No
MS07080	City of Los Angeles, Bureau of Sanit	10/31/2008	8/30/2010	8/28/2016	\$63,192.00	\$62,692.00	Off-Road Diesel Equipment Retrofit Program	\$500.00	No

Total: 3

Declined/Cancelled Contracts

ML07031	City of Santa Monica				\$180,000.00	\$0.00	Upgrade N.G. Station to Add Hythane	\$180,000.00	No
ML07032	City of Huntington Beach Public Wor				\$25,000.00	\$0.00	One H.D. CNG Vehicle	\$25,000.00	No
ML07035	City of Los Angeles, General Service				\$350,000.00	\$0.00	New CNG Refueling Station/Southeast Yard	\$350,000.00	No
ML07038	City of Palos Verdes Estates				\$25,000.00	\$0.00	One H.D. LPG Vehicle	\$25,000.00	No
MS07010	Palos Verdes Peninsula Transit Auth				\$80,000.00	\$0.00	Repower 4 Transit Buses	\$80,000.00	No
MS07014	Clean Energy Fuels Corp.				\$350,000.00	\$0.00	New L/CNG Station - SERRF	\$350,000.00	No
MS07015	Baldwin Park Unified School District				\$57,500.00	\$0.00	New CNG Station	\$57,500.00	No
MS07016	County of Riverside Fleet Services D				\$36,359.00	\$0.00	New CNG Station - Rubidoux	\$36,359.00	No
MS07017	County of Riverside Fleet Services D				\$33,829.00	\$0.00	New CNG Station - Indio	\$33,829.00	No
MS07018	City of Cathedral City				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07021	City of Riverside				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07050	Southern California Disposal Co.				\$320,000.00	\$0.00	Ten Nat. Gas Refuse Trucks	\$320,000.00	No
MS07062	Caltrans Division of Equipment				\$1,081,818.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$1,081,818.00	No
MS07065	ECCO Equipment Corp.				\$174,525.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$174,525.00	No
MS07067	Recycled Materials Company of Calif				\$99,900.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$99,900.00	No
MS07069	City of Burbank	5/9/2008	3/8/2010	9/8/2011	\$8,895.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$8,895.00	No
MS07074	Albert W. Davies, Inc.	1/25/2008	11/24/2009		\$39,200.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$39,200.00	No
MS07081	Clean Diesel Technologies, Inc.				\$240,347.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$240,347.00	No
MS07082	DCL International, Inc.				\$153,010.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$153,010.00	No
MS07083	Dinex Exhausts, Inc.				\$52,381.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$52,381.00	No
MS07084	Donaldson Company, Inc.				\$42,416.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$42,416.00	No
MS07085	Engine Control Systems Limited				\$155,746.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$155,746.00	No
MS07086	Huss, LLC				\$84,871.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$84,871.00	No
MS07087	Mann+Hummel GmbH				\$189,361.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$189,361.00	No
MS07088	Nett Technologies, Inc.				\$118,760.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$118,760.00	No
MS07089	Rypos, Inc.				\$68,055.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$68,055.00	No
MS07090	Sud-Chemie				\$27,345.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$27,345.00	No

Total: 27

Closed Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML07025	City of San Bernardino	8/12/2008	7/11/2010		\$350,000.00	\$350,000.00	Maintenance Facility Modifications	\$0.00	Yes
ML07026	City of South Pasadena	6/13/2008	6/12/2014		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML07027	Los Angeles World Airports	6/3/2008	7/2/2014		\$25,000.00	\$25,000.00	One H.D. LNG Vehicle	\$0.00	Yes
ML07028	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Hollywood Yard	\$0.00	Yes
ML07029	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Venice Yard	\$0.00	Yes
ML07033	City of La Habra	5/21/2008	6/20/2014	11/30/2013	\$25,000.00	\$25,000.00	One H.D. Nat Gas Vehicle	\$0.00	Yes
ML07034	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Van Nuys Yard	\$0.00	Yes
ML07036	City of Alhambra	1/23/2009	2/22/2015		\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML07040	City of Moreno Valley	6/3/2008	9/2/2014		\$25,000.00	\$25,000.00	One Heavy-Duty CNG Vehicle	\$0.00	Yes
ML07041	City of La Quinta	6/6/2008	6/5/2014		\$25,000.00	\$25,000.00	One CNG Street Sweeper	\$0.00	Yes
ML07042	City of La Quinta	8/15/2008	9/14/2010		\$100,000.00	\$100,000.00	Street Sweeping Operations	\$0.00	Yes
ML07046	City of Culver City Transportation De	5/2/2008	5/1/2014		\$25,000.00	\$25,000.00	One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML07047	City of Cathedral City	6/16/2008	9/15/2014	3/15/2015	\$225,000.00	\$225,000.00	Two H.D. Nat. Gas Vehicles/New CNG Fueli	\$0.00	Yes
ML07048	City of Cathedral City	9/19/2008	10/18/2010		\$100,000.00	\$84,972.45	Street Sweeping Operations	\$15,027.55	Yes
MS07001	A-Z Bus Sales, Inc.	12/28/2006	12/31/2007	2/29/2008	\$1,920,000.00	\$1,380,000.00	CNG School Bus Buydown	\$540,000.00	Yes
MS07002	BusWest	1/19/2007	12/31/2007	3/31/2008	\$840,000.00	\$840,000.00	CNG School Bus Buydown	\$0.00	Yes
MS07003	Westport Fuel Systems, Inc.	11/2/2007	12/31/2011	6/30/2013	\$1,500,000.00	\$1,499,990.00	Advanced Nat. Gas Engine Incentive Progra	\$10.00	Yes
MS07005	S-W Compressors	3/17/2008	3/16/2010		\$60,000.00	\$7,500.00	Mountain CNG School Bus Demo Program-	\$52,500.00	Yes
MS07006	Coachella Valley Association of Gov	2/28/2008	10/27/2008		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS07007	Los Angeles World Airports	5/2/2008	11/1/2014		\$420,000.00	\$420,000.00	Purchase CNG 21 Transit Buses	\$0.00	Yes
MS07011	L A Service Authority for Freeway E	3/12/2010	5/31/2011	9/30/2011	\$700,000.00	\$700,000.00	"511" Commuter Services Campaign	\$0.00	Yes
MS07012	City of Los Angeles, General Service	6/13/2008	6/12/2009	6/12/2010	\$50,000.00	\$50,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS07013	Rainbow Disposal Company, Inc.	1/25/2008	3/24/2014	9/24/2014	\$350,000.00	\$350,000.00	New High-Volume CNG Station	\$0.00	Yes
MS07019	City of Cathedral City	1/9/2009	6/8/2010		\$32,500.00	\$32,500.00	Maintenance Facility Modifications	\$0.00	Yes
MS07051	City of San Bernardino	8/12/2008	12/11/2014		\$480,000.00	\$480,000.00	15 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07052	City of Redlands	7/30/2008	11/29/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
MS07053	City of Claremont	7/31/2008	12/30/2014		\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07055	City of Culver City Transportation De	7/8/2008	9/7/2014		\$192,000.00	\$192,000.00	Six Nat. Gas Refuse Trucks	\$0.00	Yes
MS07056	City of Whittier	9/5/2008	3/4/2015		\$32,000.00	\$32,000.00	One Nat. Gas Refuse Trucks	\$0.00	Yes
MS07058	The Better World Group	11/17/2007	11/16/2009	11/16/2011	\$247,690.00	\$201,946.21	MSRC Programmatic Outreach Services	\$45,743.79	Yes
MS07059	County Sanitation Districts of L.A. C	9/5/2008	9/4/2010	7/14/2012	\$231,500.00	\$231,500.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07060	Community Recycling & Resource R	3/7/2008	1/6/2010	7/6/2011	\$177,460.00	\$98,471.00	Off-Road Diesel Equipment Retrofit Program	\$78,989.00	Yes
MS07061	City of Los Angeles, Department of	10/31/2008	8/30/2010	2/28/2013	\$40,626.00	\$40,626.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07063	Shimmick Construction Company, In	4/26/2008	2/25/2010	8/25/2011	\$80,800.00	\$11,956.37	Off-Road Diesel Equipment Retrofit Program	\$68,843.63	No
MS07064	Altfillisch Contractors, Inc.	9/19/2008	7/18/2010	1/18/2011	\$160,000.00	\$155,667.14	Off-Road Diesel Equipment Retrofit Program	\$4,332.86	Yes
MS07068	Sukut Equipment Inc.	1/23/2009	11/22/2010	5/22/2012	\$26,900.00	\$26,900.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07070	Griffith Company	4/30/2008	2/28/2010	8/28/2012	\$168,434.00	\$125,504.00	Off-Road Diesel Equipment Retrofit Program	\$42,930.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS07071	Tiger 4 Equipment Leasing	9/19/2008	7/18/2010	1/18/2013	\$210,937.00	\$108,808.97	Off-Road Diesel Equipment Retrofit Program	\$102,128.03	Yes
MS07072	City of Culver City Transportation De	4/4/2008	2/3/2010	8/3/2011	\$72,865.00	\$72,865.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07075	Dan Copp Crushing	9/17/2008	7/16/2010	1/16/2012	\$73,600.00	\$40,200.00	Off-Road Diesel Equipment Retrofit Program	\$33,400.00	No
MS07076	Reed Thomas Company, Inc.	8/15/2008	6/14/2010	3/14/2012	\$339,073.00	\$100,540.00	Off-Road Diesel Equipment Retrofit Program	\$238,533.00	No
MS07079	Riverside County Transportation Co	1/30/2009	7/29/2013	12/31/2011	\$20,000.00	\$15,165.45	BikeMetro Website Migration	\$4,834.55	Yes
MS07091	BusWest	10/16/2009	3/15/2010		\$33,660.00	\$33,660.00	Provide Lease for 2 CNG School Buses	\$0.00	Yes
MS07092	Riverside County Transportation Co	9/1/2010	10/31/2011		\$350,000.00	\$350,000.00	"511" Commuter Services Campaign	\$0.00	Yes

Total: 44

Closed/Incomplete Contracts

MS07004	BusWest	7/2/2007	7/1/2009		\$90,928.00	\$68,196.00	Provide Lease for 2 CNG School Buses	\$22,732.00	No
MS07066	Skanska USA Civil West California D	6/28/2008	4/27/2010	10/27/2010	\$111,700.00	\$36,128.19	Off-Road Diesel Equipment Retrofit Program	\$75,571.81	No
MS07073	PEED Equipment Co.	10/31/2008	8/30/2010		\$11,600.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$11,600.00	No

Total: 3

Open/Complete Contracts

ML07023	City of Riverside	6/20/2008	10/19/2014	7/19/2016	\$462,500.00	\$461,476.42	CNG Station Expansion/Purch. 14 H.D. Vehi	\$1,023.58	No
ML07024	City of Garden Grove	3/7/2008	9/6/2014	7/6/2016	\$75,000.00	\$75,000.00	Three H.D. CNG Vehicles	\$0.00	Yes
ML07030	County of San Bernardino Public Wo	7/11/2008	9/10/2015		\$200,000.00	\$200,000.00	8 Natural Gas H.D. Vehicles	\$0.00	Yes
ML07037	City of Los Angeles, General Service	10/8/2008	10/7/2015		\$255,222.00	\$255,222.00	Upgrade LNG/LCNG Station/East Valley Yar	\$0.00	Yes
ML07039	City of Baldwin Park	6/6/2008	6/5/2014	8/5/2015	\$50,000.00	\$50,000.00	Two N.G. H.D. Vehicles	\$0.00	Yes
ML07043	City of Redondo Beach	9/28/2008	7/27/2014	10/27/2016	\$125,000.00	\$125,000.00	Five H.D. CNG Transit Vehicles	\$0.00	Yes
MS07008	City of Los Angeles, Department of T	9/18/2009	5/17/2020	9/17/2017	\$1,900,000.00	\$1,900,000.00	Purchase 95 Transit Buses	\$0.00	Yes
MS07009	Orange County Transportation Autho	5/14/2008	4/13/2016		\$800,000.00	\$800,000.00	Purchase 40 Transit Buses	\$0.00	Yes
MS07020	Avery Petroleum	5/20/2009	7/19/2015		\$250,000.00	\$250,000.00	New CNG Station	\$0.00	Yes
MS07022	CSULA Hydrogen Station and Resea	10/30/2009	12/29/2015	10/29/2019	\$250,000.00	\$250,000.00	New Hydrogen Fueling Station	\$0.00	Yes
MS07049	Palm Springs Disposal Services	10/23/2008	11/22/2014	9/22/2016	\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07054	Republic Services, Inc.	3/7/2008	9/6/2014	9/6/2016	\$1,280,000.00	\$1,280,000.00	40 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07057	CR&R, Inc.	7/31/2008	8/30/2014	6/30/2015	\$896,000.00	\$896,000.00	28 Nat. Gas Refuse Trucks	\$0.00	No
MS07077	USA Waste of California, Inc.	5/1/2009	12/31/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks (Santa Ana)	\$0.00	Yes
MS07078	USA Waste of California, Inc.	5/1/2009	12/31/2014	12/31/2015	\$256,000.00	\$256,000.00	Eight Nat. Gas Refuse Trucks (Dewey's)	\$0.00	Yes

Total: 15

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2007-2008 Contracts

Open Contracts

ML08028	City of Santa Monica	9/11/2009	9/10/2016	5/10/2019	\$600,000.00	\$0.00	24 CNG Heavy-Duty Vehicles	\$600,000.00	No
ML08030	City of Azusa	5/14/2010	3/13/2016		\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08040	City of Riverside	9/11/2009	9/10/2016	3/10/2019	\$455,500.00	\$28,124.80	16 CNG Vehicles, Expand CNG Station & M	\$427,375.20	No
ML08043	City of Desert Hot Springs	9/25/2009	3/24/2016		\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08080	City of Irvine	5/1/2009	5/31/2015		\$50,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$50,000.00	No
MS08007	United Parcel Service West Region	12/10/2008	10/9/2014	4/9/2019	\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08013	United Parcel Service West Region	12/10/2008	10/9/2014	3/9/2019	\$480,000.00	\$216,000.00	12 H.D. Nat. Gas Yard Tractors	\$264,000.00	No
MS08018	Los Angeles County Department of	8/7/2009	10/6/2016	4/6/2018	\$60,000.00	\$60,000.00	2 CNG Vehicles	\$0.00	No
MS08058	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$320,000.00	New CNG Station - Ontario Airport	\$80,000.00	No
MS08068	Regents of the University of Californi	11/5/2010	11/4/2017	11/4/2019	\$400,000.00	\$0.00	Hydrogen Station	\$400,000.00	No

Total: 10

Declined/Cancelled Contracts

ML08032	City of Irvine	5/1/2009	8/31/2010		\$9,000.00	\$0.00	36 Vehicles (Diagnostic)	\$9,000.00	No
ML08041	City of Los Angeles, Dept of Transpo	8/6/2010	7/5/2011	12/5/2011	\$8,800.00	\$0.00	73 Vehicles (Diagnostic)	\$8,800.00	No
ML08049	City of Cerritos	3/20/2009	1/19/2015	2/19/2017	\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08051	City of Colton				\$75,000.00	\$0.00	3 CNG Heavy-Duty Vehicles	\$75,000.00	No
MS08002	Orange County Transportation Autho				\$1,500,000.00	\$0.00	Big Rig Freeway Service Patrol	\$1,500,000.00	No
MS08008	Diversified Truck Rental & Leasing				\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08010	Orange County Transportation Autho				\$10,000.00	\$0.00	20 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08011	Green Fleet Systems, LLC				\$10,000.00	\$0.00	30 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08052	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014	11/23/2015	\$100,000.00	\$0.00	New CNG Station - Fontana	\$100,000.00	No
MS08054	Clean Energy Fuels Corp.				\$400,000.00	\$0.00	New LNG Station - Fontana	\$400,000.00	No
MS08055	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$0.00	New LNG Station - Long Beach-Pier S	\$400,000.00	No
MS08059	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - San Bernardino	\$100,000.00	No
MS08060	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - Azusa	\$100,000.00	No
MS08062	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$0.00	New CNG Station - Rialto	\$400,000.00	No
MS08074	Fontana Unified School District	11/14/2008	12/13/2014		\$200,000.00	\$0.00	Expansion of Existing CNG station	\$200,000.00	No
MS08077	Hythane Company, LLC				\$144,000.00	\$0.00	Upgrade Station to Hythane	\$144,000.00	No

Total: 16

Closed Contracts

ML08023	City of Villa Park	11/7/2008	10/6/2012		\$6,500.00	\$5,102.50	Upgrade of Existing Refueling Facility	\$1,397.50	Yes
ML08027	Los Angeles County Department of	7/20/2009	1/19/2011	1/19/2012	\$6,901.00	\$5,124.00	34 Vehicles (Diagnostic)	\$1,777.00	No
ML08029	City of Gardena	3/19/2009	1/18/2015		\$25,000.00	\$25,000.00	1 Propane Heavy-Duty Vehicle	\$0.00	Yes
ML08031	City of Claremont	3/27/2009	3/26/2013	3/26/2015	\$97,500.00	\$97,500.00	Upgrade of Existing CNG Station, Purchase	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML08033	County of San Bernardino Public Wo	4/3/2009	2/2/2010		\$14,875.00	\$14,875.00	70 Vehicles (Diagnostic)	\$0.00	Yes
ML08035	City of La Verne	3/6/2009	11/5/2009		\$11,925.00	\$11,925.00	53 Vehicles (Diagnostic)	\$0.00	Yes
ML08036	City of South Pasadena	5/12/2009	7/11/2013		\$169,421.00	\$169,421.00	New CNG Station	\$0.00	Yes
ML08044	City of Chino	3/19/2009	3/18/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08045	City of Santa Clarita	2/20/2009	6/19/2010		\$3,213.00	\$3,150.00	14 Vehicles (Diagnostic)	\$63.00	Yes
ML08046	City of Paramount	2/20/2009	2/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
MS08001	Los Angeles County MTA	12/10/2010	6/9/2014		\$1,500,000.00	\$1,499,999.66	Big Rig Freeway Service Patrol	\$0.34	Yes
MS08003	A-Z Bus Sales, Inc.	5/2/2008	12/31/2008	2/28/2009	\$1,480,000.00	\$1,400,000.00	Alternative Fuel School Bus Incentive Progr	\$80,000.00	Yes
MS08004	BusWest	5/2/2008	12/31/2008		\$1,440,000.00	\$1,440,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS08009	Los Angeles World Airports	12/24/2008	12/23/2014		\$870,000.00	\$870,000.00	29 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS08015	Yosemite Waters	5/12/2009	5/11/2015		\$180,000.00	\$117,813.60	11 H.D. Propane Vehicles	\$62,186.40	Yes
MS08016	TransVironmental Solutions, Inc.	1/23/2009	12/31/2010	9/30/2011	\$227,198.00	\$80,351.34	Rideshare 2 School Program	\$146,846.66	Yes
MS08022	SunLine Transit Agency	12/18/2008	3/17/2015		\$311,625.00	\$311,625.00	15 CNG Buses	\$0.00	Yes
MS08056	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New LNG Station - POLB-Anah. & I	\$0.00	Yes
MS08061	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$400,000.00	New CNG Station - L.A.-La Cienega	\$0.00	Yes
MS08064	Hemet Unified School District	1/9/2009	3/8/2015		\$75,000.00	\$75,000.00	Expansion of Existing Infrastructure	\$0.00	Yes
MS08065	Pupil Transportation Cooperative	11/20/2008	7/19/2014		\$10,500.00	\$10,500.00	Existing CNG Station Modifications	\$0.00	Yes
MS08070	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Paramount	\$0.00	Yes
MS08071	ABC Unified School District	1/16/2009	1/15/2015		\$63,000.00	\$63,000.00	New CNG Station	\$0.00	Yes
MS08072	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$354,243.38	New CNG Station - Burbank	\$45,756.62	Yes
MS08073	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Norwalk	\$0.00	Yes
MS08075	Disneyland Resort	12/10/2008	2/1/2015		\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS09002	A-Z Bus Sales, Inc.	11/7/2008	12/31/2009	12/31/2010	\$2,520,000.00	\$2,460,000.00	Alternative Fuel School Bus Incentive Progr	\$60,000.00	No
MS09004	A-Z Bus Sales, Inc.	1/30/2009	3/31/2009		\$156,000.00	\$156,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS09047	BusWest	7/9/2010	12/31/2010	4/30/2011	\$480,000.00	\$480,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes

Total: 29

Closed/Incomplete Contracts

ML08025	Los Angeles County Department of	10/30/2009	3/29/2011		\$75,000.00	\$0.00	150 Vehicles (Diagnostic)	\$75,000.00	No
MS08079	ABC Unified School District	1/16/2009	12/15/2009	12/15/2010	\$50,000.00	\$0.00	Maintenance Facility Modifications	\$50,000.00	No

Total: 2

Open/Complete Contracts

ML08024	City of Anaheim	7/9/2010	7/8/2017	1/8/2018	\$425,000.00	\$425,000.00	9 LPG Buses and 8 CNG Buses	\$0.00	No
ML08026	Los Angeles County Department of	7/20/2009	7/19/2016		\$250,000.00	\$250,000.00	10 LPG Heavy-Duty Vehicles	\$0.00	Yes
ML08034	County of San Bernardino Public Wo	3/27/2009	7/26/2015		\$150,000.00	\$150,000.00	8 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08037	City of Glendale	5/20/2009	5/19/2015		\$325,000.00	\$325,000.00	13 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08038	Los Angeles Department of Water a	7/16/2010	7/15/2017		\$1,050,000.00	\$1,050,000.00	42 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08039	City of Rancho Palos Verdes	6/5/2009	8/4/2015		\$50,000.00	\$50,000.00	2 LPG Transit Buses	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML08042	City of Ontario, Housing & Municipal	5/1/2009	1/31/2016		\$175,000.00	\$175,000.00	7 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08047	City of Culver City Transportation De	5/12/2009	8/11/2015		\$150,000.00	\$150,000.00	6 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08048	City of Santa Clarita	2/20/2009	6/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08050	City of Laguna Beach Public Works	8/12/2009	4/11/2016	10/11/2016	\$75,000.00	\$75,000.00	3 LPG Trolleys	\$0.00	Yes
MS08005	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Azusa	\$0.00	Yes
MS08006	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Saugus	\$0.00	Yes
MS08012	California Cartage Company, LLC	12/21/2009	10/20/2015	4/20/2016	\$480,000.00	\$480,000.00	12 H.D. Nat. Gas Yard Tractors	\$0.00	Yes
MS08014	City of San Bernardino	12/5/2008	6/4/2015		\$390,000.00	\$360,000.00	13 H.D. Nat. Gas Vehicles	\$30,000.00	Yes
MS08017	Omnitrans	12/13/2008	12/12/2015	12/12/2016	\$900,000.00	\$900,000.00	30 CNG Buses	\$0.00	Yes
MS08019	Enterprise Rent-A-Car Company of L	2/12/2010	7/11/2016		\$300,000.00	\$300,000.00	10 CNG Vehicles	\$0.00	Yes
MS08020	Ware Disposal Company, Inc.	11/25/2008	2/24/2016		\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08021	CalMet Services, Inc.	1/9/2009	1/8/2016	7/8/2016	\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08053	City of Los Angeles, Bureau of Sanit	2/18/2009	12/17/2015		\$400,000.00	\$400,000.00	New LNG/CNG Station	\$0.00	Yes
MS08057	Orange County Transportation Autho	5/14/2009	7/13/2015		\$400,000.00	\$400,000.00	New CNG Station - Garden Grove	\$0.00	Yes
MS08063	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$400,000.00	New CNG Station - Moreno Valley	\$0.00	Yes
MS08066	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Palm Spring Airport	\$0.00	Yes
MS08067	Trillium CNG	3/19/2009	6/18/2015	6/18/2016	\$311,600.00	\$254,330.00	New CNG Station	\$57,270.00	Yes
MS08069	Perris Union High School District	6/5/2009	8/4/2015	8/4/2016	\$225,000.00	\$225,000.00	New CNG Station	\$0.00	Yes
MS08076	Azusa Unified School District	10/17/2008	11/16/2014	1/31/2017	\$172,500.00	\$172,500.00	New CNG station and maint. Fac. Modificati	\$0.00	Yes
MS08078	SunLine Transit Agency	12/10/2008	6/9/2015	2/9/2016	\$189,000.00	\$189,000.00	CNG Station Upgrade	\$0.00	Yes

Total: 26

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2008-2009 Contracts

Open Contracts

ML09010	City of Palm Springs	1/8/2010	2/7/2016		\$25,000.00	\$0.00	1 Nat. Gas Heavy-Duty Vehicle	\$25,000.00	No
ML09026	Los Angeles County Department of	10/15/2010	10/14/2017	4/14/2019	\$150,000.00	\$150,000.00	3 Off-Road Vehicles Repowers	\$0.00	No
ML09032	Los Angeles World Airports	4/8/2011	4/7/2018		\$175,000.00	\$0.00	7 Nat. Gas Heavy-Duty Vehicles	\$175,000.00	No
ML09033	City of Beverly Hills	3/4/2011	5/3/2017	5/3/2018	\$550,000.00	\$100,000.00	10 Nat. Gas Heavy-Duty Vehicles & CNG St	\$450,000.00	No
ML09036	City of Long Beach Fleet Services B	5/7/2010	5/6/2017	5/6/2020	\$875,000.00	\$525,000.00	Purchase 35 LNG Refuse Trucks	\$350,000.00	No
ML09047	Los Angeles County Department of	8/13/2014	8/12/2015		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No

Total: 6

Declined/Cancelled Contracts

ML09017	County of San Bernardino Public Wo	1/28/2010	7/27/2016		\$200,000.00	\$0.00	8 Nat. Gas Heavy-Duty Vehicles	\$200,000.00	No
ML09018	Los Angeles Department of Water a	7/16/2010	9/15/2012		\$850,000.00	\$0.00	Retrofit 85 Off-Road Vehicles w/DECS	\$850,000.00	No
ML09019	City of San Juan Capistrano Public	12/4/2009	11/3/2010		\$10,125.00	\$0.00	Remote Vehicle Diagnostics/45 Vehicles	\$10,125.00	No
ML09022	Los Angeles County Department of				\$8,250.00	\$0.00	Remote Vehicle Diagnostics/15 Vehicles	\$8,250.00	No
ML09025	Los Angeles County Department of	10/15/2010	12/14/2012	6/14/2013	\$50,000.00	\$0.00	Remote Vehicle Diagnostics/85 Vehicles	\$50,000.00	No
ML09028	Riverside County Waste Manageme				\$140,000.00	\$0.00	Retrofit 7 Off-Road Vehicles w/DECS	\$140,000.00	No
ML09039	City of Inglewood				\$310,000.00	\$0.00	Purchase 12 H.D. CNG Vehicles and Remot	\$310,000.00	No
ML09040	City of Cathedral City				\$83,125.00	\$0.00	Purchase 3 H.D. CNG Vehicles and Remote	\$83,125.00	No
ML09044	City of San Dimas				\$425,000.00	\$0.00	Install CNG Station and Purchase 1 CNG S	\$425,000.00	No
ML09045	City of Orange				\$125,000.00	\$0.00	Purchase 5 CNG Sweepers	\$125,000.00	No
MS09003	FuelMaker Corporation				\$296,000.00	\$0.00	Home Refueling Apparatus Incentives	\$296,000.00	No

Total: 11

Closed Contracts

ML09007	City of Rancho Cucamonga	2/26/2010	4/25/2012		\$117,500.00	\$62,452.57	Maintenance Facility Modification	\$55,047.43	Yes
ML09013	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$144,470.00	\$128,116.75	Traffic Signal Synchr./Moreno Valley	\$16,353.25	Yes
ML09014	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$113,030.00	\$108,495.94	Traffic Signal Synchr./Corona	\$4,534.06	Yes
ML09015	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$80,060.00	\$79,778.52	Traffic Signal Synchr./Co. of Riverside	\$281.48	Yes
ML09016	County of San Bernardino Public Wo	1/28/2010	3/27/2014		\$50,000.00	\$50,000.00	Install New CNG Station	\$0.00	Yes
ML09020	County of San Bernardino	8/16/2010	2/15/2012		\$49,770.00	\$49,770.00	Remote Vehicle Diagnostics/252 Vehicles	\$0.00	Yes
ML09021	City of Palm Desert	7/9/2010	3/8/2012		\$39,450.00	\$38,248.87	Traffic Signal Synchr./Rancho Mirage	\$1,201.13	Yes
ML09024	Los Angeles County Department of	10/15/2010	12/14/2012	6/14/2013	\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML09027	Los Angeles County Department of	7/23/2010	3/22/2012	6/22/2012	\$150,000.00	\$150,000.00	Freeway Detector Map Interface	\$0.00	Yes
ML09030	City of Los Angeles GSD/Fleet Servi	6/18/2010	6/17/2011		\$22,310.00	\$22,310.00	Remote Vehicle Diagnostics/107 Vehicles	\$0.00	No
MS09001	Administrative Services Co-Op/Long	3/5/2009	6/30/2012	12/31/2013	\$225,000.00	\$150,000.00	15 CNG Taxicabs	\$75,000.00	Yes
MS09005	Gas Equipment Systems, Inc.	6/19/2009	10/18/2010		\$71,000.00	\$71,000.00	Provide Temp. Fueling for Mountain Area C	\$0.00	Yes

Total: 12

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Open/Complete Contracts									
ML09008	City of Culver City Transportation De	1/19/2010	7/18/2016	7/18/2017	\$175,000.00	\$175,000.00	8 Nat. Gas Heavy-Duty Vehicles	\$0.00	No
ML09009	City of South Pasadena	11/5/2010	12/4/2016	3/4/2019	\$125,930.00	\$125,930.00	CNG Station Expansion	\$0.00	No
ML09011	City of San Bernardino	2/19/2010	5/18/2016		\$250,000.00	\$250,000.00	10 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09012	City of Gardena	3/12/2010	11/11/2015		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09023	Los Angeles County Department of	12/10/2010	12/9/2017		\$50,000.00	\$50,000.00	2 Heavy-Duty Alternative Fuel Transit Vehic	\$0.00	No
ML09029	City of Whittier	11/6/2009	4/5/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09031	City of Los Angeles, Department of	10/29/2010	10/28/2017		\$825,000.00	\$825,000.00	33 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09034	City of La Palma	11/25/2009	6/24/2015		\$25,000.00	\$25,000.00	1 LPG Heavy-Duty Vehicle	\$0.00	Yes
ML09035	City of Fullerton	6/17/2010	6/16/2017	12/16/2018	\$450,000.00	\$450,000.00	2 Heavy-Duty CNG Vehicles & Install CNG	\$0.00	Yes
ML09037	City of Redondo Beach	6/18/2010	6/17/2016		\$50,000.00	\$50,000.00	Purchase Two CNG Sweepers	\$0.00	Yes
ML09038	City of Chino	9/27/2010	5/26/2017		\$250,000.00	\$250,000.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09041	City of Los Angeles, Bureau of Sanit	10/1/2010	9/30/2017		\$875,000.00	\$875,000.00	Purchase 35 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML09042	Los Angeles Department of Water a	12/10/2010	12/9/2017		\$1,400,000.00	\$1,400,000.00	Purchase 56 Dump Trucks	\$0.00	Yes
ML09043	City of Covina	10/8/2010	4/7/2017	10/7/2018	\$179,591.00	\$179,591.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09046	City of Newport Beach	5/20/2010	5/19/2016		\$162,500.00	\$162,500.00	Upgrade Existing CNG Station, Maintenance	\$0.00	Yes

Total: 15

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2009-2010 Contracts

Open Contracts

MS10005	Domestic Linen Supply Company, In	10/8/2010	7/7/2016		\$47,444.00	\$0.00	Purchase 5 Gas-Electric Hybrid Vehicles	\$47,444.00	No
MS10015	County of Los Angeles Department o	3/14/2014	5/13/2016		\$37,955.00	\$37,955.00	Purchase 2 H.D. CNG Vehicles	\$0.00	No

Total: 2

Declined/Cancelled Contracts

MS10003	City of Sierra Madre	5/11/2012	3/10/2018		\$13,555.00	\$0.00	Purchase 1 H.D. CNG Vehicle	\$13,555.00	No
MS10013	City of San Bernardino				\$68,834.00	\$0.00	Purchase 9 H.D. LNG Vehicles	\$68,834.00	No
MS10014	Serv-Wel Disposal				\$18,977.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$18,977.00	No
MS10018	Shaw Transport Inc.				\$81,332.00	\$0.00	Purchase 6 H.D. LNG Vehicles	\$81,332.00	No
MS10022	Los Angeles World Airports				\$123,353.00	\$0.00	Purchase 13 H.D. CNG Vehicles	\$123,353.00	No
MS10023	Dix Leasing				\$105,000.00	\$0.00	Purchase 3 H.D. LNG Vehicles	\$105,000.00	No

Total: 6

Closed Contracts

MS10001	Los Angeles County MTA	3/19/2010	2/28/2011	4/28/2011	\$300,000.00	\$196,790.61	Clean Fuel Transit Bus Service to Dodger St	\$103,209.39	Yes
MS10002	Coachella Valley Association of Gov	6/18/2010	2/17/2011		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS10025	Elham Shirazi	2/18/2011	10/17/2012	2/17/2014	\$199,449.00	\$188,413.05	Telework Demonstration Program	\$11,035.95	No

Total: 3

Open/Complete Contracts

MS10004	Linde LLC	3/2/2012	6/1/2018		\$56,932.00	\$56,931.00	Purchase 6 H.D. CNG Vehicles	\$1.00	Yes
MS10006	Nationwide Environmental Services	11/19/2010	4/18/2017	9/18/2019	\$94,887.00	\$94,887.00	Purchase Three Street Sweepers	\$0.00	Yes
MS10007	Enterprise Rent-A-Car Company of L	7/15/2011	10/14/2017		\$18,976.00	\$18,976.00	Purchase 2 H.D. CNG Vehicles	\$0.00	No
MS10008	Republic Services, Inc.	12/10/2010	5/9/2017		\$123,354.00	\$123,354.00	Purchase 4 CNG Refuse Collection Vehicles	\$0.00	Yes
MS10009	Ware Disposal Company, Inc.	10/29/2010	3/28/2017		\$123,353.00	\$123,352.00	Purchase 4 CNG Refuse Trucks	\$1.00	No
MS10010	New Bern Transport Corporation	10/29/2010	3/28/2017		\$113,864.00	\$113,864.00	Repower 4 Heavy-Duty Vehicles	\$0.00	Yes
MS10011	Foothill Transit Agency	3/9/2012	2/8/2018		\$113,865.00	\$113,865.00	Purchase 12 H.D. CNG Vehicles	\$0.00	Yes
MS10012	Foothill Transit Agency	3/9/2012	3/8/2019		\$85,392.00	\$85,392.00	Purchase 9 H.D. Electric Vehicles	\$0.00	Yes
MS10016	Rio Hondo Community College	11/5/2010	5/4/2017		\$16,077.00	\$16,077.00	Purchase 1 CNG Shuttle Bus	\$0.00	Yes
MS10017	Ryder System Inc.	12/30/2011	6/29/2018	12/29/2018	\$651,377.00	\$651,377.00	Purchase 19 H.D. Natural Gas Vehicles	\$0.00	Yes
MS10019	EDCO Disposal Corporation	11/19/2010	2/18/2017		\$379,549.00	\$379,283.81	Purchase 11 H.D. CNG Refuse Trucks	\$265.19	Yes
MS10020	American Reclamation, Inc.	5/6/2011	2/5/2018		\$18,977.00	\$18,977.00	Purchase 1 H.D. CNG Vehicle	\$0.00	Yes
MS10021	City of Glendora	10/29/2010	11/28/2016		\$9,489.00	\$9,489.00	Purchase 1 H.D. CNG Vehicle	\$0.00	Yes
MS10024	Frito-Lay North America	7/29/2011	9/28/2017		\$47,444.00	\$47,444.00	Purchase 5 Electric Vehicles	\$0.00	Yes

Total: 14

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2010-2011 Contracts

Open Contracts

ML11020	City of Indio	2/1/2013	3/31/2019	9/30/2019	\$30,000.00	\$0.00	Retrofit one H.D. Vehicles w/DECS, repower	\$30,000.00	No
ML11023	City of Rancho Cucamonga	4/20/2012	12/19/2018	9/19/2020	\$260,000.00	\$60,000.00	Expand Existing CNG Station, 2 H.D. Vehicl	\$200,000.00	No
ML11024	County of Los Angeles, Dept of Publi	12/5/2014	6/4/2022		\$90,000.00	\$0.00	Purchase 3 Nat. Gas H.D. Vehicles	\$90,000.00	No
ML11025	County of Los Angeles Department o	3/14/2014	9/13/2021		\$150,000.00	\$150,000.00	Purchase 5 Nat. Gas H.D. Vehicles	\$0.00	No
ML11027	City of Los Angeles, Dept. of Genera	5/4/2012	7/3/2015		\$300,000.00	\$0.00	Maintenance Facility Modifications	\$300,000.00	No
ML11029	City of Santa Ana	9/7/2012	3/6/2020		\$262,500.00	\$0.00	Expansion of Existing CNG Station, Install N	\$262,500.00	No
ML11032	City of Gardena	3/2/2012	9/1/2018		\$102,500.00	\$0.00	Modify Maint. Facility, Expand CNG station,	\$102,500.00	No
ML11036	City of Riverside	1/27/2012	1/26/2019	3/26/2021	\$670,000.00	\$0.00	Install New CNG Station, Purchase 9 H.D. N	\$670,000.00	No
ML11038	City of Santa Monica	5/18/2012	7/17/2018		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML11040	City of South Pasadena	5/4/2012	1/3/2019		\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
ML11041	City of Santa Ana	9/7/2012	11/6/2018	5/6/2020	\$265,000.00	\$34,651.86	Purchase 7 LPG H.D. Vehicles, Retrofit 6 H.	\$230,348.14	No
ML11045	City of Newport Beach	2/3/2012	8/2/2018	8/2/2020	\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
MS11001	Mineral LLC	4/22/2011	4/30/2013	4/30/2015	\$111,827.00	\$103,136.83	Design, Develop, Host and Maintain MSRC	\$8,690.17	No
MS11010	Border Valley Trading	8/26/2011	10/25/2017	4/25/2020	\$150,000.00	\$0.00	New LNG Station	\$150,000.00	No
MS11016	CR&R Incorporated	4/12/2013	10/11/2019		\$100,000.00	\$90,000.00	New CNG Station - Perris	\$10,000.00	No
MS11019	City of Corona	11/29/2012	4/28/2020		\$225,000.00	\$0.00	Expansion of Existing CNG Station	\$225,000.00	No
MS11056	The Better World Group	12/30/2011	12/29/2013	12/29/2015	\$206,836.00	\$154,318.71	Programmatic Outreach Services	\$52,517.29	No
MS11060	Rowland Unified School District	8/17/2012	1/16/2019	1/16/2020	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11061	Eastern Municipal Water District	3/29/2012	5/28/2015		\$11,659.00	\$1,450.00	Retrofit One Off-Road Vehicle under Showc	\$10,209.00	No
MS11062	Load Center	9/7/2012	1/6/2016	12/6/2016	\$175,384.00	\$169,883.00	Retrofit Six Off-Road Vehicles under Showc	\$5,501.00	No
MS11065	Temecula Valley Unified School Distr	8/11/2012	1/10/2019		\$50,000.00	\$0.00	Expansion of Existing CNG Station	\$50,000.00	No
MS11067	City of Redlands	5/24/2012	11/23/2018	11/23/2019	\$85,000.00	\$0.00	Expansion of Existing CNG Station	\$85,000.00	No
MS11068	Ryder System Inc.	7/28/2012	10/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Fontana	\$0.00	No
MS11069	Ryder System Inc.	7/28/2012	8/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Orange)	\$0.00	No
MS11071	City of Torrance Transit Department	12/22/2012	1/21/2019	1/21/2020	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11076	SA Recycling, LLC	5/24/2012	9/23/2015		\$424,801.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$424,801.00	No
MS11081	Metropolitan Stevedore Company	9/7/2012	1/6/2016		\$45,416.00	\$0.00	Install DECS on Two Off-Road Vehicles	\$45,416.00	No
MS11082	Baumot North America, LLC	8/2/2012	12/1/2015		\$65,958.00	\$4,350.00	Install DECS on Four Off-Road Vehicles	\$61,608.00	No
MS11085	City of Long Beach Fleet Services B	8/23/2013	12/22/2016		\$159,012.00	\$0.00	Retrofit Seven H.D. Off-Road Vehicles Unde	\$159,012.00	No
MS11086	DCL America Inc.	6/7/2013	10/6/2016		\$500,000.00	\$0.00	Retrofit Eight H.D. Off-Road Vehicles Under	\$500,000.00	No
MS11091	California Cartage Company, LLC	4/5/2013	8/4/2016	2/4/2018	\$55,000.00	\$0.00	Retrofit Two H.D. Off-Road Vehicles Under	\$55,000.00	No
MS11092	Griffith Company	2/15/2013	6/14/2016	12/14/2017	\$390,521.00	\$0.00	Retrofit 17 H.D. Off-Road Vehicles Under Sh	\$390,521.00	No

Total: 32

Pending Execution Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS11073	Los Angeles Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
Total: 1									
Declined/Cancelled Contracts									
MS11013	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Huntington Beach	\$150,000.00	No
MS11014	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Santa Ana	\$150,000.00	No
MS11015	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Inglewood	\$150,000.00	No
MS11046	Luis Castro				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11047	Ivan Borjas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11048	Phase II Transportation				\$1,080,000.00	\$0.00	Repower 27 Heavy-Duty Vehicles	\$1,080,000.00	No
MS11049	Ruben Caceras				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11050	Carlos Arrue				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11051	Francisco Vargas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11053	Jose Ivan Soltero				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11054	Albino Meza				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11059	Go Natural Gas				\$150,000.00	\$0.00	New Public Access CNG Station - Paramou	\$150,000.00	No
MS11063	Standard Concrete Products				\$310,825.00	\$0.00	Retrofit Two Off-Road Vehicles under Show	\$310,825.00	No
MS11070	American Honda Motor Company				\$100,000.00	\$0.00	Expansion of Existing CNG Station	\$100,000.00	No
MS11072	Trillium USA Company DBA Californi				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS11077	DCL America Inc.				\$263,107.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$263,107.00	No
MS11083	Catrac Construction, Inc.				\$500,000.00	\$0.00	Install DECS on Eight Off-Road Vehicles	\$500,000.00	No
MS11084	Ivanhoe Energy Services and Develo				\$66,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$66,750.00	No
MS11088	Diesel Emission Technologies				\$32,750.00	\$0.00	Retrofit Three H.D. Off-Road Vehicles Under	\$32,750.00	No
MS11089	Diesel Emission Technologies				\$9,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$9,750.00	No
MS11090	Diesel Emission Technologies				\$14,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$14,750.00	No
Total: 21									
Closed Contracts									
ML11007	Coachella Valley Association of Gov	7/29/2011	7/28/2012		\$250,000.00	\$249,999.96	Regional PM10 Street Sweeping Program	\$0.04	Yes
ML11035	City of La Quinta	11/18/2011	11/17/2012		\$25,368.00	\$25,368.00	Retrofit 3 On-Road Vehicles w/DECS	\$0.00	Yes
MS11002	A-Z Bus Sales, Inc.	7/15/2011	12/31/2011	6/30/2013	\$1,705,000.00	\$1,705,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS11003	BusWest	7/26/2011	12/31/2011	12/31/2012	\$1,305,000.00	\$1,305,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS11004	Los Angeles County MTA	9/9/2011	2/29/2012		\$450,000.00	\$299,743.34	Clean Fuel Transit Service to Dodger Stadiu	\$150,256.66	Yes
MS11006	Orange County Transportation Autho	10/7/2011	2/29/2012	8/31/2012	\$268,207.00	\$160,713.00	Metrolink Service to Angel Stadium	\$107,494.00	Yes
MS11018	Orange County Transportation Autho	10/14/2011	1/31/2012		\$211,360.00	\$211,360.00	Express Bus Service to Orange County Fair	\$0.00	Yes
MS11052	Krisda Inc	9/27/2012	6/26/2013		\$120,000.00	\$120,000.00	Repower Three Heavy-Duty Vehicles	\$0.00	Yes
MS11057	Riverside County Transportation Co	7/28/2012	3/27/2013		\$100,000.00	\$89,159.40	Develop and Implement 511 "Smart Phone"	\$10,840.60	Yes
MS11058	L A Service Authority for Freeway E	5/31/2013	4/30/2014		\$123,395.00	\$123,395.00	Implement 511 "Smart Phone" Application	\$0.00	No
MS11074	SunLine Transit Agency	5/11/2012	7/31/2012		\$41,849.00	\$22,391.00	Transit Service for Coachella Valley Festival	\$19,458.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS11080	Southern California Regional Rail Au	4/6/2012	7/31/2012		\$26,000.00	\$26,000.00	Metrolink Service to Auto Club Speedway	\$0.00	Yes
Total: 12									
Closed/Incomplete Contracts									
MS11064	City of Hawthorne	7/28/2012	8/27/2018	8/27/2019	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
Total: 1									
Open/Complete Contracts									
ML11021	City of Whittier	1/27/2012	9/26/2018	6/26/2019	\$210,000.00	\$210,000.00	Purchase 7 Nat. Gas H.D. Vehicles	\$0.00	No
ML11022	City of Anaheim	3/16/2012	7/15/2018		\$150,000.00	\$150,000.00	Purchase of 5 H.D. Vehicles	\$0.00	No
ML11026	City of Redlands	3/2/2012	10/1/2018		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11028	City of Glendale	1/13/2012	5/12/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. CNG Vehicles	\$0.00	Yes
ML11030	City of Fullerton	2/3/2012	3/2/2018		\$109,200.00	\$109,200.00	Purchase 2 Nat. Gas H.D. Vehicles, Retrofit	\$0.00	Yes
ML11031	City of Culver City Transportation De	12/2/2011	12/1/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML11033	City of Los Angeles, Bureau of Sanit	3/16/2012	1/15/2019		\$1,080,000.00	\$1,080,000.00	Purchase 36 LNG H.D. Vehicles	\$0.00	Yes
ML11034	City of Los Angeles, Department of	5/4/2012	1/3/2019		\$630,000.00	\$630,000.00	Purchase 21 H.D. CNG Vehicles	\$0.00	No
ML11037	City of Anaheim	12/22/2012	12/21/2019		\$300,000.00	\$300,000.00	Purchase 12 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11039	City of Ontario, Housing & Municipal	1/27/2012	9/26/2018		\$180,000.00	\$180,000.00	Purchase 6 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11042	City of Chino	2/17/2012	4/16/2018		\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle, Repower	\$0.00	No
ML11043	City of Hemet Public Works	2/3/2012	2/2/2019		\$60,000.00	\$60,000.00	Purchase 2 H.D. Nat. Gas Vehicles	\$0.00	No
ML11044	City of Ontario, Housing & Municipal	1/27/2012	6/26/2019		\$400,000.00	\$400,000.00	Expand Existing CNG Station	\$0.00	Yes
MS11008	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11009	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11011	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Signal Hill	\$0.00	Yes
MS11012	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Buena Park	\$0.00	Yes
MS11017	CR&R, Inc.	3/2/2012	2/1/2018		\$100,000.00	\$100,000.00	Expansion of existing station - Garden Grov	\$0.00	Yes
MS11055	KEC Engineering	2/3/2012	8/2/2018	8/2/2019	\$200,000.00	\$200,000.00	Repower 5 H.D. Off-Road Vehicles	\$0.00	Yes
MS11066	Torrance Unified School District	11/19/2012	9/18/2018		\$42,296.00	\$42,296.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11079	Bear Valley Unified School District	2/5/2013	10/4/2019		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11087	Cemex Construction Material Pacific,	10/16/2012	2/15/2016		\$448,766.00	\$448,760.80	Retrofit 13 H.D. Off-Road Vehicles Under Sh	\$5.20	Yes
Total: 22									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2011-2012 Contracts									
Open Contracts									
ML12013	City of Pasadena	10/19/2012	3/18/2015	9/18/2015	\$200,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$200,000.00	No
ML12014	City of Santa Ana	11/8/2013	8/7/2020		\$384,000.00	\$4,709.00	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$379,291.00	No
ML12015	City of Fullerton	4/25/2013	11/24/2020		\$40,000.00	\$10,000.00	HD CNG Vehicle, Expand CNG Station	\$30,000.00	No
ML12016	City of Cathedral City	1/4/2013	10/3/2019		\$60,000.00	\$0.00	CNG Vehicle & Electric Vehicle Infrastructur	\$60,000.00	No
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020	11/25/2021	\$950,000.00	\$0.00	32 H.D. Nat. Gas Vehicles	\$950,000.00	No
ML12018	City of West Covina	10/18/2013	10/17/2020		\$300,000.00	\$0.00	Expansion of Existing CNG Station	\$300,000.00	No
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$16,837.00	EV Charging Infrastructure	\$21,163.00	No
ML12020	City of Los Angeles, Department of	9/27/2012	3/26/2019	3/26/2020	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles	\$0.00	No
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$100,000.00	2 Medium-Duty and Three Heavy-Duty CNG	\$10,000.00	No
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	10/3/2015		\$68,977.00	\$0.00	EV Charging Infrastructure	\$68,977.00	No
ML12043	City of Hemet	6/24/2013	9/23/2019		\$60,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$60,000.00	No
ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020		\$400,000.00	\$0.00	Install New CNG Station	\$400,000.00	No
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12048	City of La Palma	1/4/2013	11/3/2018		\$20,000.00	\$0.00	Two Medium-Duty LPG Vehicles	\$20,000.00	No
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$0.00	EV Charging Infrastructure	\$30,432.00	No
ML12051	City of Bellflower	2/7/2014	2/6/2016		\$270,000.00	\$0.00	EV Charging Infrastructure	\$270,000.00	No
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	No
ML12057	City of Coachella	8/28/2013	8/27/2019		\$57,456.00	\$0.00	Purchase One Nat. Gas H.D. Vehicle/Street	\$57,456.00	No
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$0.00	Clean Fuel Transit Service to Dodger Stadiu	\$300,000.00	No
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$0.00	Construct New Limited-Access CNG Station	\$175,000.00	No
MS12008	Bonita Unified School District	7/12/2013	12/11/2019		\$175,000.00	\$0.00	Construct New Limited-Acess CNG Station	\$175,000.00	No
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$0.00	Construct New Public-Access CNG Station	\$150,000.00	No
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	6/13/2020	\$150,000.00	\$0.00	Construct New Public-Access CNG Station -	\$150,000.00	No
MS12024	Southern California Gas Company	6/13/2013	12/12/2019		\$150,000.00	\$0.00	Construct New Public-Access CNG Station -	\$150,000.00	No
MS12027	C.V. Ice Company, Inc.	5/17/2013	11/16/2019		\$75,000.00	\$0.00	Purchase 3 Medium-Heavy Duty Vehicles	\$75,000.00	No
MS12029	Community Action Partnership of Or	11/2/2012	11/1/2018		\$25,000.00	\$14,850.00	Purchase 1 Medium-Heavy Duty Vehicle	\$10,150.00	No
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$100,000.00	\$29,201.40	Purchase 4 Medium-Heavy Duty Vehicles	\$70,798.60	No
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018	6/21/2021	\$500,000.00	\$21,735.00	Purchase 20 Medium-Heavy Duty Vehicles	\$478,265.00	No
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018	11/1/2020	\$133,070.00	\$74,763.00	Purchase 8 Medium-Heavy Duty Vehicles	\$58,307.00	No
MS12060	City of Santa Monica	4/4/2014	8/3/2017		\$500,000.00	\$0.00	Transit-Oriented Bicycle Sharing Program	\$500,000.00	No
MS12061	Orange County Transportation Autho	3/14/2014	3/13/2017		\$224,000.00	\$81,604.80	Transit-Oriented Bicycle Sharing Program	\$142,395.20	No
MS12067	Leatherwood Construction, Inc.	11/8/2013	3/7/2017		\$122,719.00	\$0.00	Retrofit Six Vehicles w/DECS - Showcase III	\$122,719.00	No
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$0.00	Construct New CNG Station	\$100,000.00	No
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$135,000.00	Construct New CNG Station	\$15,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12075	CR&R Incorporated	7/27/2013	1/26/2021		\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Vernon	\$75,000.00	No
MS12079	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Boyle H	\$75,000.00	No
MS12080	City of Pasadena	11/8/2013	8/7/2020	8/7/2021	\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Santa A	\$75,000.00	No
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021		\$175,000.00	\$0.00	Install New CNG Infrastructure	\$175,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$202,500.00	Purchase 23 Medium-Heavy Duty Vehicles	\$22,500.00	No
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$125,000.00	Implement Rideshare Incentives Program	\$0.00	Yes
MS12088	Orange County Transportation Autho	12/6/2013	3/5/2016		\$125,000.00	\$0.00	Implement Rideshare Incentives Program	\$125,000.00	No
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$250,000.00	\$53,415.18	Implement Rideshare Incentives Program	\$196,584.82	No
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	No

Total: 47

Pending Execution Contracts

MS12083	Brea Olinda Unified School District				\$59,454.00	\$0.00	Install New CNG Infrastructure	\$59,454.00	No
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Total: 1

Declined/Cancelled Contracts

ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte Transit				\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12044	County of San Bernardino Public Wo				\$250,000.00	\$0.00	Install New CNG Station	\$250,000.00	No
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Acess CNG Station	\$100,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No

Total: 7

Closed Contracts

ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$40,000.00	Four Medium-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$192,333.00	EV Charging Infrastructure	\$57,667.00	Yes
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$385,363.00	EV Charging Infrastructure	\$17,037.00	No
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$77,385.00	EV Charging Infrastructure	\$0.00	Yes
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$5,900.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS12002	Orange County Transportation Autho	9/7/2012	4/30/2013		\$342,340.00	\$333,185.13	Express Bus Service to Orange County Fair	\$9,154.87	Yes
MS12003	Orange County Transportation Autho	7/20/2012	2/28/2013		\$234,669.00	\$167,665.12	Implement Metrolink Service to Angel Stadiu	\$67,003.88	Yes
MS12005	USA Waste of California, Inc.	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12006	Waste Management Collection & Re	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12012	Rim of the World Unified School Dist	12/20/2012	5/19/2014		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12059	Orange County Transportation Autho	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	No
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$56,443.92	Implement Anaheim Circulator Service	\$70,852.08	Yes
MS12065	Orange County Transportation Autho	7/27/2013	11/30/2013		\$43,933.00	\$14,832.93	Ducks Express Service to Honda Center	\$29,100.07	Yes
MS12068	Southern California Regional Rail Au	3/1/2013	9/30/2013		\$57,363.00	\$47,587.10	Implement Metrolink Service to Autoclub Sp	\$9,775.90	Yes
MS12069	City of Irvine	8/11/2013	2/28/2014		\$45,000.00	\$26,649.41	Implement Special Transit Service to Solar	\$18,350.59	Yes
MS12076	City of Ontario, Housing & Municipal	3/8/2013	4/7/2015		\$75,000.00	\$75,000.00	Maintenance Facilities Modification	\$0.00	Yes
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes

Total: 20

Open/Complete Contracts

ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	No
ML12042	City of Chino Hills	1/18/2013	3/17/2017		\$87,500.00	\$87,500.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	No
ML12055	City of Manhattan Beach	3/1/2013	12/31/2018		\$10,000.00	\$10,000.00	One Medium-Duty Nat. Gas Vehicle	\$0.00	Yes
MS12010	Murrieta Valley Unified School Distric	4/5/2013	9/4/2019		\$242,786.00	\$242,786.00	Construct New Limited-Access CNG Station	\$0.00	No
MS12025	Silverado Stages, Inc.	11/2/2012	7/1/2018		\$150,000.00	\$150,000.00	Purchase Six Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$353,048.26	Purchase 23 Medium-Heavy Duty Vehicles	\$146,951.74	Yes
MS12028	Dy-Dee Service of Pasadena, Inc.	12/22/2012	1/21/2019		\$45,000.00	\$40,000.00	Purchase 2 Medium-Duty and 1 Medium-He	\$5,000.00	Yes
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12035	Disneyland Resort	1/4/2013	7/3/2019		\$25,000.00	\$18,900.00	Purchase 1 Medium-Heavy Duty Vehicle	\$6,100.00	Yes
MS12036	Jim & Doug Carter's Automotive/VS	1/4/2013	11/3/2018		\$50,000.00	\$50,000.00	Purchase 2 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12058	Krisda Inc	4/24/2013	1/23/2019		\$25,000.00	\$25,000.00	Repower One Heavy-Duty Off-Road Vehicle	\$0.00	Yes
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$100,000.00	Install New Limited Access CNG Station	\$0.00	Yes
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$21,250.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No

Total: 15

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2012-2014 Contracts									
Open Contracts									
ML14012	City of Santa Ana	2/13/2015	10/12/2021		\$244,000.00	\$0.00	EV Charging and 7 H.D. LPG Vehicles	\$244,000.00	No
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$0.00	EV Charging Infrastructure	\$56,000.00	No
ML14016	City of Anaheim	4/3/2015	9/2/2021		\$380,000.00	\$0.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$380,000.00	No
ML14018	City of Los Angeles, Department of	3/6/2015	9/5/2021		\$810,000.00	\$0.00	Purchase 27 H.D. Nat. Gas Vehicles	\$810,000.00	No
ML14019	City of Corona Public Works	12/5/2014	6/4/2020		\$178,263.00	\$0.00	EV Charging, Bicycle Racks, Bicycle Locker	\$178,263.00	No
ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016		\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$0.00	Expansion of Existing CNG Infrastructure	\$126,950.00	No
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$0.00	Bicycle Trail Improvements	\$90,500.00	No
ML14030	County of Los Angeles Internal Servi	1/9/2015	3/8/2018		\$425,000.00	\$0.00	Bicycle Racks, Outreach & Education	\$425,000.00	No
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$0.00	Purchase 3 H.D. CNG Vehicles	\$90,000.00	No
ML14032	City of Rancho Cucamonga	1/9/2015	1/8/2022		\$113,990.00	\$18,110.88	Expansion of Existing CNG Infrac., Bicycle L	\$95,879.12	No
ML14033	City of Irvine	7/11/2014	2/10/2021		\$60,000.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$60,000.00	No
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$0.00	EV Charging Stations	\$56,700.00	No
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$30,000.00	One HD Nat Gas Vehicle, EV Charging, Bicy	\$75,000.00	No
ML14050	City of Yucaipa	7/11/2014	9/10/2015		\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14051	City of Brea	9/5/2014	1/4/2017		\$450,000.00	\$0.00	Installation of Bicycle Trail	\$450,000.00	No
ML14054	City of Torrance	11/14/2014	4/13/2017		\$350,000.00	\$0.00	Upgrade Maintenance Facility	\$350,000.00	No
ML14055	City of Highland	10/10/2014	3/9/2018		\$500,000.00	\$0.00	Bicycle Lanes and Outreach	\$500,000.00	No
ML14056	City of Redlands	9/5/2014	5/4/2016	5/4/2017	\$125,000.00	\$0.00	Bicycle Lanes	\$125,000.00	No
ML14062	City of San Fernando	3/27/2015	5/26/2021		\$387,091.00	\$0.00	Expand Existing CNG Fueling Station	\$387,091.00	No
ML14064	City of Claremont	7/11/2014	7/10/2020	1/10/2021	\$60,000.00	\$0.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$60,000.00	No
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,000.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016		\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015		\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14071	City of Manhattan Beach	1/9/2015	11/8/2018		\$22,485.00	\$0.00	Electric Vehicle Charging Infrastructure	\$22,485.00	No
ML14072	City of Cathedral City	8/13/2014	1/12/2021		\$136,000.00	\$0.00	Medium & H.D. Vehicles, EV Charging, Bike	\$136,000.00	No
MS14001	Los Angeles County MTA	3/6/2015	4/30/2015		\$1,216,637.00	\$0.00	Clean Fuel Transit Service to Dodger Stadiu	\$1,216,637.00	No
MS14002	Orange County Transportation Autho	9/6/2013	4/30/2014		\$576,833.00	\$576,833.00	Clean Fuel Transit Service to Orange Count	\$0.00	No
MS14004	Orange County Transportation Autho	9/24/2013	4/30/2014		\$36,800.00	\$35,485.23	Implement Express Bus Service to Solar De	\$1,314.77	No
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$253,920.00	Provide Expanded Shuttle Service to Hollyw	\$261,280.00	No
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$189,622.94	Implement Special Metrolink Service to Ang	\$18,897.06	No
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$601,187.00	Implement Clean Fuel Bus Service to Orang	\$0.00	No
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$0.00	Expansion of Existing CNG Station	\$150,000.00	No
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$0.00	New Public-Access CNG Station in Inglewoo	\$150,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020	5/14/2021	\$150,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$150,000.00	No
MS14048	BusWest	3/14/2014	12/31/2014	5/31/2015	\$940,850.00	\$847,850.00	Alternative Fuel School Bus Incentive Progr	\$93,000.00	No
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$0.00	Expansion of an Existing CNG Fueling Statio	\$78,000.00	No
MS14053	Upland Unified School District	1/9/2015	7/8/2021		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS14057	Los Angeles County MTA	11/7/2014	10/6/2019		\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14058	Orange County Transportation Autho	11/7/2014	4/6/2016		\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018		\$939,625.00	\$0.00	Implement Various Signal Synchronization P	\$939,625.00	No
MS14072	San Bernardino Associated Govern	3/27/2015	3/26/2018		\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14073	Anaheim Transportation Network	1/9/2015	4/30/2017		\$221,312.00	\$63,221.60	Anaheim Resort Circulator Service	\$158,090.40	No
MS14074	Midway City Sanitary District	1/9/2015	3/8/2021		\$250,000.00	\$0.00	Limited-Access CNG Station & Facility Modif	\$250,000.00	No
MS14077	County Sanitation Districts of L.A. C	3/6/2015	5/5/2021		\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS14084	US Air Conditioning Distributors	5/7/2015	9/6/2021		\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS14088	Southern California Regional Rail Au	5/7/2015	9/30/2015		\$79,660.00	\$0.00	Special Metrolink Service to Autoclub Speed	\$79,660.00	No
MS14090	City of Monterey Park	5/7/2015	5/6/2021		\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No

Total: 48

Pending Execution Contracts

ML14013	City of Los Angeles, Bureau of Sanit				\$3,840,000.00	\$0.00	Purchase 128 H.D. Nat. Gas Vehicles	\$3,840,000.00	No
ML14022	County of Los Angeles Department o				\$300,000.00	\$0.00	Purchase 10 H.D. Nat. Gas Vehicles	\$300,000.00	No
ML14023	County of Los Angeles Department o				\$230,000.00	\$0.00	Maintenance Fac. Modifications-Westcheste	\$230,000.00	No
ML14024	County of Los Angeles Department o				\$230,000.00	\$0.00	Maintenance Fac. Modifications-Baldwin Par	\$230,000.00	No
ML14025	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Malibu	\$500,000.00	No
ML14026	County of Los Angeles Dept of Publi				\$300,000.00	\$0.00	Construct New CNG Station in Castaic	\$300,000.00	No
ML14027	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Downey	\$500,000.00	No
ML14060	County of Los Angeles Internal Servi				\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14061	City of La Habra				\$60,000.00	\$0.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$60,000.00	No
ML14067	City of Duarte Transit				\$60,000.00	\$0.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$60,000.00	No
ML14069	City of Beaumont				\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
ML14070	City of Rancho Cucamonga				\$365,245.00	\$0.00	Bicycle Trail Improvements	\$365,245.00	No
ML14093	County of Los Angeles Dept of Publi				\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improvem	\$150,000.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valle	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirad	\$75,000.00	No
MS14037	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Carson	\$75,000.00	No
MS14038	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Fontana	\$75,000.00	No
MS14039	Waste Management Collection and				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Irvine	\$75,000.00	No
MS14040	Waste Management Collection and				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Santa An	\$75,000.00	No
MS14041	USA Waste of California, Inc.				\$175,000.00	\$0.00	Limited-Access CNG Station, Vehicle Maint.	\$175,000.00	No
MS14075	Fullerton Joint Union High School Di				\$300,000.00	\$0.00	Expansion of Existing CNG Infrastructure/M	\$300,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14076	Rialto Unified School District				\$225,000.00	\$0.00	New Public Access CNG Station	\$225,000.00	No
MS14078	American Honda Motor Co., Inc.				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14079	Waste Resources, Inc.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14080	CR&R Incorporated				\$249,954.00	\$0.00	Expansion of Existing CNG Infrastructure/M	\$249,954.00	No
MS14081	CR&R Incorporated				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure/M	\$175,000.00	No
MS14082	Grand Central Recycling & Transfer				\$150,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$150,000.00	No
MS14083	Hacienda La Puente Unified School				\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS14085	Prologis, L.P.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14086	San Gabriel Valley Towing I				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14087	Orange County Transportation Autho				\$239,645.00	\$0.00	Implement Special Metrolink Service to Ang	\$239,645.00	No
MS14091	Serv-Wel Disposal				\$100,000.00	\$0.00	New Limited-Access CNG Infrastructure	\$100,000.00	No
MS14092	West Covina Unified School District				\$124,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$124,000.00	No

Total: 33

Declined/Cancelled Contracts

ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existng CNG Infrastructure	\$32,000.00	No
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No

Total: 2

Closed Contracts

ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$25,000.00	Street Sweeping Operations	\$0.00	Yes
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$78,627.00	Bicycle Racks, Bicycle Outreach & Educatio	\$373.00	No
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14020	County of Los Angeles Dept of Publi	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improvem	\$150,000.00	No
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$184,523.00	Implement Metrolink Service to Angel Stadiu	\$9,712.00	Yes
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014	3/31/2015	\$388,000.00	\$388,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	No
MS14047	Southern California Regional Rail Au	3/7/2014	9/30/2014		\$49,203.00	\$32,067.04	Special Metrolink Service to Autoclub Speed	\$17,135.96	Yes

Total: 7

Open/Complete Contracts

MS14044	TIMCO CNG Fund I, LLC	5/2/2014	11/1/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Santa A	\$0.00	Yes
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Total: 1

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2014-2016 Contracts

Open Contracts

MS14089	Top Shelf Consulting, LLC	2/5/2015	8/4/2016		\$200,000.00	\$80,033.00	Enhanced Fleet Modernization Program	\$119,967.00	No
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Total: 1

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 37

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on June 25, 2015, in Sacramento. The following is a summary of this meeting.

RECOMMENDED ACTION:
Receive and File.

Judith Mitchell, Member
SCAQMD Governing Board

sm

The Air Resources Board's (ARB or Board) June meeting was held on June 25, 2015 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

Consent Items

**1. Public Meeting to Consider the Greenhouse Gas Quantification
Determination for the Stanislaus Council of Governments' Regional
Transportation Plan/Sustainable Communities Strategy**

The Board accepted Stanislaus Council of Governments' determination that its 2014 Sustainable Communities Strategy, if implemented, would achieve the region's 2020 and 2035 per capita greenhouse gas emissions reduction targets established by the Air Resources Board.

2. Public Meeting to Consider the Greenhouse Gas Quantification Determination for the San Luis Obispo County Association of Governments' Regional Transportation Plan/Sustainable Communities Strategy

The Board accepted San Luis Obispo County Association of Governments' determination that its 2015 Sustainable Communities Strategy, if implemented, would achieve the region's 2020 and 2035 per capita greenhouse gas emissions reduction targets established by the Air Resources Board.

Discussion Items

1. Public Meeting to Consider Updates to Proposition 1B: Goods Movement Emission Reduction Program Guidelines

The Board adopted the proposed updates to the Program Guidelines that outline the eligible equipment and project funding levels for the final installment of Proposition 1B funds, which will reduce diesel emissions and health impacts from freight movement along California's four priority trade corridors. Staff's presentation highlighted three key updates to the Guidelines that include significant funding and longer grant timelines for zero and near-zero emission technology projects across all sectors, funding for infrastructure to support zero emission trucks, transport refrigeration units and cargo-handling equipment, and continued commitment to small fleets.

SCAQMD Staff Comments/Testimony: Dr. Barry R. Wallerstein thanked CARB staff for their efforts and indicated the SCAQMD staff support of the proposed Guidelines.

Dr. Wallerstein indicated that the additional enhancements for zero- and near-zero emission technologies are very important in terms of the South Coast Region's SIP needs and reducing air toxics emissions. Dr. Wallerstein also urged maintaining the requirement for Tier 4 locomotives in order to capture the additional NOx emission reductions necessary to reduce ozone and fine particulates.

2. 2014 Haagen-Smit Clean Air Awards

The Board awarded the 2014 Haagen-Smit Clean Air Awards to Dr. Donald Blake of the University of California, Irvine for air pollution research, Dr. Kirk Smith of the University of California, Berkeley for international air pollution research, and Dr. John Wall of Cummins, Inc. for emission control technology.

3. Public Meeting to Consider the Proposed Fiscal Year 2015-2016 Funding Plan for Low Carbon Transportation Investments and the Air Quality Improvement Program

The Board adopted the Proposed Fiscal Year 2015-2016 Funding Plan for allocating Low Carbon Transportation Investments and Air Quality Improvement Program funding in the Governor's proposed Budget. Staff's presentation highlighted that these programs expand incentives for zero-emission and plug-in passenger cars, clean trucks and buses, and advanced technology freight demonstration projects to reduce air pollution and greenhouse gas emissions with a priority for benefiting disadvantaged communities. Also, new categories were included such as the agricultural worker vanpools and mobile agricultural equipment trade-up in the San Joaquin Valley, low NOx truck incentives and rural school bus replacement. In addition, these changes build on investments from previous funding cycles and address new legislation signed in 2014 (Senate Bill 1275 and Senate Bill 1204) which refine program implementation.

SCAQMD Staff Comments/Testimony: Dr. Barry R. Wallerstein commented the SCAQMD staff support to approve the item but indicated that his primary purpose for testifying was looking towards the future of the program. CARB is receiving \$350 million in auction revenue funds this year, but with \$2.3 billion in total auction revenues, less than 16% is coming back to CARB for greenhouse gas purposes with co-benefits in reducing criteria pollutants and air toxics. The SCAQMD staff is working closely with CARB staff on preparation of the 2016 SIP amendments. The SCAQMD Governing Board has asked staff to eliminate the "black box," which historically contains future technologies to address attainment. Dr. Wallerstein urged the CARB Board and staff to educate the legislature and the Governor's Office to have a greater share of the funds to come back to CARB to be used to transform the mobile source fleet, which will be required in order for the region to meet federal clean air standards by their prescribed deadlines. With this, Dr. Wallerstein recommended approval of this item and asked that the CARB Board provide direction to CARB staff to work together with the air districts, public health advocates, and business community to allow more of the cap-and-trade funds be used to reduce greenhouse gas emissions while also garnering the criteria pollutant co-benefits needed to meet air quality standards.

4. Public Hearing to Consider Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

The Board adopted amendments to the Cap and Trade Regulation to include a new Rice Cultivation Compliance Offset Protocol and amendments to the United States Forest Compliance Offset Protocol that include project eligibility in parts of Alaska. Staff highlighted that the amendments were first presented to the Board at the December 2014 public hearing, at which the Board directed staff to make modifications to the proposed amendments. Based on public testimony, the Board directed staff to continue

to work with stakeholders to develop implementation guidance for the Forest Compliance Offset Protocol.

5. Public Meeting to Receive Informational Update on the Greenhouse Gas Quantification for the San Diego Association of Government's 2015 Draft Regional Transportation Plan/Sustainable Communities Strategy

The Board heard an informational update by staff on the San Diego Association of Government's (SANDAG) second draft Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The second RTP/SCS, known as San Diego Forward: The Regional Plan, is scheduled for adoption by SANDAG in the Fall of 2015. Staff's presentation highlighted that the second RTP/SCS is continuing to build and refine the policies and strategies of the first RTP/SCS while focusing on implementation. Such strategies include increased compact land use, transit, active transportation, managed lanes, demand management, and electric vehicles.

6. Public Meeting on Health Benefits of Physical Activity: Implications for Sustainable Communities

The Board heard an informational briefing by staff on the numerous benefits of physical activity from sustainable community strategies or SB 375. The staff presentation highlighted the ancillary health benefits from physical activity such as walking and biking for children, adolescents, and adults, as well as how the built environment can influence physical activity patterns and public health in a community.

Attachment

CARB June 25, 2015 Meeting Agenda

REVISED 6/19/15

PUBLIC MEETING AGENDA

June 25, 2015

[Webcast](#)

LOCATION:

Air Resources Board
Byron Sher Auditorium, Second Floor
1001 I Street
Sacramento, California 95814

<http://www.calepa.ca.gov/EPAbldg/location.htm>

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website:

<http://www.sacrt.com>

(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
June 25, 2015
9:00 a.m.**

CONSENT CALENDAR:

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak on it.

Consent Item #

- 15-5-1: Public Meeting to Consider the Greenhouse Gas Quantification Determination for the Stanislaus Council of Governments' Regional Transportation Plan/Sustainable Communities Strategy**

The Board will consider accepting the Stanislaus Council of Governments' determination that implementing its 2014 Sustainable Communities Strategy would achieve the region's 2020 and 2035 per capita greenhouse gas emissions reduction targets established by the Air Resources Board.

[More Information](#)

[Proposed Resolution](#)

- 15-5-2: Public Meeting to Consider the Greenhouse Gas Quantification Determination for the San Luis Obispo County Association of Governments' Regional Transportation Plan/Sustainable Communities Strategy**

The Board will consider accepting the San Luis Obispo County Association of Governments' determination that implementing its 2015 Sustainable Communities Strategy would achieve the region's 2020 and 2035 per capita greenhouse gas emissions reduction targets established by the Air Resources Board.

[More Information](#)

[Proposed Resolution](#)

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

(The agenda order noted below was revised on 6/19/15.)

15-5-7: Public Meeting to Consider Updates to Proposition 1B: Goods Movement Emission Reduction Program Guidelines

Staff will present to the Board for consideration for approval proposed updates to the Program Guidelines that outline the eligible equipment and project funding levels for the next installment of Proposition 1B funds, which will reduce diesel emissions and health impacts from freight movement along California's four priority trade corridors.

[More Information](#)

[Staff Presentation](#)

15-5-5: 2014 Haagen-Smit Clean Air Awards

The recipients of the 2014 Haagen-Smit Clean Air Awards will be announced and presented with their awards. The Board annually presents the Haagen-Smit Clean Air Awards to esteemed persons in the air quality and climate change community – scientists, legislators, professors, activists, business leaders, and others – who have made significant contributions toward improving air quality and public health.

[More Information](#)

[Staff Presentation](#)

15-5-8: Public Meeting to Consider the Proposed Fiscal Year 2015-2016 Funding Plan for Low Carbon Transportation Investments and the Air Quality Improvement Program

Staff will present to the Board for consideration for approval the Proposed Fiscal Year 2015-16 Funding Plan for allocating Low Carbon Transportation Investments and Air Quality Improvement Program funding in the Governor's proposed Budget. These programs provide incentives for clean vehicle and equipment projects to reduce air pollution and greenhouse gas emissions with a priority for benefiting disadvantaged communities. Staff's recommendations build on investments from previous funding cycles and address new legislation signed in 2014 (Senate Bill 1275 and Senate Bill 1204) which refines program implementation. The proposed Funding Plan would continue and expand incentives for zero-emission and plug-in passenger cars, clean trucks and buses, and advanced technology freight demonstration projects.

[More Information](#)

[Staff Presentation](#)

15-5-6: Public Hearing to Consider Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Staff will present to the Board for consideration for adoption amendments 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. The amendments were first presented to the Board at the December 2014 public hearing, at which the Board directed staff to make modifications to the proposed amendments. As part of this item, the Board will also consider the environmental analysis prepared under the California Environmental Quality Act and written responses to environmental comments received on the environmental analysis.

[More Information](#)

[Staff Presentation](#)

15-5-4: Public Meeting to Receive Informational Update on the Greenhouse Gas Quantification for the San Diego Association of Government's 2015 Draft Regional Transportation Plan/Sustainable Communities Strategy

Staff will present an update to the Board on the San Diego Association of Government's (SANDAG) second draft Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). In 2010, the Board approved regional greenhouse gas reduction targets for the 18 metropolitan planning organizations of California. The targets established for the SANDAG region are 7 percent per capita reduction in 2020 and 13 percent per capita reduction in 2035 from a base year of 2005. SANDAG has completed its second draft RTP/SCS since the targets were established. Staff will present the SANDAG draft quantification that demonstrates the second RTP/SCS, if implemented, would achieve the region's targets for 2020 and 2035. The second RTP/SCS, known as San Diego Forward: The Regional Plan, is scheduled for adoption by SANDAG in the Fall of 2015.

[More Information](#)

[Staff Presentation](#)

15-5-3: Public Meeting on Health Benefits of Physical Activity: Implications for Sustainable Communities

Staff will present a health update on the numerous benefits of physical activity. Topics will include the health benefits of walking and biking for children, adolescents, and adults, as well as how the built environment can influence physical activity patterns and public health in a community.

[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):

CO-AL Transport v. CalEPA/ARB, U.S. Court of Appeals, Ninth Circuit, Case No. 15-70839.

Sarah Farley v. California Air Resources Board, Superior Court of California (Sacramento County), Case No. 34-2015-80002044.

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 successful appeal, California Court of Appeal, Third District, Case No. C071891 [remanded to the trial court].

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. Petitioner's petition for review, California Supreme Court, Case No. S225548.

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.

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.

California Air Resources Board v. BP West Coast Products LLC, Contra Costa County Superior Court, Case No. C12-00567.

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, 23rd Floor, Sacramento, California 95814
(916) 322-5594

ARB Homepage: 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: July 10, 2015

AGENDA NO. 38

PROPOSAL: Amend Rule 1148.1 – Oil and Gas Production Wells

SYNOPSIS: The proposed amendment seeks to provide enforceable mechanisms to reduce odor nuisance potential from emissions associated with oil and gas production facility operations and also updates rule language to promote clarity, consistency and enforceability. The proposed amendment: requires use of odor mitigation best practices; requires facilities located within 1,500 feet of a sensitive receptor to conduct and submit a specific cause analysis for any confirmed odor event; and requires facilities with continuing odor issues to develop and implement an approved Odor Mitigation Plan.

COMMITTEE: Stationary Source, February 20, and April 17, 2015, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached resolution:

1. Certifying the Final Environmental Assessment for Proposed Amended Rule 1148.1 - Oil and Gas Production Wells; and
2. Amending Rule 1148.1 – Oil and Gas Production Wells.

Barry R. Wallerstein, D.Env.
Executive Officer

PF:JW:NB:DO:DM

Background

Rule 1148.1 – Oil and Gas Production Wells was adopted on March 5, 2004 to reduce volatile organic compound (VOC) emissions from well cellars as well as from sources of untreated process gas located at oil and gas production facilities. The rule included requirements for a visual inspection and maintenance program and for controlling untreated produced gas and to prevent venting to atmosphere. An increased awareness of oil and gas production wells due to community concerns over potential

environmental impacts from well stimulation techniques such as hydraulic fracturing and acidizing has resulted in a goal to minimize impacts to nearby residents and sensitive receptors from ongoing operations. In addition, between the years 2010 and 2014, operations at Allenco Energy Inc., an oil and gas production facility located adjacent to several sensitive receptors, had become the subject of close to 300 complaints, over 150 inspections and eighteen Notices of Violation (NOV), including six NOVs for Rule 402 – Nuisance due to odors. This further heightened awareness from the local community and other interested stakeholders, raising interest in pursuing environmental justice measures to both more rapidly respond to and prevent future situations from evolving at similarly located operations.

Proposed amendments to Rule 1148.1 address the operation and maintenance aspects of an oil and gas production facility, rather than the pre-production or stimulation aspects covered under the requirements of Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers. Currently production wells, primarily due to low emission potential, are registered under Rule 222 - Filing Requirements For Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II and do not require full permits. However, if these same wells have associated equipment (i.e. separation tanks, wastewater separators), the facility requires a comprehensive analysis under Rule 203 - Permit to Operate, and is subject to Regulation XIII requirements, as applicable.

Proposal

The proposed amendment seeks to provide enforceable mechanisms to reduce odor nuisance potential from emissions associated with oil and gas production facility operations and also updates rule language to promote clarity, consistency and enforceability. The following summarizes key requirements of the proposed amendment:

- Update definition of a Sensitive Receptor for consistency with Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers and other SCAQMD rules, and include cross-references to other SCAQMD rules and definitions applicable to oil and gas production facilities to provide additional clarity.
- Require facilities to implement the following best odor mitigation practices: post instructions, in English and Spanish, for reporting odor complaints, including the name and contact number for the facility as well as the SCAQMD 1-800-CUT-SMOG complaint hotline number; utilize a rubber grommet designed for drill piping, production tubing or sucker rods to remove excess or free flowing fluid from piping, tubing or rods that are removed during maintenance or replacement activity; and remove accumulated organic liquid from a well cellar as soon as possible but no later than by the end of the day following receipt of three or more complaints verified by SCAQMD personnel within the same day.

- Require facilities with central processing areas that are located within 1,500 feet of a sensitive receptor to operate and maintain a monitoring system that will alarm or notify operators at a central location and to conduct a Specific Cause Analysis and submit a report within 30 days following receipt of written notification of a Confirmed Odor Event or a Confirmed Oil Deposition Event. The required Specific Cause Analysis report includes identification of the equipment or activity associated with the confirmed event and mitigation and corrective actions, including a requirement to conduct additional monthly leak inspections when the specific cause is identified as a leak.
- Require any facility that has received notification of three (3) or more confirmed odor events within a six month period or that has received a notice of violation for Rule 402 – Nuisance for odors must prepare and submit for approval an Odor Mitigation Plan that identifies all potential sources of odor and incorporates additional odor mitigation best practices, including corrective actions identified in any previously submitted Specific Cause Analysis report. Additional best practice considerations include, but are not limited to: continual odor surveillance during rework, repair or maintenance activities, use of enclosures or equivalent while storing any removed drill piping, production tubing, or sucker rods; and shorter repair times following detection of any component leaks.

Lastly, staff has committed to evaluating the use of the SCAQMD web page and other communication mechanisms, including integrated use of Geographic Information Systems, to post and disseminate information to the public related to complaints and related activities at oil and gas production facilities. Staff will also continue to evaluate additional emerging control and monitoring technologies applicable to the industry.

Key Issues

Staff has received perspectives from both the regulated industry and the affected communities associated with odor nuisance potential from the operation and maintenance of oil and gas production facilities. While the regulated industry maintains that these facilities have historically represented low emissions and associated odor nuisance potential – at least no more than other regulated entities, the affected communities, especially those located in close proximity, have voiced concerns over not only the odor-related events that have occurred and their associated health impacts, but also the observed level of response and degree of preventative action taken by both the facilities and the SCAQMD in response to complaints. The proposed amendment is meant to create additional enforcement mechanisms, short of a notice of violation, to provide facilities the opportunity to formally investigate and correct odor and related events before they become public nuisances. In addition, the proposed amendment provides additional communication opportunities to provide assurance to the affected community that preventative and corrective measures are in place.

Public Process

Over the past seven months, staff has worked with several community interest groups as well as the California Independent Petroleum Association through a series of three working group meetings held in separate locations within the communities of Los Angeles and Montebello and in close proximity to the urban-based oil and gas production facilities in the areas. Additional independent discussions were conducted with interested stakeholders. A public workshop was held on April 16, 2015 and a public consultation meeting was conducted on May 28, 2015. Staff has incorporated overall feedback into the proposed amendment.

California Environmental Quality Act (CEQA)

Pursuant to California Environmental Quality Act Guidelines §15252 and §15162 and SCAQMD Rule 110, the SCAQMD has prepared an Environmental Assessment (EA) for Proposed Amended Rule 1148.1. The environmental analysis in the Draft EA concluded that Proposed Amended Rule 1148.1 would not generate any significant adverse environmental impacts. The Draft EA was released for a 30-day public review and comment period from April 29, 2015 to May 28, 2015. Subsequent to release of the Draft EA, modifications were made to the proposed project and some of the revisions were made in response to verbal and written comments on the project's effects. SCAQMD staff has reviewed the modifications to the proposed project and concluded that none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the document pursuant to CEQA Guidelines §15073.5 and §15088.5. Therefore, the Draft EA is now a Final EA and is included as an attachment to this Board package. Prior to making a decision on the proposed amendments to Rule 1148.1, the SCAQMD Board must review and certify the Final EA as providing adequate information on the potential adverse environmental impacts of the proposed project.

Socioeconomic Analysis

The proposed amendment reflects best practices that have been widely implemented in the industry. Any additional measure would only be triggered for those facilities that are either not adhering to the industry standards or have historically demonstrated limited operational or management oversight. After considering the individual cost of each Odor Mitigation Plan improvement for potentially affected facilities, the annual cost fell within the range of \$113,238 to \$121,494. This estimate assumes 24 facilities may need to install monitoring systems and 3 facilities will likely need to adopt Odor Mitigation Plans. It has been a standard SCAQMD socioeconomic analysis practice that, when the annual compliance cost is less than one million current U.S. dollars, the Regional Economic Impact Model (REMI) is not used to simulate jobs and

macroeconomic impacts. This is because the impact would most likely be very small and would fall within the noise of the model. REMI results constitute a major component of the SCAQMD's socioeconomic analysis. Therefore, when annual compliance cost is less than one million dollars and REMI is not used, the socioeconomic report can be brief and included in the staff report, unless otherwise determined on a case-by-case basis.

Implementation and Resource Impact

Existing SCAQMD resources will be sufficient to implement the proposed amendments with minimal impact on the budget.

Attachments

- A. Summary of Proposed Amendments
- B. Rule Development Process
- C. Key Contacts
- D. Resolution
- E. Rule Language
- F. Staff Report
- G. Final Environmental Assessment

ATTACHMENT A
SUMMARY OF PROPOSED AMENDMENTS
Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

- ***Require Use of Odor Mitigation Best Practices***

Require facilities to implement the following best practices: post instructions, in English and Spanish, for reporting odor complaints, including the name and contact number for the facility as well as the SCAQMD 1-800-CUT-SMOG complaint hotline number; utilize a rubber grommet designed for drill piping, production tubing, or sucker rods to remove excess or free flowing fluid from piping, tubing or rods that are removed during maintenance or replacement activity; remove accumulated organic liquid from a well cellar as soon as possible but no later than by the end of the day following receipt of three or more complaints verified by SCAQMD personnel within the same day. Require facilities with central processing areas located within 1,500 feet of a sensitive receptor to operate and maintain a monitoring system that will alarm or notify operators at a central location.

- ***Require Facilities Located within 1,500 Feet of a Sensitive Receptor to Conduct and Submit a Specific Cause Analysis for Any Confirmed Odor or Oil Deposition Event***

Require facilities located within 1,500 feet of a sensitive receptor to conduct a Specific Cause Analysis and submit a report within 30 days following receipt of written notification of a Confirmed Odor Event or Confirmed Oil Deposition Event. The required Specific Cause Analysis report includes identification of the equipment or activity associated with the confirmed event and mitigation and corrective actions, including a requirement to conduct monthly leak inspections when the specific cause is identified as a leak.

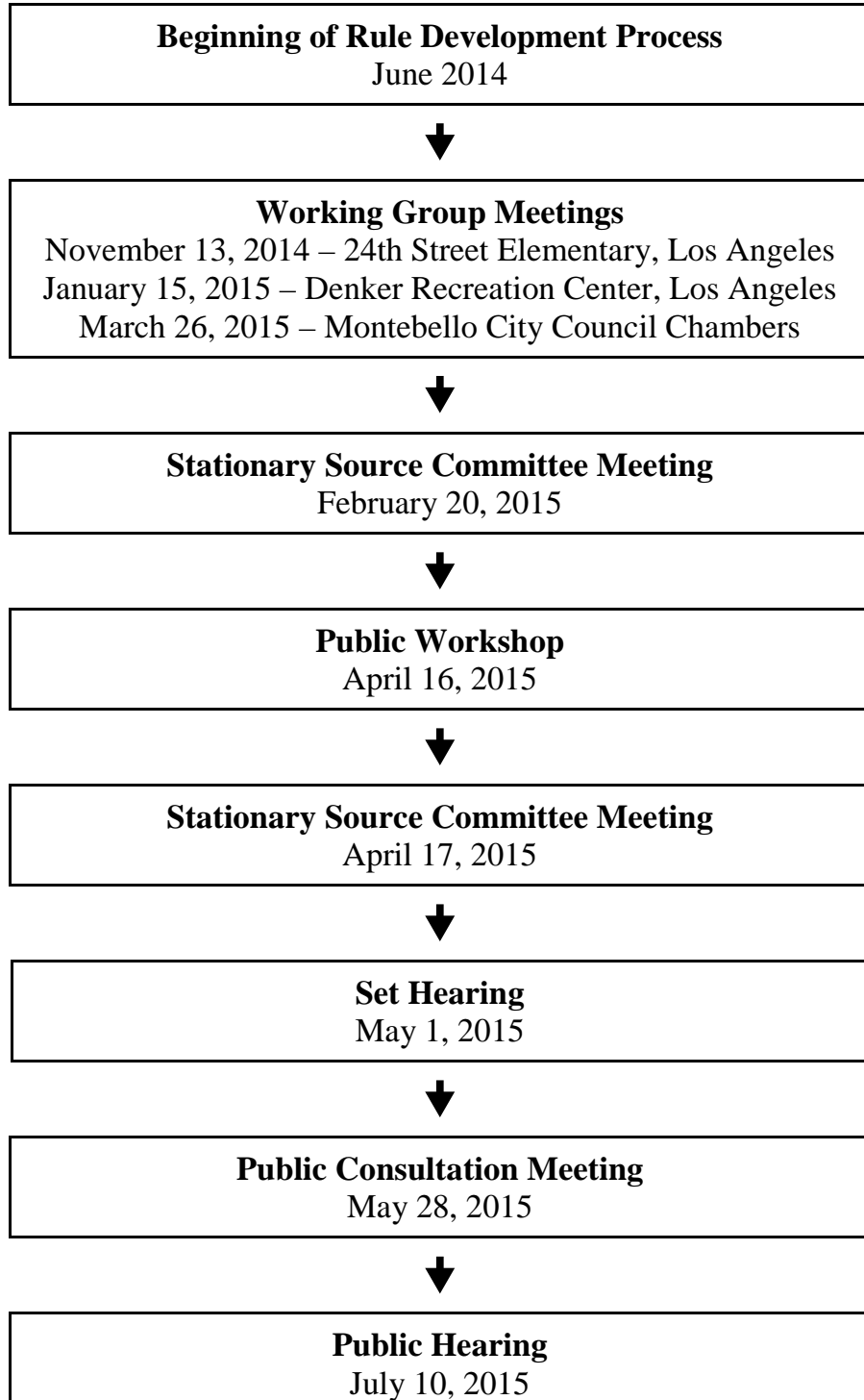
- ***Require Facilities with Continuing Odor Issues to Develop and Implement an Approved Odor Mitigation Plan***

Require any facility that has received notification of three (3) or more confirmed odor events within a six month period or that has received a notice of violation for Rule 402 – Nuisance for odors to prepare and submit for approval an Odor Mitigation Plan (OMP) that identifies all potential sources of odor and incorporates additional odor mitigation best practices, including corrective actions identified in any previously submitted specific cause analysis report. Additional best practice considerations include, but are not limited to: continual odor surveillance during rework, repair or maintenance activities, use of enclosures or equivalent while storing removed drill piping, production tubing or sucker rods; and shorter repair times following detection of any component leaks.

- ***Update Rule Language to Promote Clarity, Consistency and Enforceability***

Update definition of a Sensitive Receptor for consistency with Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers and other SCAQMD rules, and make clarifications and editorial corrections to Rule 1148.1 to enhance clarity and enforceability of the rule.

ATTACHMENT B
RULE DEVELOPMENT PROCESS
Proposed Amended Rule 1148.1 – Oil and Gas Production Wells



13 months spent in rule development

ATTACHMENT C
KEY CONTACTS
Proposed Amended Rule 1148.1 - Oil and Gas Production Wells

Affected Facilities

- Allenco Energy
- Amtek Oil
- Angus Petroleum
- Breitburn Operating LP
- E&B Natural Resources
- Freeport - McMoran
- Hillcrest Beverly Oil
- Holly Lane Oil
- Linn Energy
- Oxy Oil Long Beach
- Pacific Coast Energy Co.
- Signal Hill Petroleum
- Termo Oil and Energy
- Warren E&P

Other Affected Associations or Entities

- California Independent Petroleum Association
- Tether Law
- Western States Petroleum Association

Other Interested Parties

- Citizens Coalition for a Safe Community
- Communities for a Better Environment (CBE)
- Community Health Council
- Esperanza Housing Development
- Natural Resources Defense Council
- Redeemer Community Partnership
- Sierra Club
- Stand Together Against Neighborhood Drilling, Los Angeles (STAND, L.A.)

ATTACHMENT D
RESOLUTION NO. 15-_____
Proposed Amended Rule 1148.1 - Oil and Gas Production Wells

A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board certifying the Final Environmental Assessment for Proposed Amended Rule 1148.1 - Oil and Gas Production Wells.

A Resolution of the SCAQMD Governing Board amending Rule 1148.1 - Oil and Gas Production Wells.

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Rule 1148.1 - Oil and Gas Production Wells are considered a "project" pursuant to the California Environmental Quality Act (CEQA); and

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code §21080.5 and has conducted a CEQA review pursuant to such program (SCAQMD Rule 110); and

WHEREAS, SCAQMD staff has prepared a Draft Environmental Assessment (EA) pursuant to its certified regulatory program and CEQA Guidelines §15252, setting forth the potential environmental consequences of Proposed Amended Rule 1148.1; and

WHEREAS, the Draft EA was circulated for a 30-day public review from April 29, 2015 to May 28, 2015; and

WHEREAS, subsequent to release of the Draft EA, modifications were made to the proposed project in response to verbal and written comments received relative to the project's effects. None of the individual comments identified any potentially significant adverse impacts from the proposed project. Further, none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to comments would not create new, avoidable significant effects. The Draft EA has been revised such that it is now a Final EA; and

WHEREAS, Findings pursuant to Public Resources Code §21081.6 and CEQA Guidelines §15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines §15093 were not prepared because the analysis of the proposed project shows that Proposed Amended Rule 1148.1 would not have a significant adverse effect on the environment, and thus, are not required; and

WHEREAS, it is necessary that the adequacy of the Final EA be determined by the SCAQMD Governing Board prior to its certification; and

WHEREAS, pursuant to CEQA Guidelines §15252 (a)(2)(B), since no significant adverse impacts were identified, no alternatives or mitigation measures are required and thus, a Mitigation Monitoring Plan pursuant to Public Resources Code §21081.6 and CEQA Guidelines §15097, has not been prepared; and

WHEREAS, the SCAQMD Governing Board voting on Proposed Amended Rule 1148.1, has reviewed and considered the Final EA prior to its certification; and

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures, that the modifications which have been made to Proposed Amended Rule 1148.1 since notice of public hearing was published do not significantly change the meaning of the proposed amended rule within the meaning of the Health and Safety Code §40726 and would not constitute significant new information requiring recirculation of the Draft EA pursuant to CEQA Guidelines §15073.5 and §15088.5; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to amend Rule 1148.1 - Oil and Gas Production Wells, to clarify requirements and provide additional enforceable mechanisms to prevent public nuisance from emissions of volatile organic compounds, toxic air contaminants and total organic compounds; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from California Health and Safety Code §§ 39002, 40000, 40001, 40702, 40725 through 40728, 41508, and 41700; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 1148.1 - Oil and Gas Production Wells, as proposed to be amended, is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.1 - Oil and Gas Production Wells, as proposed to be amended, is in harmony with, and not in conflict with or contradictory to, existing federal or state statutes, court decisions, or state or federal regulations; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.1 - Oil and Gas Production Wells, as proposed to be amended, does not impose the same requirements as any existing state or federal regulations and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.1 - Oil and Gas Production Wells references the following statutes which the SCAQMD hereby implements, interprets or makes specific: Health and Safety Code §§ 40001 (rules to achieve ambient air quality standards), 40440 (b) (Best Available Retrofit Control Technology), and (c) (rules which are also cost-effective and efficient), 40702 (rules to execute duties required by law) and 41700 (public nuisance); and

WHEREAS, the SCAQMD Governing Board has determined that a Socioeconomic Impact Assessment is not required, pursuant to Health and Safety Code § 40440.8 or § 40728.5, because the Proposed Amended Rule 1148.1 - Oil and Gas Production Wells will not have a significant impact on air quality or emissions limitations; and

WHEREAS, a public hearing has been properly noticed in accordance with the provisions of Health and Safety Code §section 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD Governing Board specifies the manager of Proposed Amended Rule 1148.1 - Oil and Gas Production Wells as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed amendment is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in section (d)(4)(D) of the Governing Board Procedures (to be codified as Section 30.5(4)(D) of the Administrative Code), that the modifications adopted which have been made to Proposed Amended Rule 1148.1 - Oil and Gas Production Wells since notice of public hearing was published do not significantly change the meaning of the proposed amended rule within the meaning of Health and Safety Code Section 40726; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.1 - Oil and Gas Production Wells, should be adopted for the reasons contained in the Final Staff Report; and

WHEREAS, the proposed amendments to Rule 1148.1 - Oil and Gas Production Wells, will not be submitted for inclusion into State Implementation Plans.

NOW, THEREFORE, BE IT RESOLVED, that the SCAQMD Governing Board does hereby certify that the Final EA for Proposed Amended Rule 1148.1 was completed in compliance with CEQA and SCAQMD Rule 110 provisions; and finds that the Final EA was presented to the Governing Board, whose members reviewed, considered and approved the information therein prior to acting on Proposed Amended Rule 1148.1; and

BE IT FURTHER RESOLVED, that because no significant adverse environmental impacts were identified as a result of implementing Proposed Amended Rule 1148.1, Findings pursuant to Public Resources Code §21081.6 and CEQA Guidelines §15091, a Statement of Overriding Considerations pursuant to CEQA Guidelines §15093, and a Mitigation Monitoring Plan pursuant to Public Resources Code §21081.6 and CEQA Guidelines §15097 are not required; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to evaluate the use of the SCAQMD web page and other communication mechanisms, including integrated use of Geographic Information Systems, to post and disseminate information to the public related to complaint related activities at oil and gas production facilities. In no later than six months, staff shall provide a status report to the Stationary Source Committee, reporting findings and recommendations for the development and implementation of an SCAQMD communication program to better inform the community on complaint related activities at oil and gas production facilities; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to include, through the operation of the SCAQMD Air Quality Sensor Performance Evaluation Center (AQ-SPEC) or other programs, an air quality monitoring demonstration pilot study involving emerging technologies at oil and gas production facility operations. In no later than one year, staff shall provide a status report to the Stationary Source Committee, reporting findings and recommendations for the use of emerging monitoring technologies at oil and gas production facilities; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to conduct a comprehensive review of Best Available Control Technology (BACT) and Best Available Retrofit Control Technology (BARCT) applicable to Oil and Gas Production Facilities. No later than six months, staff shall provide a status report to the Stationary Source Committee, reporting findings and recommendations for the need, if any, for additional emission controls or regulatory efforts; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby adopt the proposed amendments to Rule 1148.1 - Oil and Gas Production Wells, pursuant to the authority granted by law as set forth in the attached and incorporated herein by reference.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT E

(Adopted March 5, 2004)(Proposed Amended July 10, 2015)

PROPOSED AMENDED RULE 1148.1. OIL AND GAS PRODUCTION WELLS

(a) Purpose

The purpose of this rule is to reduce emissions of volatile organic compounds (VOCs), toxic air contaminants (TAC) emissions and Total Organic Compounds (TOC) from the operation and maintenance of wellheads, the well cellars, and the handling of produced gas at oil and gas production facilities to assist in reducing regional ozone levels and to prevent public nuisance and possible detriment to public health caused by exposure to such emissions.

(b) Applicability

This rule applies to onshore oil producing wells, well cellars and produced gas handling operation and maintenance activities at onshore facilities where petroleum and processed gas are produced, gathered, separated, processed and stored. These facilities are also subject to additional rule requirements, including, but not limited to: the storage of organic liquids is subject to Rule 463 – Organic Liquid Storage; wastewater systems, including sumps and wastewater separators are subject to Rule 1176 – VOC Emissions from Wastewater Systems; and leaks from components are subject to Rule 1173 – Control of Volatile Organic Compounds Leaks and Releases from Components at Petroleum Facilities and Chemical Plants. Natural gas distribution, transmission and associated storage operations are not subject to the requirements of this rule.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) ABANDONED WELL is a well that has been certified by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources as permanently closed and non-operational.
- (2) CENTRAL PROCESSING AREA is any location within an oil and gas production facility where pressurized phase separation or treatment of produced well fluids, including any produced oil, water or gas, occurs. A location that includes only oil producing wells and associated equipment not involved in pressurized phase separation or treatment, is not considered to be a central processing area.

- (23) COMPONENT is any valve, fitting, pump, compressor, pressure relief device, diaphragm, hatch, sight-glass, or meter in VOC service. Components are further classified as:
- (A) MAJOR COMPONENT is any 4-inch or larger valve, any 5-hp or larger pump, any compressor, and any 4-inch or larger pressure relief device.
- (B) MINOR COMPONENT is any component which is not a major component.
- (34) CONFIRMED ODOR EVENT is an occurrence of odor resulting in three or more complaints by different individuals from different addresses, and the source of the odor is verified by District personnel.
- (5) CONFIRMED OIL DEPOSITION EVENT is an occurrence of property damage due to the airborne release of oil or oil mist from an oil and gas production facility, as verified by District personnel.
- (246) FACILITY is any equipment or group of equipment or other VOC-, TOC- or TAC-emitting activities, which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or by persons under common control). Such above-described groups, if noncontiguous, but connected only by land carrying a pipeline, shall not be considered one facility.
- (57) HEAVY LIQUID is any liquid with 10 percent or less VOC by volume evaporated at 150°C (302°F), determined according to test methods specified in paragraph ~~(h)~~(3) or ~~(h)~~(4).
- (68) LEAK is the dripping of either heavy or light liquid; or the detection of a concentration of TOC above background, determined according to the test method in paragraph ~~(h)~~(1).
- (79) LIGHT LIQUID is any liquid with more than 10 percent VOC by volume evaporated at 150°C (302°F), determined according to the test method specified in paragraph ~~(h)~~(3).
- (810) ODOR is the perception experienced by a person when one or more chemical substances in the air come into contact with the human olfactory nerves.
- (3911) OIL PRODUCING WELL is a well which produces crude oil.
- (1012) ORGANIC LIQUID is any liquid containing VOC.

- (~~414~~13) PRODUCED GAS is organic compounds that are both gaseous at standard temperature and pressure and are associated with the production, gathering, separation or processing of crude oil.
- (~~12~~14) RESPONSIBLE PARTY for a corporation is a corporate officer. A responsible party for a partnership or sole proprietorship is the general partner or proprietor, respectively.
- (~~513~~15) SENSITIVE RECEPTOR is ~~a school~~ (means any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; licensed daycare centers; and health care facilities such as hospitals, or convalescent home retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.
- (~~41~~16) SPECIFIC CAUSE ANALYSIS is a process used by an owner or operator of a facility subject to this rule to investigate the cause of a confirmed odor event or confirmed oil deposition event, identify corrective measures and prevent recurrence of a similar event.
- (~~615~~17) STUFFING BOX is a packing gland, chamber or “box” used to hold packing material compressed around a moving pump rod to reduce the escape of gas or liquid.
- (~~716~~18) TOTAL ORGANIC COMPOUNDS (TOC) is the concentration of gaseous organic compounds determined according to the test method in paragraph (~~gh~~h)(1).
- (~~17~~19) TOXIC AIR CONTAMINANT (TAC) is an air contaminant that has been identified as a hazardous air pollutant pursuant to Section 7412 of Title 42 of the United States Code; or has been identified as a TAC by the Air Resources Board pursuant to Health and Safety Code Section 39655 through 39662; or which may cause or contribute to an increase in mortality or an increase in serious illness, or potential hazard to human health.
- (~~818~~20) VOLATILE ORGANIC COMPOUND is as defined in Rule 102 – Definition of Terms.
- (~~49~~21) WASTEWATER is a water stream or other liquid waste stream generated in a manner which may contain petroleum liquid, emulsified oil, VOC, or other hydrocarbons.

(2022) WATER INJECTION WELL is a bored, drilled, or driven shaft, or a dug hole that is deeper than it is wide, or an improved sinkhole, or a subsurface fluid distribution system used to inject fluid consisting primarily of water into a reservoir typically to create fluid lift of product or maintain reservoir pressure.

(92423) WELL CELLAR is a lined or unlined containment surrounding one or more oil wells, allowing access to the wellhead components for servicing and/or installation of blowout prevention equipment.

(402224) WELLHEAD is an assembly of valves mounted to the casing head of an oil well through which a well is produced. The wellhead is connected to an oil production line and in some cases to a gas casing line.

(d) Requirements

(1) The operator of an oil and gas production facility shall not allow a concentration of a TOC in the well cellar greater than 500 ppmv, according to the test method in paragraph (h)(1). ~~in the well cellar.~~

(2) ~~Effective July 1, 2004, the~~ The operator of an oil and gas production facility shall not allow any valve to be opened at the wellhead unless a portable container is used to catch and contain organic liquid that would otherwise drop into the well cellar or onto the ground. Such container shall be kept closed to the atmosphere when it contains organic liquid and is not in use.

(3) If a well cellar is verified by District personnel as the source of odors associated with three or more complaints by different individuals from different addresses in a single day, the operator of an oil and gas production facility shall pump out or remove organic liquid accumulated in the well cellar as soon as possible but no later than by the end of the day.

(34) The operator of an oil and gas production facility shall not allow organic liquid to be stored in a well cellar, except as provided by paragraph (d)(45). During any periods of equipment maintenance, drilling, well plugging, abandonment operations, or well workover, the operator shall pump out or remove organic liquid that accumulates in the well cellar no later than two (2) days after the maintenance, drilling, well plugging, abandonment or workover activity at the well is completed.

- (45) The operator may only store organic liquid in a portable enclosed storage vessel ~~provided if~~ the vessel is equipped with air pollution control equipment to reduce the TOC emissions to less than 250 ~~ppm~~ppmv outlet concentration according to the test method in paragraph ~~(ghj)~~(ghj)(1), except use of air pollution control equipment is not required where safety requirements established in a written company safety manual or policy deem it impractical during maintenance, plugging, abandonment, well workover or drilling operations. activities determined to meet the exemption criteria of paragraph (ij)(2). The operator shall conduct a TOC measurement according to the test method in paragraph ~~(ghj)~~(ghj)(1) at the time of filling, and weekly thereafter to ensure that the air pollution control system achieves the emission standard of 250 ppmv.
- (456) The operator of an oil and gas production facility shall pump out ~~the any~~ organic liquid accumulated in the well cellar immediately before a well is steamed or after a wellhead is steam cleaned.
- (567) The operator of an oil and gas production facility shall pump out or remove organic liquid accumulated in the well cellar ~~within five (5) calendar days, or by close of the following business day if the well cellar is located within 100 meters of a sensitive receptor when the TOC concentration in the well cellar is greater than 250 ppm~~ppmv as determined by the test method in paragraph (ghj)(1); within five (5) calendar days following the determination, or if the well cellar is located within 1,500 feet of a sensitive receptor, by close of the following business day. In lieu of the method in paragraph ~~(ghj)~~(ghj)(1), an operator may measure the depth of accumulated organic liquid and pump-out the liquid when the depth exceeds two (2) inches. The organic liquid depth may be measured using a “copper coat” gauge or any other measuring instrument determined to be acceptable by the Executive Officer.
- (678) ~~Effective January 1, 2006, the~~The operator of an oil and gas production facility shall not allow natural gas or produced gas to be vented into the atmosphere. The emissions of produced gas shall be collected and controlled using one of the following:
- (A) A system handling gas for fuel, sale, or underground injection; or
 - (B) A device, approved by the Executive Officer, with a VOC vapor removal efficiency demonstrated to be at least 95% by weight per test method of paragraph ~~(ghj)~~(ghj)(2) or by demonstrating an outlet

VOC concentration of 50 ~~ppm~~ppmv according to the test method in paragraph ~~(g)(1)~~(1) or by an equivalent demonstration identified in an approved permit issued on or after March 5, 2004, pursuant to Rule 203 – Permit to Operate. If the control device uses supplemental natural gas to control VOC, it shall be equipped with a device that automatically shuts off the flow of natural gas in the event of a flame-out or pilot failure.

~~(789)~~ Except as Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants applies to components of produced gas handling equipment located within 100 meters of a sensitive receptor, the operator shall repair any gaseous leaks of 250 ppmv TOC or greater by the close of the business day following the leak discovery or take actions to prevent the release of TOC emissions to the atmosphere until repairs have been completed.

~~(8910)~~ Effective ~~March 5, 2004,~~ ~~unless~~Unless approved in writing by the Executive Officer, CARB, and USEPA as having no significant emissions impacts, no person shall:

(A) Remove or otherwise render ineffective a well cellar at an oil and gas production well except for purposes of well abandonment to be certified by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources; or

(B) Drill a new oil and gas production well unless a well cellar is installed for secondary containment of fluids.

~~(1011)~~ Effective *(30 days after adoption)* the operator of an oil and gas production facility shall utilize a rubber grommet designed for drill piping, production tubing or sucker rods to remove excess or free flowing fluid from piping, tubing or rods that ~~is~~are removed during any maintenance or ~~drill~~piping, tubing or rod replacement activity that involves the use of a workover rig.

~~(1412)~~ Effective *(180 days after adoption)* the operator of an oil and gas production facility shall, for any central processing area located within 1,500 feet of a sensitive receptor, operate and maintain a monitoring system that alarms or notifies operators of key process conditions, such as operating pressure, liquid level or on/off operating status, or a monitoring system that is required in accordance with applicable local fire regulations, in order to ensure proper facility operation. The monitoring system will

shall alarm and or notify operators at a central location, or control center, or other common area. The owner or operator shall identify and document the monitored process parameters or monitoring system required by applicable local fire regulations and shall make such documentation available for inspection upon request. The monitoring system will incorporate any emissions or process monitoring and associated alarm thresholds identified in any approved SCAQMD operating permit or Odor Mitigation Plan approved in accordance with the provisions of paragraph (f)(2).

(12)13) Effective (30 days after adoption) the operator of an oil and gas production facility shall post instructions for reporting odor complaints. The posted instructions shall be provided in a conspicuous manner and under such conditions as to make it likely to be read or seen and understood by an ordinary individual during both normal operating and non-operating hours. The instructions shall include the following minimum information in English and Spanish:

(A) Name of the facility;

(B) Facility call number; and,

(C) Instructions to call the South Coast Air Quality Management District complaint hotline at the toll free number 1-800-CUT-SMOG or equivalent information approved in writing by the Executive Officer.

(e) Operator Inspection Requirements

(1) Effective July 1, 2004, theThe operator of an oil and gas production facility shall visually inspect:

(A) Any stuffing box not located in or above a well cellar daily;

(B) Any stuffing box located in or above a well cellar weekly; or

(C) Any stuffing box or produced gas handling and control equipment located ~~400 meters~~1,500 feet or less from a sensitive receptor daily. Receptor distance shall be determined as the distance measured from the stuffing box or produced gas handling and control equipment to the property line of the nearest sensitive receptor.

(2) Notwithstanding the requirements of subparagraphs (e)(1)(A) and (e)(1)(B), the operator shall perform monthly visual inspections of any

stuffing box fitted with a stuffing box adapter, any closed crude oil collection container, and any well shut off switch that will shut down the well when the container is full.

- (3) ~~Effective, July 1, 2004, except~~ Except for well cellars listed under subdivision ~~(h)~~, the operator shall quarterly, perform an inspection of all well cellars according to the test method in paragraph ~~(g)(1)~~(1).
- (4) Within two (2) days of discovery of organic liquid leakage observed from the inspections pursuant to subparagraph (e)(1)(A), (e)(1)(B), or paragraph (e)(1)(A) or (e)(1)(B)2, and within eight (8) hours pursuant to ~~paragraph~~subparagraph (e)(1)(C), the operator shall conduct an inspection of the stuffing box and well cellar according to the test method in paragraph ~~(g)(1)~~(1) or measure the organic liquid depth using a “copper coat” gauge or any other measuring instrument determined to be acceptable by the Executive Officer.
- (5) Notwithstanding the provisions of Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, the operator of an oil and gas production facility shall conduct a monthly TOC measurement on any component that has been identified as causing or likely to have caused the confirmed odor event a potential odor nuisance source through a submitted specific cause analysis report submitted in accordance with the provisions of subdivision (f). The TOC measurement shall be conducted monthly according to the test method in paragraph (i)(1) following submittal of the specific cause analysis report, until the measurement fails to exceed the leak rates identified in subparagraphs (e)(5)(A) and (e)(5)(B) for six consecutive months. The operator shall repair, replace or remove from service the component in accordance with the requirements of subparagraphs (e)(5)(A) and (e)(5)(B).
 - (A) Any heavy liquid component leak of more than three drops per minute and greater than 100 ppmv shall be repaired, replaced or removed from service in one (1) calendar day.
 - (B) Any light liquid/gas/vapor/component leak greater than 500 ppmv but no more than 10,000 ppmv shall be repaired, replaced or removed from service in one (1) calendar day.

~~(f)~~ ~~Odor Mitigation Requirements~~~~(4f)~~ Specific Cause Analysis and Report

Effective (date of adoption) the owner or operator of any oil and gas production facility with any sensitive receptor within 1,500 feet of any well located on the facility property shall conduct a Specific Cause Analysis for each confirmed odor event and for each confirmed oil deposition event. The Specific Cause Analysis shall describe the steps taken to identify the source and cause of the odor or confirmed oil deposition event, and any mitigation and corrective actions taken or identified. The owner or operator shall, within 30 calendar days following receipt of written notification of a confirmed odor event or confirmed oil deposition event from the Executive Officer, submit the Specific Cause Analysis report to the Executive Officer, certified by the Responsible Party that all information submitted is true and correct.

(A1) The submitted Specific Cause Analysis report shall include the following:

(iA) Identification of the equipment or activity causing or likely to have caused the confirmed odor event or confirmed oil deposition event, including any equipment or activity identified in the written notification of a confirmed odor event or confirmed oil deposition event by the Executive Officer.

(iiB) Any SCAQMD regulatory requirement associated with the equipment or activity causing or likely to have caused the confirmed odor event or confirmed oil deposition event, including but not limited to, any permit condition and any other SCAQMD rule, including this rule.

(iiiC) Identification of any Standard Operating Procedure, emergency or leak prevention plan, including any spill prevention plan, preventative maintenance scheduling or procedure associated with the source of the confirmed odor event or confirmed oil deposition event and any corrective action identified as part of the review and update pursuant to subparagraph (f)(1)(B)(2) and schedule for completion of the corrective action.

(B2) The owner or operator shall review and update the following as part of the Specific Cause Analysis:

(iA) Any Standard Operating Procedures associated with normal production operations and the leak history of inspections

associated with the source of the confirmed odor event or confirmed oil deposition event.

(iiB) Any emergency or leak prevention plans, including any spill prevention plans associated with the source of the confirmed odor event or confirmed oil deposition event.

(iiiC) Any preventative maintenance scheduling or procedures associated with the source of the confirmed odor event or confirmed oil deposition event.

(2g) Odor Mitigation Plan

Effective (date of adoption); the owner or operator of any oil and gas production facility shall submit for approval an Odor Mitigation Plan, or an update to an existing Odor Mitigation Plan, to the Executive Officer within 90 calendar days following receipt of written notification from the Executive Officer.

(A1) Requirement for a Plan Submittal

The Executive Officer shall notify the owner or operator of any oil and gas production facility with any sensitive receptor within 1,500 feet of any well located on the facility property of the requirement for an Odor Mitigation Plan if any of the following thresholds are met or exceeded:

(iA) Receipt of a Notice of Violation for Rule 402 – Nuisance, as a result of odors; or

(iiB) Three (3) confirmed odor events within the previous six (6) consecutive calendar months.

(iiiC) Subsequent to approval of an Odor Mitigation Plan:

(i) Receipt of a Notice or Violation for Rule 402 – Nuisance, as a result of odors; or

(Hii) Three (3) confirmed odor events within the most recent six (6) consecutive calendar months following the date of approval of a previous Odor Mitigation Plan.

(B2) Odor Mitigation Plan Elements

An approved Odor Mitigation Plan must include and address the following activities and equipment:

(iA) Oil and gas production and wastewater generation, including both normal and spill or release management control operations, with corresponding identification of potential or actual sources of emissions, odors, frequency of operator inspection and history of leaks.

(iiB) Activity involving drilling, well completion or rework, repair, or maintenance of a well, which notes the sources of emissions, odors, odor mitigation measures for responding to odors and odor complaints, and procedures used for odor monitoring at the site and fence line.

(iiiC) Identification of emission points and emission or leak monitoring used for all wastewater tanks, holding, knockout, and oil/water separation vessels, including any pressure relief devices or vacuum devices attached to the vessels, with provisions for recording of releases from such devices.

(ivD) Any equipment or activity identified as part of any previous Specific Cause Analysis.

(E3) Odor Monitoring and Mitigation Requirements

An approved Odor Mitigation Plan must include the following odor monitoring and mitigation provisions:

(iA) The owner or operator shall conduct continual odor surveillance downwind at the perimeter of the property at all times during drilling, well completion, or rework, repair, or maintenance of any well, including water injection wells. Observations shall be recorded hourly. Equivalent odor monitoring equipment may be used in lieu of odor surveillance, subject to approval by the Executive Officer.

(iiB) If odors are detected from odor surveillance or odor monitoring at the perimeter of the facility, pursuant to ~~clause (f)(2)(C)(i)~~ subparagraph (g)(3)(A) and confirmed from drilling, well completion, or rework, repair, or maintenance of any well, the associated activity will discontinue until the source or cause of odors ~~are~~ is determined and mitigated in accordance with measures previously approved unless the source or cause of the detected odors is determined to not be associated with the activity under surveillance.

(iiiC) The oil and gas production facility shall store any removed drill piping, production tubing ~~and drill or sucker rods~~ in a manner that minimizes emissions from crosswinds ~~through use of a covering,~~ by storing within an enclosed area, or other equivalent method.

- (ivD) Notwithstanding the provisions of Rule 1173 - Control of Volatile Organic Compounds Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, the operator of any oil and gas production facility shall repair, replace or remove from service any leaking component located within 1,500 feet of a sensitive receptor in accordance with the requirements of subparagraphs clauses ~~(f)(2)(C)(iv)(I)~~ ~~(g)(3)(D)(i)~~ and ~~(f)(2)(C)(iv)(II)~~ ~~(g)(3)(D)(ii)~~. For each calendar quarter, the operator may extend the repair period, as indicated below, for a total number of leaking components not to exceed 0.05 percent of the number of components inspected during the previous quarter, by type, rounded upward to the nearest integer where required.
- (i) Any heavy liquid component leak of more than three drops per minute and greater than 100 ppmv shall be repaired, replaced or removed from service in one (1) calendar day with an extended repair period of three (3) calendar days.
- (Hii) Any light liquid/gas/vapor component leak greater than 500 ppmv but no more than 10,000 ppmv shall be repaired, replaced or removed from service in one (1) calendar day with an extended repair period of three (3) calendar days.
- (vE) Any corrective action identified in a Specific Cause Analysis report previously submitted by the facility.
- (F) The owner or operator shall evaluate the cause or likely cause of any confirmed odor event as identified in any Specific Cause Analysis report previously submitted by the facility and identify either improvements to existing monitoring systems required pursuant to paragraph (d)(12) or parameters for a new monitoring system installation. The owner or operator shall establish an installation and implementation schedule for any monitoring system improvements or new installations, subject to Executive Officer approval.

If any provision of subparagraph ~~(f)(2)(C)~~ ~~(g)(3)~~ is not included in the Odor Mitigation Plan, an evaluation and documentation must be provided in the Odor Mitigation Plan that states the reason why such provision is not feasible or would not be effective in addressing the specific cause of the confirmed odor events or notice(s) of violation that resulted in the

requirement for plan submittal, subject to approval by the Executive Officer.

(D4) The owner and operator of an oil and gas production facility shall comply with all provisions of an approved Odor Mitigation Plan, except as provided by paragraph (ij)(2). Violation of any of the terms of the plan is a violation of this rule.

(fgh) Recordkeeping Requirements

(1) The operator shall maintain all records that document the purchase and installation of the stuffing box adapter(s) to demonstrate compliance with paragraph (e)(24) at the facility or facility headquarters and such records shall be made available to the Executive Officer upon request.

(2) The operator shall maintain all records of inspection, measurements, repair, cleaning and pump-outs required by this rule, and of any activities performed under the exemption provided by (ij)(2), in a form approved by the Executive Officer at the facility or facility headquarters for a period of three years or a period of five years for a Title V facility and such records shall be made available to the Executive Officer upon request.

(3) The operator shall maintain production records and other applicable information and documents, including any referenced established written company safety manual or policy, sufficient to demonstrate eligibility for any exemption claimed pursuant to subdivision (hi) and make them available to the Executive Officer upon request.

(4) The operator shall maintain all records and other applicable documents required as part of an Odor Mitigation Plan approved in accordance with paragraph (f)(2) subdivision (g) in a form approved by the Executive Officer at the facility or facility headquarters for a period of three years or a period of five years for a Title V facility and such records and applicable documents shall be made available to the Executive Officer upon request.

(ghi) Test Methods

The following test methods and procedures shall be used to determine compliance with this rule. Other test methods determined to be equivalent after review by the staffs of the District, the Air Resources Board, and the U.S. EPA, and approved in writing by the District Executive Officer may also be used.

- (1) Measurement of TOC or VOC concentrations shall be conducted according to the United States Environmental Protection Agency (USEPA) Reference Method 21 using an appropriate analyzer calibrated with methane. The analyzer shall be calibrated before inspection each day prior to use. For the purpose of demonstrating compliance with the TOC concentration requirements in paragraphs (d)(1) and (d)(~~567~~), measurement of the TOC concentrations shall be conducted at a distance of no more than three (3) inches above the organic liquid surface in the well cellar.
- (2) Determination of Efficiency of Emission Control Systems
The control equipment efficiency of an emission control system, on a mass emissions basis, and the VOC concentrations in the exhaust gases, measured and calculated as carbon, shall be determined by USEPA Test Methods 25, 25A, or District Method 25.1 - Determination of Total Gaseous Non-Methane Organic Emissions as Carbon or District Method 25.3 Determination of Low Concentration Non-Methane Non-Ethane Organic Compound Emissions from Clean Fueled Combustion Sources, as applicable. US EPA Test Method 18; or ARB Method 422 shall be used to determine emissions of exempt compounds.
- (3) The VOC content shall be determined according to ASTM Method D 1945 for gases, SCAQMD Method 304-91 for liquids. The percent VOC of a liquid evaporated at 150°C (302°F) shall be determined according to ASTM Method D 86.
- (4) The flash point of heavy liquids shall be determined according to ASTM Method D 93.
- (~~3~~5) Laboratory Approval
Sampling, analysis, and reporting shall be conducted by a laboratory that has been approved under the District Laboratory Approval Program (LAP) for the cited District reference test methods, where LAP approval is available. For District reference test methods for which no LAP program is available, the LAP approval requirement shall become effective one year after the date that the LAP program becomes available for that District reference test method.
- (4) ~~Equivalent Test Methods~~
~~A person may use other methods to determine compliance with this rule provided it is demonstrated to be equivalent and approved in writing by~~

~~the Executive Officers of the District, the California Air Resources Board, and the Regional Administrator of the USEPA, or their designees.~~

(~~hi~~) Exemptions

- (1) This rule shall not apply to well cellars associated exclusively with:
 - (A) Oil and gas production wells that have been idle and out of operation for more than six months, as indicated by production records, with no liquid leaks or accumulation of crude oil in the well cellar ~~as indicated by production records~~. All provisions of this rule shall apply upon commencement of operation of the idle well.
 - (B) Wells that have been certified as an abandoned well by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources.
 - (C) Water, gas or steam injection wells.
- (2) The provisions of paragraphs (d)(3), (d)(545), ~~(d)(6), (d)(7), and (d)(78),~~ (d)(9) and subparagraph ~~(f)(2)(C)~~ paragraph (g)(3) shall not apply to any well ~~or~~, produced gas handling system, or portable enclosed storage vessel and associated air pollution control equipment undergoing maintenance and repair, well drilling ~~and~~, or well abandonment operations, ~~provided if~~ the owner or operator can demonstrate to the Executive Officer that: performing the maintenance and repair, drilling, or abandonment operation to meet paragraph (d)(3)(d)(45), ~~(d)(6), (d)(7), or (d)(8), (d)(9), or paragraph (g)(3),~~ as applicable, would cause the facility to operate in a manner that violates state or federal regulations, applicable industry safety standards, or a written company safety manual or policy that was developed to comply with applicable industry safety standards; and that the maintenance and repair, drilling, or abandonment operation is conducted in a manner that minimizes, as much as possible under the circumstances, emissions to the atmosphere, and is consistent with the written company safety manual or policy.
- (3) The provisions of paragraph (d)(1), (d)(2) and (d)(~~567~~) shall not apply to any well cellar used in emergencies at oil production facilities, if clean-up procedures are implemented within 24 hours after each emergency occurrence and completed within ten (10) calendar days.

- (4) The provisions of paragraph (d)(~~678~~) of this rule shall not apply to oil and gas production wells in operation as of March 5, 2004, that produce no more than one (1) barrel per day of oil or 200 standard cubic feet per day of produced gas per facility, provided that such production wells are not located within 100 meters of a sensitive receptor, and provided the production can be demonstrated from annual production records. Demonstration of produced gas production shall be based on metered measurement of the gas.

ATTACHMENT F

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

July 2015

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TABLE OF CONTENTS

SECTION	PAGE
<i>EXECUTIVE SUMMARY</i>	<i>1</i>
<i>BACKGROUND</i>	<i>2</i>
Introduction	2
Exploration	3
Well Development.....	3
Production	3
Site Abandonment	5
Ancillary	5
Maintenance	5
Spill Containment and Spill Response	5
Typical Emission Sources	5
Wellheads	5
Well Cellars	5 6
Separation and Treatment.....	6
Workover Rig Operations.....	7
Odor and Potential Health Effects	8
Regulatory History	8
Rule 1148.1	8
BACT and BARCT	9
SCAQMD Authority to Regulate Odors	9
Affected Industry	10
<i>ODOR MITIGATION WORK PRACTICES AND ASSOCIATED ACTIVITIES</i>	10<u>11</u>
Complaint Handling	10<u>11</u>
Complaint Communication	11<u>12</u>
Complaint Data Analysis and Mapping	12
<i>SUMMARY OF PROPOSED AMENDMENT</i>	12<u>13</u>
(a) Purpose	16
(b) Applicability	16
(c) Definitions	17
New Definitions Incorporated from Other SCAQMD Rules	17
New Definitions to Support Odor Mitigation Requirements	13 17
Modified Definitions	14 18
(d) Requirements	19
(e) Operator Inspection Requirements	20
(f) Odor Mitigation Requirements	20
(f) (4) Specific Cause Analysis	<u>21</u>
(f) (2) (g) Odor Mitigation Plan	22
(f) (2) (B) (g) (2) Odor Mitigation Plan Elements	22

(f)(2)(C)(g)(3) Odor Monitoring and Mitigation Requirements	<u>22</u>
(gh) Recordkeeping Requirements	<u>24</u>
(hj) Test Methods	<u>24</u>
(ij) Exemptions	<u>24</u>
EMISSION INVENTORY	<u>24</u>
COST ANALYSIS AND SOCIOECONOMIC IMPACTS	<u>24</u>
Introduction	<u>24</u>
Odor Mitigation Plan Improvement Measures	<u>25</u>
Enclosure and/or Tarping Equivalent	<u>25</u>
Surveillance During Repairs and Maintenance	<u>26</u>
Other Odor Mitigation Measures	<u>25</u>
Monitoring Systems and Rubber Grommets	<u>27</u>
INCREMENTAL COST EFFECTIVENESS	<u>29</u>
COMPARATIVE ANALYSIS	<u>25</u>
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)	<u>31</u>
FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727	<u>31</u>
COMMENTS AND RESPONSES	<u>32</u>
Public Comments	<u>32</u>
Written Comment	<u>32</u>
Comment Letter #1	<u>33</u>
Oral Comments	<u>48</u>
Additional Comments	<u>52</u>
Other Comments	<u>66</u>
Public Consultation Meeting Comments	<u>62</u>
REFERENCES	<u>88</u>

LIST OF FIGURES

	PAGE
Figure 1. Typical oil and gas production facility processes and SCAQMD rule applicability	2
Figure 2. Typical SCAQMD Complaint Handling Process	12
Figure 3. Allenco Energy, Inc. and surrounding community	14

LIST OF TABLES

	PAGE
Table 1. BACT for Fugitive Emission Sources at Natural Gas Plants and Oil and Gas Production Fields and Oil and Gas Production	9
Table 2. Permitted or Filed SCAQMD Oil and Gas Production Facilities, 2015	11
Table 3. Sample Complaint History, 2010 to 2014, Oil and Gas Production Facilities	13
Table 4. Notices of Violation Issued, Allenco Inc. – 2010 to 2014	15
Table 5. Notices to Comply issued, Allenco Inc. – 2010 to 2014	15
Table 46. New PAR1148.1 Definitions incorporated from other SCAQMD Rules	1717
Table 57. Proposed Additional Complaint Action Levels for Facilities Located within 1,500 feet of a Sensitive Receptor	2121
Table 68. Proposed Odor Monitoring and Mitigation Requirements	2323
Table 79. PAR 1148.1 Potential OMP Improvement Categories	2525
Table 810. Potential Cost of PAR 1148.1 by OMP Improvement Categories.	2828

APPENDICES

- Appendix A. Monitoring Systems for the Oil and Gas Production Industry
- Appendix B. Sampling of Complaint History (2010 – 2014) – Oil and Gas Production Facilities
- Appendix C. PAR 1148.1 (d)(~~12~~13) – Sample Information Signage

EXECUTIVE SUMMARY

Rule 1148.1 – Oil and Gas Production Wells was adopted on March 5, 2004 to reduce volatile organic compound (VOC) emissions from well cellars as well as from sources of untreated process gas located at oil and gas production facilities. The rule includes requirements for visual inspection and maintenance programs and for controlling untreated produced gas. An increased awareness of oil and gas production wells due to community concerns over potential environmental impacts from well stimulation techniques such as hydraulic fracturing has resulted in a goal to minimize impacts to nearby residents and sensitive receptors from ongoing operations ~~that do not include drilling~~. In addition, between the years 2010 and 2014, operations at Allenco Energy Inc., an oil and gas production facility located adjacent to several sensitive receptors, had become the subject of close to 300 complaints, over 150 inspections and eighteen Notices of Violation (NOV), including six NOVs for Rule 402 – Nuisance due to odors. This further heightened awareness from the local community and other interested stakeholders, raising interest in pursuing environmental justice measures to both more rapidly respond to and prevent future situations from evolving at similarly located operations. The proposed amendment seeks to include additional prevention measures and other best practices in an effort to reduce the potential for odor nuisance and exposures from oil and gas production facilities, especially those within 1,500 feet of a sensitive receptor. Further, the proposed amendment seeks to make administrative changes to the rule by removing obsolete rule language and making minor revisions.

~~The proposed amendment incorporates some of the information gathered through the reporting mechanisms provided by Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers adopted, April 5, 2013. The South Coast Air Quality Management District (SCAQMD) intends to further refine and analyze the data obtained from implementation of Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers as part of a subsequent effort to report findings and recommendations for the need, if any, for emission controls or regulatory efforts related to well drilling, well completion, and well rework.~~

As a separate, but concurrent effort, proposed amendments to Rule 1148.1 address the ~~production-operation~~ and maintenance aspects of an ~~operating~~ oil and gas ~~well~~production facility, rather than the pre-production or stimulation aspects covered under the requirements of Rule 1148.2.

Currently production wells, primarily due to low emission potential, are currently registered under Rule 222 - Filing Requirements For Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II and do not require full permits. However, if these same wells have associated equipment (i.e. separation tanks, wastewater separators), the facility requires a comprehensive analysis under Rule 203 - Permit to Operate, and subject to Regulation XIII requirements, as applicable.

There is no anticipated significant cost increases associated with the proposed amendment because the amended rule focuses on improving work practices and establishing odor mitigation procedures as a contingency, rather than on additional engineering controls. Any additional cost impact associated with implementation of improved work practices, specific cause analyses and odor mitigation procedures are expected to be administrative and nominal.

BACKGROUND

Introduction

The process of moving oil and gas from underground reservoirs to above ground storage is described as a “pipeline process” since oil and gas in its natural state uses natural pressure or mechanical forces to move the oil and gas through miles of pipeline to the wellhead and is then transported by more piping to storage. In the life of an oil well, there are phases which dictate the type of equipment to be used and the work practices and maintenance procedures that will be implemented. These operations have been historically regulated and permitted by the California Division of Oil, Gas and Geothermal Resources (DOGGR). The phases include: exploration, well development, production and well abandonment. Rule 1148.1 applies principally to the production phase, whereas Rule 1148.2 applies to the exploration, well development and well rework phases. DOGGR continues to regulate site abandonment activities.

Figure 1 below outlines the overall oil and gas well lifecycle and the associated regulatory applicability with respect to activities covered under Rule 1148.1 and Rule 1148.2:

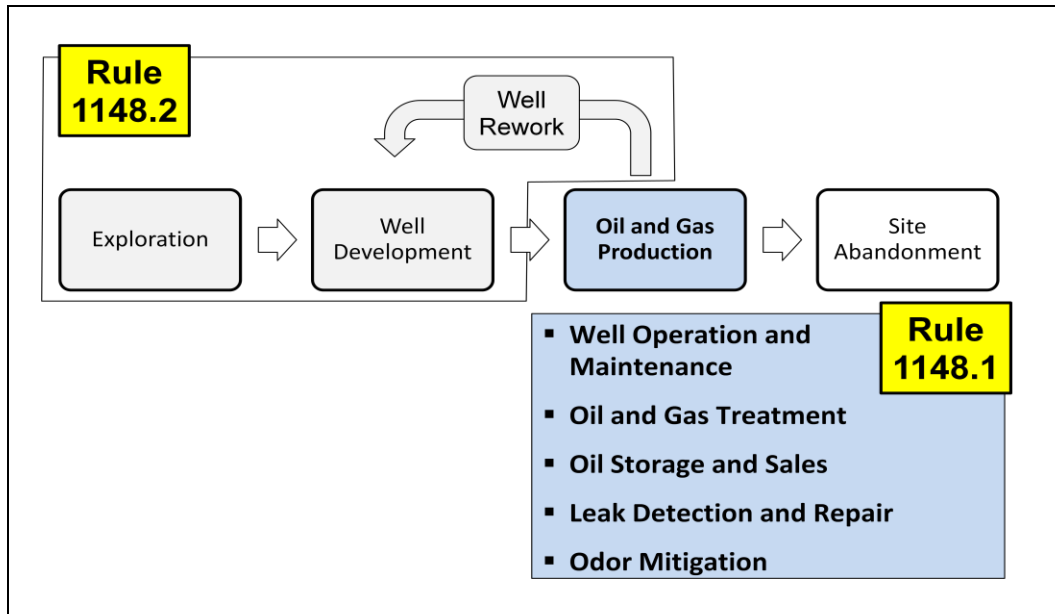


Figure 1. Typical oil and gas production facility processes and SCAQMD rule applicability

Exploration

Exploratory wells are drilled into underground formations in hopes of locating a new source of fossil fuel. This type of well represents a risk for the company conducting the drilling, not only for the high cost, but also due to the uncertainty in the quantity of oil or natural gas it might contain. The well may turn out to be a profitable new source of fossil fuel, or it may contain quantities of fuel that are not profitable to extract. In the latter case, the well may be plugged and abandoned.

When oil deposits are discovered, a crude oil reservoir can contain a mixture of water, as well as oil and gas in the small pore spaces in the reservoir rock. Initially, the reservoir holds these fluids under considerable pressure, caused by the hydrostatic pressure of the groundwater. At this pressure, a large part of the gas is dissolved in the oil. These two fluids, the initial water and the gas in solution, combine to provide the driving force for moving the oil into the well where it is pushed upward by the underlying pressure.

This operation is the subject of Rule 1148.2.

Well Development

Development wells are typically drilled within an area that has already proven to be productive. Once oil or gas is discovered in a commercially viable quantity, development wells are drilled to continue to recover as much of the oil or gas as possible. There are also service wells which are drilled for injecting liquids or gases into an underground formation in order to increase the pressure and force the oil toward the producing wells. Service wells also include wells drilled for the underground disposal of water produced with the oil and gas.

This operation is also the subject of Rule 1148.2.

Production

After drilling, an oil well is constructed essentially as a pipeline, reaching from the top of the ground to the oil-producing formation. It is through this pipe that oil is brought to the surface. The pipeline is a series of joints of a special kind of pipe (casing) screwed together to form a continuous tube for the oil and gas to flow through. Sometimes in drilling a well, more than one commercially productive formation is found. In such cases, a separate tubing string is run inside the casing for each productive formation. Production from the separate formations is directed through the proper tubing strings and is isolated from the others by packing that seals the annular space between the tubing strings and casing. These are known as multiple completion wells.

The production stage is the most important stage of a well's life, when the oil and gas are produced. By this time, the rigs used to drill and complete the well have moved off the wellbore, and the top is usually outfitted with a collection of valves called a "Christmas tree" or production tree. These valves regulate pressures, control flows, and allow access to the wellbore in case further completion work is needed. From the

outlet valve of the production tree, the flow can be connected to a distribution network of pipelines and tanks to process the produced oil, gas and water, and subsequently supply the product to refineries, natural gas compressor stations, or oil export terminals.

As long as the pressure in the reservoir remains high enough, the production tree is all that is required to produce the well. If the pressure depletes and it is considered economically viable, an artificial lift method can be employed to withdraw the remaining product from the reserve.

Currently there are four common methods of artificial lift used in the industry today: they are beam pumping, submersible pumping, gas lift and hydraulic pumping.

For beam pumping, the pump is designed to be inserted inside the tubing of a well and its main purpose is to gather fluids from beneath the surface and lift them to the surface. The most important components are the barrel, valves (traveling and fixed) and the piston. The pump is connected to the pumping unit at the surface by a string of sucker rods. Sucker rods are stroked up and down the tubing, activating the pump at the bottom. At the surface a large mechanical device called the beam pumping unit is attached. Depending on the size of the pump, it generally produces 5 to 40 liters of liquid at each stroke. Often this is an emulsion of crude oil and water. One of the advantages of beam pumping is high efficiency; however, it is limited to relatively low production volumes, less than 1,000 barrels per day (bpd).

Submersible pumping consist of an electrical motor attached to a pump on the end of the tubing string. The electrical motor turns a centrifugal pump, which forces oil from the bottom of the well, up through the inside of the tubing, and out at the surface. The electricity is supplied through an electric cable attached to the side of the tubing and connected to the electric motor. The Submersible Pumping has high volume and depth capacity and high efficiency over 1,000 bpd. However, this type of artificial lift has poor ability to pump sand.

Another type of artificial lift is gas lift, which involve a series of devices called gas lift valves that are inserted into the sides of the tubing. The gas is injected into the well through the tubing casing annulus and enters the tubing through the gas lift mandrels and gas lift valves. The fluid in the tubing is made lighter by the gas, and as a result, the mixture is pushed to the surface by the reservoir pressure. The advantage of using gas lift equipment is that the process closely resembles the natural flow process and basically operates as an enhancement or extension of that process. The only major requirement is an available and economical supply of pressurized gas. The draw back in using this system is high initial capital cost, high level of maintenance and complex operation.

The last artificial lift method is hydraulic pumping where high pressure oils are pumped into the well through the tubing string. At the bottom of the well, the pressured oil enters a mechanical device, causing it to reciprocate. This mechanical device activates a pump which lifts the oil from the producing formation, together with expended powered oil to the surface. The system consists of a surface power

fluid system, a prime mover, a surface pump, and a down hole jet or pump. Power fluid from the surface actuates the engine, which in turn drives the pump and power fluid returns to the surface with the produced oil. The Advantages of hydraulic pumping is that there are no moving parts and high volume capability. The downside is the high initial capital cost and the difficulty of operation.

This operation is subject to Rule 1148.1.

Site Abandonment

Once a production well oil and gas reservoir is depleted, the well is abandoned and the site is cleaned up. Requirements include plugging the depleted reservoir hole with cement to protect all underground strata. This prevents any flow or leakage at the surface and protects the water zone, in accordance with California Code of Regulations, Subchapter 4, and section 1920.1. Equipment that is salvageable is removed; pits used in the operation are filled in and the site is re-graded. Wherever practical the ground is replanted with grass or other kinds of vegetation and sometimes, buildings are constructed on the site.

This activity is regulated by DOGGR.

Ancillary

There are additional ancillary procedures and equipment that are used across all phases of oil and gas production, including overall facility and equipment maintenance and spill containment and spill response. The emissions related aspects of these activities are subject to Rule 1148.1.

Maintenance

Maintenance is necessary and required to ensure smooth operation in a safe manner and to minimize emissions during all phases of oil well operations. General maintenance includes repairing or replacing pull rods or well casings using workover rigs, as well as inspecting and repairing pumps and other equipment used in production.

Spill Containment and Spill Response

Oil and gas production facilities utilize various forms of spill control and countermeasures to address handling of hazardous materials. Primary containment consists of a permanent structure that holds the hazardous material (oil), such as tanks and piping. In many cases well cellars are used to provide secondary containment. On-shore oil and gas production facilities are also subject to federal requirements for spill control under 40 CFR part 112.

Typical Emission Sources

Wellheads

Wellheads are susceptible to liquid leaks especially where the stuffing box is or large valves are poorly maintained ~~or when large valves are opened and then closed~~, which

~~often produces a~~ can result in noticeable amount of liquids, including hydrocarbons. If the liquid is allowed to stand ~~over an extended period~~, VOC emissions and related odors may be released to the atmosphere, and may lead to odor nuisance complaints from the local community.

Well Cellars

In most cases the wellhead resides in or above the well cellar, a small subsurface containment basin used to capture any leaking liquid from oil and gas extraction or maintenance or from workover of the well or wellhead. Well cellars can be lined or unlined and there can be one or more wellheads allocated to a well cellar. On average, a well cellar has approximate dimensions of 6 feet by 6 feet with a depth of between 5 feet to 8 feet. Since there needs to be access to wellheads for maintenance and sampling, well cellars are uncovered and can become sources of VOC emissions and associated odors when crude oil is collected and retained in this containment area ~~for an extended period of time~~.

Separation and Treatment

After the well fluids and gas reach the wellhead they are transferred to a treatment plant. At the treatment plant, the crude oil, natural gas, produced water and solid contaminants are separated and treated. A treatment plant may be simple or complex and can take many different forms depending on treatment needs. Typically, the treatment plant includes a well flow-line manifold in addition to separators, free water knockout vessels, heaters (if crude is heavy), heater-treaters, wash tanks, stock tanks, wastewater separators or oil/water separators, sumps, pits, ponds and a vapor recovery unit.

Some of the equipment that require permits by the SCAQMD include ~~American Petroleum Institute (API)~~ large oil/water separators, tanks, vessels, heaters, boilers, vapor recovery units, internal combustion engines and clean-out sumps, which are in most cases part of the wastewater system permit unit, oil dehydration unit or water injection facilities. Open ditches also require a permit, but there are no active permits currently in the South Coast Air Basin. Wastewater associated with the separation and treatment process is regulated by Rule 1176 – VOC Emissions from Wastewater Systems adopted November 3, 1989.

The well fluids (oil/water) and gas mixture flows to a well manifold that connects with each well in the field. From the manifold, the mixture is directed to either a test or a production separator, which separates and measures the three phases separately and is used to determine the production of each well. Under normal conditions, the mixture flows to a production separator or free water knockout where gas is separated from the mixture. From there, the oil/water stream flows to a free water knockout vessel, a heater treater, a wash tank and an oil/water separation vessel where water is removed from the oil. After it is determined that there is a sufficient reduction of water content, the oil flows to an oil storage or stock tank. Upon sale, the oil flows through Lease Automated Custody Transfer (LACT) units for metering.

Gases removed from the oil during treatment may be further treated and then 1) sold to a utility; 2) used as fuel by the operator; 3) re-injected into the reservoir for pressure maintenance; or 4) vented to the atmosphere, a practice largely eliminated by the requirements of Rule 1148.1 which provides for the use of air pollution control devices in lieu of venting, except in the case of emergency upset conditions or certain smaller producing wells. Gas collected from separators and oil treaters, along with vapors from storage tanks, may be processed through a glycol dehydration unit. This unit removes the water from the gas before it is put into a sales pipeline or used ~~again in the dehydration process~~ as fuel, or re-injected into the subsurface. A common practice to control production gas from small to medium operations is to use a gas-fired heater that burns the facility's gas and produces heat to reduce the viscosity of the crude oil product. . Reducing the viscosity of crude oil facilitates the handling within the production operation or the transport via pipeline to the refineries. Some facilities use the production gas to fuel micro-turbines for onsite power needs. However, based on a review of permitted oil and gas production facilities, ten facilities have a permit for flares that may be used to burn excess or off specification gas.

The oily water collected from the separators and the oil treaters may flow directly to a sump or may flow to a water treatment facility prior to disposal. At the water treatment facility, the oil content of the water is reduced by skimming tanks, dissolved air flotation units, pits, filters or a combination of these. The water may be used on-site, discharged to the surface following proper treatment, or injected back into water injection wells or disposal wells. Vapor recovery is usually on all of the separation vessels and is piped back to the gas pipeline for dehydration.

Workover Rig Operations

Workover Rigs are mobile temporary derrick stands that allow the operator to access and replace worn out ~~push-sucker rods~~ and ~~production tubing~~pipings. These rods are between 32 to 46 feet in length and are removed and ~~stored~~staged vertically. The rods and the ~~pipings~~tubing are pulled up through a casing which is ~~filled with~~contains oil and other ~~organic~~ liquid. As a result of their removal, the rods and ~~pipings~~tubing may be wetted with hydrocarbon liquid and have the potential to cause emissions and odor nuisances. While the amount of VOC emissions released to atmosphere is short-term, the odor potential is great, unless measures are taken to wipe excess material during removal, such as the use of a grommet.

Workover rigs are used primarily for maintenance on established production wells, and are typically powered by the internal combustion engine (ICE) used for transporting the rigs over the road to the site. These workover rigs typically use diesel fuel ICEs, with a trend to repower or purchase new rigs with diesel engines that meet CARB's new On-Road Heavy Duty Engines Tier IV standards. Workover rigs are generally smaller units with less power demands than drilling rigs. However, there are occasions where extensive maintenance work would require a supplemental electrical generator to provide additional power. These generators and the portable or temporary ICEs are a potential source of odors and particulate emissions.

Odor and Potential Health Effects

The presence of odors does not necessarily relate to the presence or absence of toxic air contaminants, and odor issues are generally addressed as public nuisance. Odor complaints, however, are often accompanied by reports of adverse effects such as headache and nausea.

As to whether odors can cause health effects, the American Thoracic Society (ATS), a scientific society that focuses on respiratory and critical care medicine, published its official guidelines as to what constitutes an adverse health effect in 1985, and updated these guidelines in 1999. The statement is intended to “provide guidance to policy makers and others who interpret the scientific evidence for the purpose of risk management.”¹ The statement acknowledges that there are gradations in the degree of effects and also differentiate between an effect that is adverse from an effect that is merely a physiological response. The ATS statement indicates that air pollution exposures which interfere with the quality of life can be considered adverse. Thus odor-related annoyance should be considered adverse, even if nausea or headache or other symptoms are not present. In the ATS guidelines, odors are clearly listed as an adverse respiratory health effect.

Unpleasant odors have long been considered as warning signs of potential health risks. Such odors often elicit complaints of respiratory irritation, headache, nausea and other adverse symptoms. While the mechanism for the production of these effects is not known, these effects have been noted at concentrations of substances that produce unpleasant odors. Postulated mechanisms include neurological changes in sensory nerves that could influence symptom production in the absence of other toxicological effects.²

Regulatory History

Rule 1148.1

Rule 1148.1 was adopted on March 5, 2004 to implement Control Measure FUG-05 of the 2003 AQMP by reducing VOC emissions from well cellars and wellheads at oil and gas production operations through increased inspection and maintenance, and control of produced gas emissions, with additional regulatory considerations when located within 100 meters to sensitive receptors. Rule 222 - Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, traditionally used for simpler, low-emitting, packaged or off the shelf equipment, was concurrently amended to include well cellars and wellheads at oil and gas production facilities subject to Proposed Rule 1148.1 in the filing program, in lieu of conventional permitting.

¹ “What Constitutes an Adverse Health Effect of Air Pollution?”, American Thoracic Society, 1999, <http://www.thoracic.org/statements/resources/archive/airpollution1-9.pdf>.

² “Science of Odor as a Potential Health Issue”, Schiffman, 2005.

BACT and BARCT

The application of Best Available Control Technology and Best Available Retrofit Control Technology (BACT and BARCT) are required and implemented on control devices for the oil and gas production equipment. The current applicable Control Techniques Guidelines established in 1983 by EPA (EPA-450/3-83-007 1983/12 Control of Volatile Organic Compound Equipment Leaks from Natural Gas/Gasoline Processing Plants) has been incorporated into Rule 1173 Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, and is considered BACT and BARCT for oil and gas production facilities. In addition, equipment-specific standards have been developed over time as technology evolves. Table 1 below summarizes current³ BACT applicable to the industry.

Table 1. BACT for Fugitive Emission Sources at Natural Gas Plants and Oil and Gas Production Fields and Oil and Gas Production.

Subcategory/Rating/Size	VOC
Compressors, Centrifugal Type	Seal System with a Higher Pressure Barrier Fluid (04-10-98); and Compliance with AQMD Rule 1173 (12-5-2003)
Compressors, Rotary Type	Enclosed Seal System Connected to Closed Vent System (04-10-98); and Compliance with AQMD Rule 1173
Pressure Relief Valves	Connected to Closed Vent System or Equipped with Rupture Disc if Applicable (4-10-98); and Compliance with AQMD Rule 1173 (12-5-2003)
Pumps – In Heavy Liquid Service	Single Mechanical (4-10-1998); and Compliance with AQMD Rule 1173 (12-5-2003)
Pumps – In Light Liquid Service	Sealless Type if Available and Compatible, or Double or Tandem Seals and Vented to Closed Vent System (4-10-98); and Compliance with AQMD Rule 1173 (12-5-2003)
Sampling Connections	Closed-Purge, Closed-Loop, or Closed-Vent System (4-10-98); and Compliance with AQMD Rule 1173 (12-5-2003)
Valves, Fittings, Diaphragms, Hatches, Sight-Glasses, Open-Ended Pipes and Meters in VOC Service	Compliance with AQMD Rule 1173 (12-5-2003)
<u>Combined Tankage</u>	<u>All Tanks Vented to:</u> - <u>Vacuum Gas Gathering System; or</u> - <u>Positive Pressure Gas Gathering System; or</u> - <u>Incinerator or Firebox; (1988)</u>
<u>Wellhead</u>	<u>All Wellheads Vented to :</u> - <u>Vacuum Gas Gathering System; or</u> - <u>Positive Pressure Gas Gathering System; or</u> - <u>Incinerator or Firebox; (10-20-2000)</u>

SCAQMD Authority to Regulate Odors

The District is given broad authority to regulate air pollution from "all sources, other than emissions from motor vehicles." Health and Safety Code (H&SC) §40000. The

³ Best Available Control Technology (BACT) Guidelines for Non-Major Polluting Facilities, as defined by Rule 1302 – Definitions. <http://www.aqmd.gov/docs/default-source/bact/bact-guidelines/part-d--bact-guidelines-for-non-major-polluting-facilities.pdf?sfvrsn=4>

term "air pollutant" includes odors [H&SC §39013]. Therefore, the District may regulate to control air pollution, including odors, from PAR1148.1 sources. In addition, the District has authority to adopt such rules as may be "necessary and proper" to execute the powers and duties imposed on the District by law. [H&SC §40702]. The District's legal authority to adopt and enforce the amendment to Rule 1148.1, establishing best management practices and requirements to reduce odors from oil and gas production wells also derives from H&SC §41700, which, in pertinent part, prohibits the discharge of air contaminants causing annoyance to the public. It further prohibits the discharge of air contaminants, such as odors, which "endanger the comfort, repose, health, or safety of any of those persons or the public, or that cause, or have a natural tendency to cause, injury or damage to business or property." [H&SC §41700]. The District's authority granted by H&SC 41700 to protect the public's comfort and health and safety provides for the regulation of facilities in order to prevent the discharge of odors before they cause nuisance or annoyance to the public.

In addition, H&SC §40001(b) authorizes the District to adopt rules and regulations, such as PAR1148.1, and provides, in relevant part, for the prevention and abatement of air pollution episodes which cause discomfort or health risks to a significant number of persons. PAR1148.1 is a reasonable and proper use of the District's regulatory authority.

Affected Industry

Operators of oil wells and well cellars are not required to obtain SCAQMD permits for that equipment and not all oil wells utilize well cellars. Only those facilities with equipment such as API-large oil/water separators, tanks, vessels, heaters, boilers, internal combustion engines and clean-out sumps (part of the dehydration or wastewater system permit unit), and "control" equipment such as heaters, flares, gas treatment equipment, internal combustion engines, microturbines, and boilers would have SCAQMD permits. SCAQMD Rule 222 was amended on March 5, 2004 to include oil production well groups, which is defined as no more than four well pumps located at a facility subject to Rule 1148.1 – Oil and Gas Production Wells at which crude petroleum production and handling are conducted, as defined in the Standard Industrial Classification Manual as Industry No. 1311, Crude Petroleum and Natural Gas.

The number of affected facilities subject to Rule 1148.1, identified through SCAQMD permitting and filing systems, are summarized in Table 2 below:

Table 2. Permitted or Filed SCAQMD Oil and Gas Production Facilities, 2015

Category	Number of Facilities
Oil Wells and Gas Production - Non-RECLAIM	329
Oil and Gas Production Wells - RECLAIM	144
Total	473

ODOR MITIGATION WORK PRACTICES AND ASSOCIATED ACTIVITIES

Complaint Handling

SCAQMD currently manages complaints through the 1-800-CUT-SMOG hotline and through implementation of Rule 402 – Nuisance. Rule 402 prohibits any discharge of any material that may cause injury, detriment, nuisance, annoyance or discomfort to any considerable number of persons, with a large number of complaints typically associated with disagreeable odors. Currently, in order to pursue enforcement action under Rule 402, an odor must be verified at the complainant location, that same odor traced upwind to the source, and the source identified as either the boundary of a facility, or a device, equipment or unit. Once the odor is traced to either a facility or source, the complaint would become confirmed. Finally, multiple confirmed complaints called within the same timeframe would subject the source to a possible issuance of a Notice of Violation (NOV). For more frequent odor NOV's, conditions, through an Order of Abatement, may be issued to address ongoing odor issues emanating from a facility. Additionally, Rule 402 also includes provisions for damage to property.

Figure 2 outlines an overview of the typical complaint handling process, where consideration for NOV issuance is in the six or more confirmed complaint range. Where less than the NOV threshold number of complaints is established, but odors can be traced to an activity or equipment, the inspector would review applicable rules and permit conditions to determine if detected odors are attributable to potential non-compliance. Where a Rule 402 NOV is issued, the source would be subject to a more thorough and lengthy legal investigation and violation settlement.

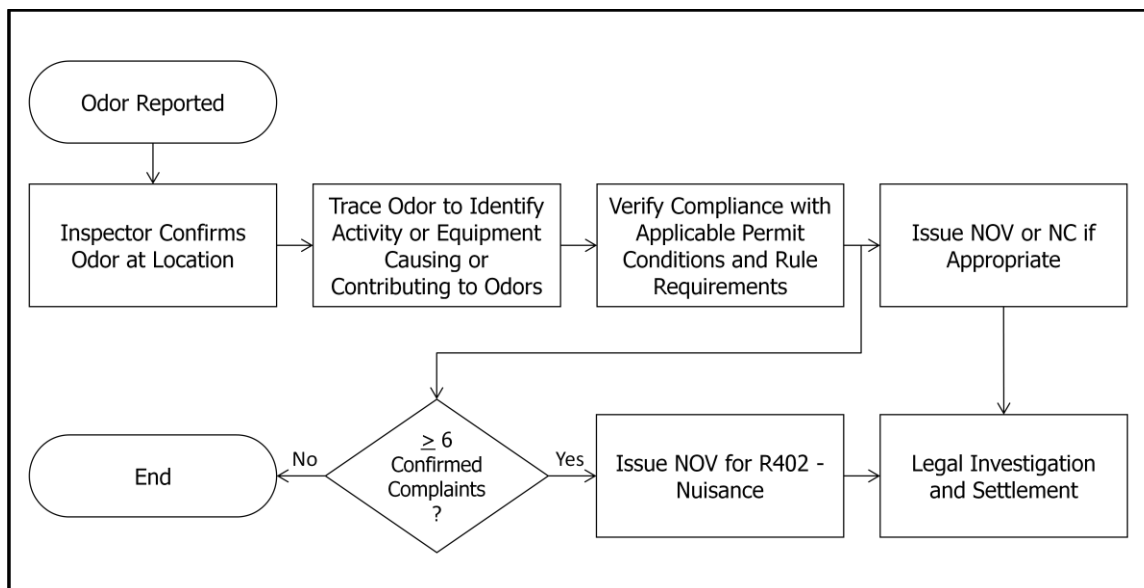


Figure 2. Typical SCAQMD Complaint Handling Process

It is not uncommon for complaints to be unconfirmed or for an odor causing event to fall short of the multiple complaint threshold for issuance of a Rule 402 NOV. Odors may be caused by infrequent or brief activities and are often short-term and fleeting. Pursuant to Rule 402, SCAQMD staff also responds to complaints involving property damage.

Complaint Communication

Although an inspector responding to a complaint typically communicates a summary of the initial field inspection, in some cases the complainant may have chosen to be anonymous, or the complaint call may have occurred off hours or late in the evening. In other cases, especially when the complaint or facility is not confirmed, the complainant may be left with the impression that no action has been or can be taken to address their complaint. Finally, even when an NOV is issued, the subsequent legal investigation process, as indicated in Figure 2 above, may not address the immediate informational needs of a complainant, who may continue to experience exposure to objectionable odors. A facility that takes specific corrective action to address the complaint driven odor causing activity or operation may not be acknowledged should similar odors be detected from another facility or from a separate odor causing event.

Complaint Data Analysis and Mapping

Staff reviewed complaint data associated with oil and gas production facilities, especially those that may be considered urban wells (i.e., within 1,500 feet of sensitive receptors). Table 3 below summarizes a subset of staff findings. Specifically, staff reviewed 100 out of 403 (roughly 25%) oil and gas production facilities, with only nine facilities identified as having more than one odor complaint, both confirmed and unconfirmed (alleged) over the last 5 years (2010 through 2014).

Table 3. Sample Complaint History, 2010 to 2014, Oil and Gas Production Facilities

Facility Name	Number of Complaints	402 NOVs	203 NOVs	1176 NOVs	1148.1 NOVs
AllenCo Energy INC	258	3	3	4	1
Angus Petroleum	106	0	0	0	0
*Freeport McMoran Oil	14	0	0	2	0
Holly Street Inc	8	0	0	0	0
**Freeport McMoran Oil	7	0	1	2	0
Amtek Construction	3	0	0	0	1
Oxy USA Inc	1	0	0	0	0
Matrix Oil Corp	1	0	0	0	0
Greka Oil & Gas Inc	1	0	2	0	0
Totals:	399	3	6	8	2

*1371 W. Jefferson Freeport McMoran Oil

** 2126 W. Adams Freeport McMoran Oil

The complainants' locations for the above facilities are displayed in a map, showing distances of 328 feet radius and 1500 feet radius from the center of the facility, representing the existing and proposed distances to sensitive receptors, respectfully. These maps are included as part of Appendix B – Sampling of Complaint History (2010 – 2014) – Oil and Gas Production Facilities of the Draft Staff Report.

Case Study: Allenco

Allenco Energy, Inc. (Allenco) is an oil and gas production facility located at 814 West 23rd Street in Los Angeles, surrounded by homes and multi-family units on the west and north, and Franklin Lanterman High School and Mount Saint Mary's College on the south and east, respectively. The facility has been in operation since the 1960's, and the first SCAQMD permits are dated March 1970, under ARCO Oil and Gas Company. The lease was taken over by St. James Oil Company in 1987, although production was shut down on January 27, 1998 in response to economic conditions. The facility restarted operations in May 2004 as the market for crude oil increased, and on September 16, 2009, Allenco took ownership of the facility. SCAQMD inspectors noted the production rate in the 15-20 barrels per day (bpd) range during an inspection late 2009, increasing to 100 bpd as noted in an inspection early 2011, although the more recent inspections noted a generally steady production rate of 80 bpd. Figure 3 below identifies Allenco and the proximity to various sensitive receptors.



Figure 3. Allenco Energy, Inc. and surrounding community.

Compliance and Complaint History

The following tables highlight the compliance history for Allenco between late 2010 and mid-2014. Over this period, the facility was cited for a total of eighteen Notices of Violation (NOV), including six for Rule 402 – Nuisance; six Notices to Comply (NC) were also issued over this time, primarily associated with inadequate adherence to administrative requirements, including recordkeeping. The facility was the subject of close to 300 complaints from the surrounding community, peaking at 192 in 2011, which also included the time in which the majority of the Rule 402 NOVs were issued. Complainants alleged Allenco operations had caused: strong odors; headaches; nausea; eye and respiratory irritations (asthma); and nose bleeds.

Table 4 summarizes the eighteen NOVs issued between 2010 and 2014.

Final Staff Report

Table 4. Notices of Violation Issued, Allenco Inc. – 2010 to 2014.

<u>Date</u>	<u>NOV No.</u>	<u>Rule Number</u>	<u>Description</u>
<u>11/9/10</u>	<u>P53587</u>	<u>1148.1</u>	<u>Excess emissions observed from component in well cellar</u>
<u>01/02/11</u>	<u>P56960</u>	<u>1148.1</u>	<u>Excess emissions observed from component in well cellar</u>
<u>01/25/11</u>	<u>P53588</u>	<u>402</u>	<u>Leak in a water injection well</u>
<u>01/26/11</u>	<u>P53589</u>	<u>402</u>	<u>Lingering odors from clean-up operations due to leak in an injection well</u>
<u>01/27/11</u>	<u>P53590</u>	<u>402</u>	<u>Lingering odors from clean-up operations due to leak in an injection well</u>
<u>01/31/11</u>	<u>P51141</u>	<u>402</u>	<u>Vacuuming of by-product from a water injection tank</u>
<u>07/22/11</u>	<u>P53594</u>	<u>402</u>	<u>Old oil pipes being pulled from an idle well</u>
<u>07/27/11</u>	<u>P55619</u>	<u>1148.1</u> <u>1173</u> <u>1176</u> <u>203(b)</u>	<ul style="list-style-type: none"> • <u>Excess emissions observed from component in well cellar</u> • <u>Open ended line</u> • <u>Cover permeable to VOCs</u> • <u>Operating equipment in poor working conditions</u>
<u>08/24/11</u>	<u>P55621</u>	<u>1173</u>	<u>Open ended line</u>
<u>09/06/11</u>	<u>P55622</u>	<u>1148.1</u>	<u>Excess emissions observed from component in well cellar</u>
<u>10/24/11</u>	<u>P53597</u>	<u>203(b)</u> <u>201</u> <u>1176</u>	<ul style="list-style-type: none"> • <u>Operating equipment in poor working conditions</u> • <u>Altering equipment without prior District approval</u> • <u>Leaving hatches open to tanks</u>
<u>07/28/11</u>	<u>P56971</u>	<u>1176</u>	<u>Excess emissions observed coming from sluiceway</u>
<u>02/21/12</u>	<u>P56972</u>	<u>1176</u>	<u>Cover permeable to VOCs</u>
<u>03/07/12</u>	<u>P53598</u>	<u>1148.1</u>	<u>Excess emission observed from component in well cellar</u>
<u>04/10/13</u>	<u>P50699</u>	<u>203(b)</u> <u>206</u>	<ul style="list-style-type: none"> • <u>Failure to comply with Permit to Operate conditions</u> • <u>Failure to post Permits to Operate</u>
<u>08/08/13</u>	<u>P61502</u>	<u>402</u>	<u>Petroleum and masking solution odors present during water injection well rework activities</u>
<u>11/12/13</u>	<u>P61503</u>	<u>1176</u>	<u>Sump vent pipe venting directly to the atmosphere</u>
<u>11/19/13</u>	<u>P61504</u>	<u>1176</u> <u>203(b)</u>	<ul style="list-style-type: none"> • <u>Two opening in the wastewater sump, two (2) VOC leaks (12,000 and 8,000 ppm) measured at a hatch on a storage tank, sewer line not completely enclosed</u> • <u>Failure to maintain roof of waste water tank in good operating condition</u>

Table 5 summarizes the eight NCs issued between 2010 and 2014.

Table 5. Notices to Comply issued, Allenco Inc. – 2010 to 2014.

<u>Date</u>	<u>NC No.</u>	<u>Compliance Requirement</u>
<u>08/20/10</u>	<u>E00890</u>	<u>Rule 203(b) - Repair vapor leak located on gas inlet line connected to gas turbine no. 1.</u>
<u>08/20/10</u>	<u>E00891</u>	<u>Rule 203(a) - Do not operate portable ICE rated greater than 50 HP without first obtaining CARB registration or AQMD permit.</u>
<u>10/25/11</u>	<u>D29396</u>	<u>H & S Code 42303 - Provide proof of registration or permit for mud pump no. 6.</u>
<u>03/13/13</u>	<u>E07814</u>	<u>Rule 203(b) - Maintain wastewater system in good working condition.</u>
<u>11/19/13</u>	<u>E07544</u>	<u>Provide oil, gas, and wastewater produced during the last two years in a monthly format.</u>
<u>11/19/13</u>	<u>E075454</u>	<u>Submit detailed schematic drawings identifying all components of the wastewater system and all associated air pollution control devices.</u> <u>Provide all inspection & repair records for wastewater system for the last two years.</u>
<u>02/11/14</u>	<u>E07546</u>	<u>Submit application for to secure required PCs for Oil/water/gas process and storage equipment prior to installation of such equipment.</u> <u>Submit application for VR and gas handling equipment to reflect operating process</u>
<u>04/23/14</u>	<u>E07548</u>	<u>Submit new apps. For P/O for mod. On crude oils/water water and gas</u>

Corrective Actions and Revised Permit to Operate

Between January 2010 and September 2014, SCAQMD conducted over 150 inspections, including on-site inspections, a multi-agency inspection, and multiple community surveillances. SCAQMD conducted ambient air monitoring beginning in 2013, noting short-term elevated hydrocarbon concentrations, and conducted multiple town hall meetings.

SCAQMD prosecutors finalized settlement discussion with Allenco for fourteen NOV's issued between November 2010 through March 2012 for violation of Rules 203 – Permit to Operate, 402 – Nuisance, 1148.1 – Oil and Gas Production Wells, 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum facilities and Chemical Plants. The settlement included \$200,000 in voluntary site improvement expenses and \$61,000 penalty (credited \$46,753 for work performed at Mount Saint Mary's College and cash paid in the amount of \$14,247).

Beginning late 2013, Allenco voluntarily ceased production and began making necessary repairs and changes to operational procedures, including pumping down and repairing affected tanks, hard piping processes, upgrading the air pollution control system and adding odor mitigation measures during well maintenance.

A revised Permit to Operate was issued to Allenco on May 6, 2015. The revised permit contains Odor Mitigation requirements, including cross-reference to all applicable SCAQMD rules, required use of a rubber grommet in conjunction with any pulling of any piping or rods, and additional recordkeeping and reporting associated with drilling, well completion, or rework, repair, or maintenance activity.

SUMMARY OF PROPOSED AMENDMENT

The purpose of Proposed Amended Rule (PAR) 1148.1 – Oil and Gas Production Wells, is to provide enforceable mechanisms to reduce odor nuisance potential and to update the rule to promote clarity, consistency and enforceability.

(a) Purpose

The purpose section of PAR1148.1 includes clarifying references to emission reductions in toxic air contaminants (TAC) and total organic compounds (TOC), concurrent with the VOC emission reductions achieved through the existing rule requirements. In addition, rule language has been inserted to clarify that both operation and maintenance activities of wellheads are part of the purpose, and reference to assisting in reducing regional ozone levels and to preventing public nuisance, is added to reflect the proposed enforceable mechanisms aimed at reducing odor nuisance potential.

(b) Applicability

PAR1148.1 applies to wellheads and well cellars at onshore facilities as well as oil and gas handling operations and maintenance activities where petroleum is produced, gathered, separated, processed and stored. These facilities are also currently subject

to other rule requirements, Rule 463 – Organic Liquid Storage, Rule 1176 – VOC Emissions from Wastewater Systems which including sumps and wastewater separator, at oil and gas production wells. Production oil and gas wells are subject to Rule 1173 – Control of Volatile Organic Compounds Leaks and Releases from Component at Petroleum Facilities and Chemical Plants, and the proposed amended rule language is updated to cross-reference these rules.

(c) Definitions

Key definitions are proposed to be added to the definition section to support the additional enforceable mechanisms and also to promote consistency and clarify.

New Definitions Incorporated from Other SCAQMD Rules

Definitions have been incorporated from other rules to ensure consistency. Table 4-6 below identifies the new PAR1148.1 definitions and the respective rule that have been incorporated into the proposed amended rule:

Table 46. New PAR1148.1 Definitions incorporated from other SCAQMD Rules

PAR1148.1 Section	PAR1148.1 New Definition	SCAQMD Rule Incorporated From
(c)(2)	Component	Rule 1173 - Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants
(c)(57)	Heavy Liquid	
(c)(68)	Leak	
(c)(79)	Light Liquid	
(c)(4012)	Organic Liquid	Rule 463 - Organic Liquid Storage
(c)(4820)	Volatile Organic Compound	Rule 102 - Definition of Terms
(c)(4921)	Wastewater	Rule 1176 - VOC Emissions from Wastewater Systems

New Definition to Support Investigation Requirement

A definition for Confirmed Oil Deposition Event has been added to support the requirement to investigate the specific cause of an airborne release event that results in property damage as follows:

(c)(5) Confirmed Oil Deposition Event is an occurrence of property damage due to the airborne release of oil or oil mist from an oil and gas production facility, as verified by District personnel.

New Definitions to Support Odor Mitigation Requirements

Definitions for Confirmed Odor Event, Odor, Specific Cause Analysis and Responsible Party have been added to support the new incremental action levels associated with the proposed amendment’s additional requirements to prevent public nuisance associated with odors.

A more detailed discussion of the odor mitigation requirements follows in the requirements section of this report.

(c)(2) **Central Processing Area** is any location within an oil and gas production facility where pressurized phase separation or treatment of produced well fluids, including any produced oil, water or gas, occurs. A location that includes only oil producing wells and associated equipment not involved in pressurized phase separation or treatment, is not considered to be a central processing area.

(c)(34) **Confirmed Odor Event** is an occurrence of odor resulting in three or more complaints by different individuals from different addresses, and the source of the odor is verified by District personnel.

The number of Confirmed Odor Events is the metric used to determine the appropriate action taken by an affected facility in response to odor complaints.

(c)(4214) **Responsible Party** is a corporate officer for a corporation and a responsible party for a partnership or sole proprietorship the general partner or proprietor, respectively.

PAR1148.1 requires certification by the Responsible Party for any submitted Specific Cause Analysis reports.

(c)(4416) **Specific Cause Analysis** is a process used by an owner or operator of a facility subject to this rule to investigate the cause of a confirmed odor event or confirmed oil deposition event, identify corrective measures and prevent recurrence of a similar event.

A Specific Cause Analysis is an important step in mitigating odor or oil deposition issues and will result in requirements for the facility to generate a report summary and propose corrective actions.

Finally, a definition for **Water Injection Well** (c)(2022) has been added to PAR1148.1 to improve rule clarity and support the requirements associated with these equipment.

Modified Definitions

The definition for Sensitive Receptor has been updated for consistency with other SCAQMD rules that also refer to sensitive receptors, including Rule 1148.2.

(c)(4315) **Sensitive Receptor** ~~is a school~~ (means any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; licensed daycare centers; and health care facilities such as hospitals, or convalescent home retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.

Although other SCAQMD rules do not specify that daycare centers be licensed, staff agrees with stakeholder feedback that non-licensed daycare centers would be more difficult for regulated facilities to identify when establishing internal procedures for potentially affected wells, and that non-licensed daycare centers would more than

likely be housed in residences, which are already included in the proposed amended definition.

(d) Requirements

PAR1148.1 adds a requirement for pumping out or removing organic liquid accumulated in the well cellar by the end of the day following three complaints in the day as verified by District personnel (d)(3).

PAR1148.1 also adds additional best practice requirements to assist in the identification and prevention of potential odor issues, as well as additional odor mitigation requirements based on exceedances of specified confirmed odor event thresholds (d)(67).

In addition to the change in the definition of a Sensitive Receptor noted above, the more stringent requirements applicable to wells located close to a sensitive receptor are proposed to become applicable when the distance is 1,500 feet or less rather than the existing distance requirement of 100 meters (328 feet).

Effective 30 days after adoption, an oil and gas production facility, under the proposed amendment, will be required to utilize a rubber grommet designed for drill or production piping to remove excess or free flowing fluid from piping that is removed during any maintenance or drill piping or rod replacement activity that involves the use the use of workover rig. (d)(4011)

Effective 180 days after adoption, ~~the~~ oil and gas production facility ~~facilities~~ with central processing areas located within 1,500 feet of a sensitive receptor, under the proposed amendment, will be required to operate and maintain a monitoring system that will alarm ~~and~~ or notify operators at a central location or control center. Oil and gas production facilities generally monitor ~~equipment for safety~~ process or fire protection purposes to comply with a broad range of federal, state or local building or fire safety regulations, and thus typically have a gas detection program. In addition, these systems can support implementation of the General Duty Clause of the Clean Air Act, Section 112(r) as part of a facility hazard assessment and accidental release prevention program, typically from a central location. ~~some~~ Some facilities utilizing utilize control centers that also allow for monitoring and controlling operating parameters to support efficiency or serve as an indicator for leak related emissions. ~~PAR1148.1 requires that such monitoring systems incorporate any emissions monitoring and associated alarm thresholds identified in any approved SCAQMD operating permit or approved odor mitigation plan. (d)(11)~~

Finally, effective 30 days after adoption, an oil and gas facility, under the proposed amendment, shall post instructions for the public related to odor complaints. The posted instructions shall be provided in a conspicuous manner and under such conditions as to make it likely to be read or seen and understood by an ordinary individual during both normal operating and non-operating hours. The instruction shall include the following minimum information in English and Spanish:

- Name of the facility;
- Facility call number; and,
- Instructions to call the South Coast Air Quality Management District complaint hotline at the toll free number 1-800-CUT-SMOG or equivalent information approved in writing by the Executive Officer. (d)(4213)

A sample layout of the instructions is included in Appendix C – PAR 1148.1 (d)(4213) – Sample Information Signage.

(e) Operator Inspection Requirements

The proposed amendment continues the visual inspection requirement for stuffing boxes or produced gas handling and control equipment, but increases the distance requirement from sensitive receptors from 100 meters (328 feet) to 1,500 feet that changes the weekly inspection requirement to daily as follows:

As conducted by facilities as a general practice already, the operator shall visually inspect:

- (e)(1)(C) Any stuffing box or produced gas handling and control equipment located ~~100 meters~~ 1,500 feet or less from a sensitive receptor daily. Receptor distance shall be determined as the distance measured from the stuffing box or produced gas handling and control equipment to the property line of the nearest sensitive receptor.

The proposed amendment requires monthly TOC measurement for any component that has been identified as a potential odor source through a submitted specific cause analysis report. The specific cause analysis report, described in the next section of this staff report, is required of oil and gas production facilities following notification from SCAQMD of a confirmed odor event or confirmed oil deposition event. The additional monthly measurements are required until six consecutive months of measurement do not exceed the applicable leak rate thresholds for the subject component, after which time the underlying Rule 1173 inspection frequencies (typically quarterly) would apply. The leak rate thresholds are 100 ppmv for heavy liquid components and 500 ppmv for light liquid/gas/vapor/components. (e)(5)

(f) Odor Mitigation Requirements

The proposed amendment expands upon the existing SCAQMD complaint handling process described in Figure 2 above, for facilities located within 1,500 feet of a sensitive receptor, by adding two additional action levels based on the number of Confirmed Odor Events as depicted in Table 5-7 as steps 3a and 3b.

These two proposed additional action levels are intended to provide opportunities to more readily respond to and communicate complainant concerns. As noted previously, under the existing complaint handling process, complainants may not be aware of the progress made towards odor issue resolution. An additional communication mechanism through use of the SCAQMD web page, the creation of the Confirmed Odor Event as a metric, and the proposed requirements for a Specific

Cause Analysis and Odor Mitigation Plan can both serve to demonstrate good faith efforts on the part of the regulated facility as well as close the current communication gap.

Table 57. Proposed Additional Complaint Action Levels for Facilities Located within 1,500 feet of a Sensitive Receptor

Increasing Requirements				
	Stage 1	Stage 2	Stage 3a	Stage 3b
Event / Action	Odor Detected	Odor Verified* and Traced to Source	Odor Cause and Corrective Actions Identified* for Confirmed Odor Event	Odor Mitigation Plan* Developed or Updated as Applicable**
By Whom	Multiple Complainants	District Personnel	Source to Conduct Specific Cause Analysis	Source to Develop and Submit Plan for District Approval

* Communicate actions to affected stakeholders (e.g., AQMD website)
 ** Required for any Notice of Violation or Multiple Confirmed Odor Events

(f)(1)-Specific Cause Analysis

Under the proposed amendment, for facilities located within 1,500 feet of a sensitive receptor, upon determination by an SCAQMD inspector of a Confirmed Odor Event (confirmed odor from three or more independent complainants), a Specific Cause Analysis is required. The affected facility is required to complete and submit a Specific Cause Analysis report within 30 calendar days following receipt of written notification from the Executive Officer. Similarly, a Specific Cause Analysis and report is required following receipt of written notification from the Executive Officer for any Confirmed Oil Deposition Event.

The Specific Cause Analysis includes a brief review of the activities and equipment at the facility identified as contributing or causing the odor or oil deposition in question in order to determine the contributing factors and ultimately the corrective actions associated with the event. In addition, any applicable SCAQMD rule or permit condition shall be identified and reviewed for compliance with the requirements. Furthermore, the Specific Cause Analysis should assess proper implementation of internal procedures or preventative maintenance schedules, and if the procedures should be updated to address any performance gaps or adequate training of operators. The scope of the Specific Cause Analysis is limited to the possible origins and causes of the Confirmed Odor Event or Confirmed Oil Deposition Event, and is a more formal version of the current practice by SCAQMD inspectors when odors or oil deposition are traced back to a specific source.

~~(f)(2)(g)~~ Odor Mitigation Plan

Under the proposed amendment, for facilities located within 1,500 feet of a sensitive receptor, upon determination by an SCAQMD inspector of the occurrence of three or more Confirmed Odor Events within a six month period, or the issuance of a single odor related NOV under Rule 402 – Nuisance, an Odor Mitigation Plan will be required. The affected facility is required to complete and submit an Odor Mitigation Plan (OMP) within 90 calendar days following receipt of written notification from the Executive Officer. In addition, for any facility with an existing approved OMP, an update to the plan is required under the proposed amendment following the occurrence of an additional three or more Confirmed Odor Events over a subsequent six month period following the last plan approval, or following the issuance of an odor related NOV under Rule 402 – Nuisance subsequent following the last plan approval. (g)(1)

~~(f)(2)(B)~~(g)(2) Odor Mitigation Plan Elements

An approved OMP must identify all the activities and equipment that may contribute or may have contributed to a confirmed odor event, and the internal procedures and requirements used to manage them. As such, the proposed amendment requires that Odor Mitigation Plans identify oil and gas production and wastewater generation equipment and activities, including both normal and spill or release management control operations, with corresponding identification of potential or actual sources of emissions, odors, frequency of operator inspection and history of leaks. Also the plan is required to identify activity involving drilling, well completion or rework, repair, or maintenance of a well, which notes the sources of emissions and odors, odor mitigation measures, processes for responding to odors and odor complaints, and procedures used for odor or emissions monitoring at the site and fence line. The facility will also be required to identify emission points and emission or leak monitoring used for all wastewater tanks, holding, knockout, and oil/water separation vessels, including any pressure relief devices or vacuum devices attached to the vessels, with provisions for recording of releases from such devices. Finally, any equipment or activity identified as part of any previously submitted Specific Cause Analysis report will also be required.

~~(f)(2)(C)~~(g)(3) Odor Monitoring and Mitigation Requirements

Because an OMP serves as the collection of best practices applicable to the affected facility, the proposed amendment identifies a list of odor monitoring and mitigation requirements to include within the plan. Table ~~6-8~~8 contains a list of these requirements.

Table 6-8. Proposed Odor Monitoring and Mitigation Requirements

PAR1148.1 Odor Monitoring and Mitigation Requirement	Description
Odor Surveillance	<p>Continual odor surveillance downwind at the perimeter of the property at all times during drilling, well completion, or rework, repair, or maintenance of any well, including water injection wells, recorded hourly.</p> <p>Equivalent odor monitoring equipment may be used in lieu of odor surveillance, subject to approval.</p> <p>If odors are detected from odor surveillance or odor monitoring at the perimeter of the facility, all and confirmed from drilling, well completion, or rework, repair, or maintenance, the associated drilling, well completion, or rework, repair, or maintenance of any well will discontinue until the source or cause of odors are determined and mitigated in accordance with measures previously approved.</p>
Well Piping, Tubing and Rod Management	<p>Any removed drill piping or production tubing and drill any removed sucker rods shall be managed through written procedures that ensures that potential odor producing emissions are minimized through means such as use of a tarp or similar covering or by storing within an enclosed area, or equivalent.</p>
Tighter Leak Detection and Repair (LDAR)	<p>Reduce the required repair times for components subject to Rule 1173 LDAR to the lowest schedule of one calendar day with an extended repair period of three calendar days (rather than the seven day repair time allowance and seven day extended repair period).</p>
Facility Specific Best Practice	<p>Any corrective action identified in a Specific Cause Analysis report previously submitted by the facility.</p>
<u>Improved Monitoring</u>	<p><u>Review Specific Cause Analysis report and identify improvements to existing monitoring systems required pursuant to paragraph (d)(12) or parameters for a new monitoring system installation. Establish a schedule for any identified improvements or installations subject to Executive Officer approval.</u></p>
Feasibility Assessment	<p>For any odor mitigation or monitoring requirement identified above determined by the facility to not represent an appropriate best practice for inclusion in the OMP, an evaluation and documentation that states the reason why such provision is not feasible to include, subject to approval by the Executive Officer, must be included in the OMP.</p>

The SCAQMD recognizes that all requirements listed in Table 6-8 may not apply to all facilities or be related to the source of any confirmed odor events or associated notices of violation, and therefore the odor mitigation plan should indicate why the listed requirement is either not applicable or feasible in the OMP.

The owner and operator of an oil and gas production facility shall comply with all provisions of an approved OMP. Violation of any of the terms of the plan is a violation of this rule.

(gh) Recordkeeping Requirements

Facility operators are required to maintain records of inspections, repair activities, and the conditions that would require them to pump out their well cellars. Records of data collected must be maintained for a period of three years and a minimum of five years for all Title V facilities. The proposed amendment requires that all records and other applicable documents required as part of an Odor Mitigation Plan also be maintained at the facility or facility headquarters for a period of three years or a period of five years for a Title V facility and that such records and applicable documents be made available to the Executive Officer upon request.

(hj) Test Methods

PAR1148.1 includes additional test methods incorporated from Rule 1173 associated with implementation of similar leak detection and repair requirements, and includes test methods for:

- VOC content by ASTM Method D 1945 for gases, SCAQMD Method 304-91 for liquids; percent VOC of a liquid evaporated at 150° C (302° F) shall be determined according to ASTM Method D86. (hj)(3)
- Flash point of heavy liquids by ASTM Method D93. (hj)(4)

(ij) Exemptions

Rule 1148.1 currently provides an exemption for certain activities that may be in conflict with a written company safety manual or policy (ij)(2). PAR1148.1 updates this exemption by clarifying that oil and gas production facilities must demonstrate that the written company safety manual or policy complies with applicable industry safety standards, in order to provide additional information to determine whether an activity from which the exemption is claimed would have posed a safety concern. (ij)(2)

Finally, PAR1148.1 includes amended language to improve readability and update rule section numbering.

EMISSION INVENTORY

Staff does not expect any quantifiable emission reductions or increases because the proposed amendment does not change any VOC standards, and is primarily intended to provide enforceable mechanisms to reduce nuisance odor potential and is otherwise administrative in nature.

COST ANALYSIS AND SOCIOECONOMIC IMPACTS

Introduction

PAR 1148.1 reflects best practices that have been widely implemented in the industry. To ensure continual implementation of these practices, PAR 1148.1 includes additional requirements as part of developed and approved OMP odor

mitigation measures. These measures are contingent upon three confirmed odor events at an Oil and Gas Production facility within a six month period or if an Oil and Gas production facility receives a Notice of Violation for a Rule 402 Nuisance violation. If either of these conditions exists, the measures in the first ~~four~~ three rows of Table ~~7-9~~ (shaded rows) could be required either in its entirety, individually, or in a combination depending on site-specific circumstances, and the specific cause of the confirmed odor event or notice of violation that triggered the OMP requirement.

Based on a five year review of historical complaint data, it is expected that potentially a maximum of three facilities would have fallen into this category. The average facility affected would have six affected wells and on average these wells would be maintained or reworked twice each year, with each related activity occurring over 10 to 12 hours per day.

The following represents a conservative cost estimate for the implementation of the odor mitigation measures. In some cases, based on the development through a review of the specific cause analysis or notice of violation investigation, the measures noted below may not be applicable to the affected facility and would not be included as part of a final approved OMP.

Table 79. PAR 11481.1 Potential ~~OMP~~ Improvement Categories.

<u>Enclosure or Equivalent</u>
Tarping or Covering
Surveillance/Repair/Maintenance
<u>Monitoring Systems – OMP</u>
<u>Additional LDAR</u>
<u>Immediate Well Cellar Vacuum Truck</u>
<u>Monitoring Systems</u>
Rubber Grommet

Odor Mitigation Plan Improvement Measures

Enclosure or ~~Tarping~~Equivalent

During repair and maintenance periods, the lift rods are replaced in oil and gas wells. The lift rods are removed and ~~stored~~ staged vertically, and since this is an elevated activity (greater than 40 ft. in height), it can result in hydrocarbon vapors that travel offsite if there is sufficient wind. An enclosure structure, used in some oil and gas facilities, could curtail odor complaints by minimizing exposure to cross-winds within these structures. Staff has determined that affected facilities would use an existing structure rather than construct an enclosure around a reworked derrick, especially when there are other options for minimizing expose to cross winds and odors ~~such as plastic tarps~~. Lift connector rods are removed vertically and stored horizontally and could also be ~~covered with plastic tarps or similar coverings~~ stored

within an enclosure or equivalent to limit cross-wind exposure and resultant potential odors. The cost of an enclosure structure is estimated to be \$20,000 to \$50,000. The annualized cost of enclosure for three potentially affected facilities is estimated at between \$15,837 and \$18,450.

~~It also is assumed that each potentially affected facility would use up to six tarps, twice a year for six wells. The cost of each tarp is estimated at \$14.00. The annual cost of this requirement for three affected facilities over five year period is estimated at \$600.~~

The proposed amendment allows for an equivalent method for minimizing potential nuisance causing emissions from this maintenance activity and facilities would be responsible for proposing and demonstrating effectiveness as part of the OMP submittal process. Staff expects any proposed equivalent methods to require less capital than the estimated costs for an enclosure structure. Affected facilities could use a wind screen to limit cross wind exposure and potential odors as an example of an equivalent option lower in cost to use of a fixed enclosure. Based on discussions with vendors, the cost of renting a free-standing 200 linear foot by 8 foot high wind screen is estimated at \$1,200 for six months^{4,5}. The annual cost of using wind screens in this configuration for three potentially affected facilities would be estimated at \$7,200, although staff expects that lower cost options could be available for shorter timeframes or configurations, and based on Odor Mitigation Plan approval.

Surveillance During Repairs and Maintenance

The surveillance of the perimeter of an oil and gas production facility during specific repair and maintenance activities can require one or more personnel to traverse the perimeter of a facility during operations and this activity would incur a moderate increase in labor cost. If surveillance personnel detect odors related to the specific repair or maintenance activity, the facility is required to cease operation until the source of the odor is determined and mitigated after which operation is resumed. Based on the May 4, 2014 BLS, Occupational Employment Statistics⁶, the labor cost for surveillance is estimated to be \$25-\$30 per hour. Based on discussion with industry, each affected facility would expect to use 20 hours of surveillance for each of the six affected wells per year. The annual cost of surveillance for the three potentially affected facilities over a five-year period is estimated to be \$1,980.

Other Odor Mitigation Measures

Additional Leak Detection and Repair (LDAR) inspection would be required when a submitted Specific Cause Analysis report identifies a leaking component as the cause of a Confirmed Odor Event. This requirement would include two additional inspections per quarter (3 monthly inspections each quarter). The cost of each

⁴ <http://www.rentnational.com/fence-windscreen-rentals.aspx>

⁵ http://www.fencescreen.com/?gclid=CjwKEAjwqmsBRDGy_3h_eS80jYSJACS95CvIDSkghtYBOoPVR5GTWjIHJgX9cOSniI-gEbvVShb1RoCHPbw_wcB

⁶ http://www.bls.gov/oes/current/oes_ca.htm#47-0000

inspection and reports preparation is excepted to be \$60.00 per hour. The inspection requires a two-person team on a eight hour shift, most oil field components can be inspection in this period of time. The annual cost for this requirement is \$1,152, or less if six consecutive monthly inspections indicate no leaks.

Where the source of the odor is confirmed to be from an oil well cellar the proposed amendment requires immediate (no later than the end of the day) removal of the oil from the cellar. A vacuum truck would be employed for the removal, potentially in addition to the vacuum truck typically employed to remove at the end of the job, which may add an additional day's cost. The average cost for renting a DOT vacuum truck is \$1,100 per day and the annual cost for the additional pump out is expected to be \$3,300. The administrative cost associated with compliance with this section of the rule is expected to be minimal.

Monitoring Systems and Rubber Grommets

The ~~other final~~ two measures are required for all facilities. ~~The f~~Facilities with central processing areas located within 1,500 feet of a sensitive receptor are required to operate and maintain a centrally located monitoring/alarm system. In addition, ~~Rubber~~ rubber grommets must be applied to the ~~lift connector~~ drill piping, production tubing and sucker rods squeeze excess hydrocarbon liquid from them ~~rods~~ and prevent vapors from becoming air-borne.

Most ~~F~~facilities with central processing areas currently have basic monitoring system in place to ~~address~~ evaluate process or fire safety and to implement the General Duty Clause of the Clean Air Act, Section 112(r) as part of a facility hazard assessment and accidental release prevention program. ~~many~~ Some facilities also have more sophisticated systems for process monitoring up to remote process control. Although based on conversations with many urban based facility operators indicate that the proposed monitoring requirements for facilities with central processing areas located within 1,500 feet are reflected by currently existing systems, staff is including a cost estimate for 5% of the total facility population, to account for any facilities that may not have been accounted for. The cost of a centralized monitoring system is estimated to be \$8,000 to \$12,000. The annualized cost of centralized monitoring systems for 24 potentially affected facilities (approximately five percent) is estimated at between \$30,408 and \$35,424.

The estimated cost to provide additional support for electronic monitoring of additional parameters for any facility that becomes subject to an OMP that would also be required to integrate additional process monitoring would include the additional cost for software, hardware and installation. Software cost can range between \$2,000 to \$20,000, utilizing either existing facility hardware in the form of a dedicated CPU, keyboard and interface, or an additional dedicated CPU at an additional cost of \$1,000, or a rough average per facility cost of \$12,000. Alternatively, facilities subject to additional monitoring under an OMP may supplement existing systems through use of VOC monitoring stations. A gas sensor based system (see examples from Appendix A – Monitoring Systems for the Oil and Gas Production Industry), consisting of four detectors routed to a controller is estimated at roughly \$2,500 to

Final Staff Report

\$2,600 per monitoring point. Using an estimated per facility cost of \$12,000 per facility, the annualized cost of additional monitoring that may be required for the three facilities estimated to be subject to OMP over a five-year period is between \$3,800 and \$4,430.

Under PAR 1148.1, all the identified ~~470-473~~ affected facilities would be required to install rubber grommets to minimize the amount of excess hydrocarbons during rod removal activities. The cost of each rubber grommet is estimated at \$10.⁷ It is assumed that each affected facility would operate, on average, six wells and would need to replace each rubber grommet twice per year. The annual cost of this requirement is estimated to be ~~\$56,400~~\$56,760.

Table ~~8-10~~ presents the potential annual cost of PAR 1148.1 by the ~~OMP~~ improvement categories. The total projected annual cost of PAR 1148.1 is estimated to be ~~\$78,377~~\$113,238 to ~~\$81,620~~\$121,494. The one time capital cost of enclosures and monitoring systems are annualized over ten years with between one to four percent real interest rate.

Table ~~8~~10. Potential Cost of PAR 1148.1 by ~~OMP~~ Improvement Categories.

OMP-Improvements	Estimated Unit Cost Per Facility	Total Cost per year for Three Affected Facilities	Total Annual Cost
Enclosure <u>or Equivalent</u>	\$50,000	\$150,000	** \$15,837 to \$18,450
Surveillance/Repair/Maintenance	\$3,300	\$9,900	*\$1,980
Monitoring Systems – <u>OMP</u>	\$12,000	\$36,000	** \$3,800 to \$4,430
<u>Additional LDAR</u>	<u>\$1,920</u>	<u>\$5,760</u>	<u>*\$1,152</u>
<u>Immediate Well Cellar Vacuum Truck</u>	<u>\$1,100</u>	<u>\$3,300</u>	<u>\$3,300</u>
<u>Monitoring Systems</u>	<u>\$12,000</u>	<u>\$288,000 for 24 Facilities</u>	** <u>\$30,408 to \$35,424</u>
Rubber Grommet	\$120	All Facilities	\$56,400 <u>\$56,760</u>
Total Annual Cost			\$82,469 <u>\$113,238</u> to \$85,712 <u>121,494</u>

*The estimated costs will incur every five years, as such annual cost is one-fifth the total estimated costs

**One-time cost is annualized over ten years with between 1% to 4% real interest rate

⁷ <http://www.delcity.net/store/Rubber-Grommets/>

It has been a standard socioeconomic practice that, when the annual compliance cost is less than one million current U.S. dollars, the Regional Economic Impact Model (REMI) is not used to simulate jobs and macroeconomic impacts. This is because the impact would most likely be diminutive and would fall within the noise of the model. REMI results constitute a major component of the SCAQMD's socioeconomic analysis. Therefore, when annual compliance cost is less than one million dollars and REMI is not used, the socioeconomic report could be brief and included in the staff report, unless otherwise determined on a case-by-case basis.

INCREMENTAL COST EFFECTIVENESS

Under Health and Safety Code § 40920.6, the SCAQMD is required to perform an incremental cost analysis when adopting a Best Available Retrofit Control Technology (BARCT) rule or feasible measures required by the California Clean Air Act. To perform this analysis, the SCAQMD must (1) identify one or more control options achieving the emission reduction objectives for the proposed rule, (2) determine the cost effectiveness for each option, and (3) calculate the incremental cost effectiveness for each option. To determine incremental costs, the SCAQMD must “calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option.” Staff reviewed the current standards throughout the state and determined that PAR1148.1 represents BARCT for the operation of oil and gas production wells because there are no other more stringent limits available. ~~Although implementation of PAR1148.1 is anticipated to reduce the potential for nuisance odors, it is not anticipated to result in emission reductions. However, because the proposed requirements are primarily event-driven based on odors and are non-routine in nature, emission reductions that are permanent and quantifiable cannot be estimated, and therefore no an incremental cost analysis is not required under Health and Safety Code § 40920.6.~~

COMPARATIVE ANALYSIS

Health and Safety Code Section 40727.2 requires a comparative analysis of the proposed rules and all existing federal air pollution control requirements, as well as existing or proposed SCAQMD rules and regulations that apply to the same equipment or source type. There are no federal air pollution control requirements that apply to wells or well cellars. There are currently three SCAQMD rules that regulate the emissions of fugitive VOCs at Oil and Gas Production facilities, one rule that exempts most oil production equipment from permit requirements and one rule that requires filing for oil production equipment that is exempt from permit. In addition, one SCAQMD rule requires notification and reporting for well drilling, well completion, and well reworks activity, and SCAQMD also has a rule to address odors that contribute to public nuisance. Staff has determined that PAR1148.1 does not conflict with the following rules because any similar requirements have been directly incorporated or cross-referenced into the rule language.

Rule 1148 – Thermally Enhanced Oil Recovery Wells

Rule 1148 applies to Thermally Enhanced Oil Recovery Wells and limits VOC emissions to 4.5 pounds per day or less per steam driven well.

Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

Rule 1148.2 establishes requirements for owners or operators of onshore oil and gas wells within SCAQMD's jurisdiction to notify the Executive Officer when conducting well drilling, well completion, and well reworking activities that involve production stimulation activities such as hydraulic fracturing, gravel packing and/or acidizing, and also requires emissions and chemical reporting. Rule 1148.2 does not apply to continuous operations at oil and gas well production activities.

Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

Rule 1173 – Fugitive Emissions of Volatile Organic Compounds applies to oil and gas production fields, natural gas processing plants and pipeline transfer stations and includes requirements aimed at reducing VOC leaks from components such as valves, fittings, pumps, compressors, pressure relief devices, diaphragms, hatches, sight glasses and meters.

Rule 1176 – VOC Emissions from Wastewater Systems

Rule 1176 applies to wastewater systems and associated control equipment located at petroleum refineries, onshore oil production fields, off-shore oil production platforms, chemical plants and industrial facilities. Sumps and wastewater separators are required to be covered with either a floating cover equipped with seals or a fixed cover, equipped with a closed vent system vented to an Air Pollution Control system.

Currently, under Rule 1176 (i)(5)(H), well cellars used in emergencies at oil production fields are exempt if clean-up procedures are implemented within 24 hours after each emergency occurrence and completed within ten (10) calendar days.

Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II

All wellheads, except for those with steam injection are exempt from written permit requirement per Rule 219 (n)(1) – Natural Gas and Crude Oil Production Equipment.

Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

Rule 222 requires filing for Oil Production Well Groups, defined by the rule as no more than four well pumps located at a facility subject to Rule 1148.1 – Oil and Gas Production Wells at which crude petroleum production and handling are conducted, as defined in the Standard Industrial Classification Manual as Industry No. 1311, Crude Petroleum and Natural Gas.

Rule 402 – Nuisance

Rule 402 prohibits the discharge of any material that causes injury, annoyance nuisance or damage to property to a considerable number of people. Over the years the development of urban areas placing sensitive receptors closer to established oil field production sites have resulted in an increase in the number of complaints.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to California Environmental Quality Act (CEQA) Guidelines §15252 and §15162 and SCAQMD Rule 110, the SCAQMD has prepared an Environmental Assessment (EA) for Proposed Amended Rule 1148.1. The environmental analysis in the Draft EA concluded that Proposed Amended Rule 1148.1 would not generate any significant adverse environmental impacts. The Draft EA was released for a 30-day public review and comment period from April 29, 2015 to May 28, 2015. Subsequent to release of the Draft EA, modifications were made to the proposed project and some of the revisions were made in response to verbal and written comments on the project's effects. SCAQMD staff has reviewed the modifications to the proposed project and concluded that none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the document pursuant to CEQA Guidelines §15073.5 and §15088.5. Therefore, the Draft EA is now a Final EA and is included as an attachment to this Governing Board package. Prior to making a decision on the proposed amendments to Rule 1148.1, the SCAQMD Governing Board must review and certify the Final EA as providing adequate information on the potential adverse environmental impacts of the proposed project.

FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing rules, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication and reference, based on relevant information presented at the hearing. The findings are as follows:

Necessity: The SCAQMD Governing Board has determined that a need exists to adopt Proposed Amended Rule 1148.1 to clarify requirements and provide additional enforceable mechanisms to prevent public nuisance from emissions of volatile organic compounds, toxic air contaminants and total organic compounds.

Authority: The SCAQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from California Health and Safety Code Sections 39002, 40000, 40001, 40702, 40725 through 40728, 41508, and 41700.

Clarity: The SCAQMD Governing Board has determined that Proposed Rule 1148.1, as proposed to be amended, is written or displayed so that its meaning can be easily understood by the persons directly affected by it.

Consistency: The SCAQMD Governing Board has determined that Proposed Rule 1148.1, as proposed to be amended, is in harmony with and not in conflict with or contradictory to, existing statutes, court decisions or state or federal regulations.

Non Duplication: The SCAQMD Governing Board has determined that Proposed Rule 1148.1, as proposed to be amended, does not impose the same requirements as any existing state or federal regulations, and the amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD.

Reference: The SCAQMD Governing Board by adopting this regulation is implementing, interpreting or making specific the provisions of: Health and Safety Code Sections 40001 (rules to achieve ambient air quality standards), 40440 (b) (Best Available Retrofit Control Technology), and (c) (rules which are also cost-effective and efficient), 40702 (rules to execute duties required by law) and 41700 (public nuisance).

COMMENTS AND RESPONSES

Public Comments

A public workshop was held on April 16, 2015 in which approximately 22 people attended. Participants provided comments at the meeting and staff received one written comment. The following section summarizes the comments received as a result of the public workshop, as well as staff's responses.

Written Comment

The following comment letter was received from the Western States Petroleum Association, dated April 24, 2015. The letter has been bracketed for cross-referencing with corresponding responses following each page.

Comment Letter #1



Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Sandra Burkhart
Senior Coastal Coordinator

April 24, 2015

Barry Wallerstein, D.Env.
Executive Officer
South Coast Air Quality Management District
21865 E. Copley Drive
Diamond Bar, CA 91765

Subject: Draft Amended Rule 1148.1 – Oil and Gas Production Wells

Dear Dr. Wallerstein:

Western States Petroleum Association (WSPA) appreciates the opportunity to submit comments on the draft amendments to Rule 1148.1 – Oil and Gas Production Wells. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and four other western states.

Rule 1148.1 - Oil and Gas Production Wells, was adopted by your Governing Board more than 10 years ago and has had a long history of successful compliance by our industry. In addition to that rule, SCAQMD has numerous other rules that affect this industry as well as dozens of regulations by other environmental regulatory agencies. We take our commitment to providing clean, reliable energy to the residents of California as well as our commitment to the environment and the communities we serve very seriously.

Overall Comments

During the April 14, 2015, working group meeting for this rule amendment, District staff and management indicated that they have not tallied the number of confirmed complaint calls to the agency (if any) about our member companies. As such, it is unclear how it was determined that this amendment is necessary at this time without any data to support it.

1-1

In the absence of any odor data, the SCAQMD seeks to regulate potential odor emissions from oil and gas production wells. This amendment is unnecessary and does not result in any quantified emission reductions. Every industry and facility has the potential to emit odors, yet these amendments target only our industry.

Further, numerous other District, state and federal regulations already exist, the goals of which are to reduce accidental emission releases from oil and gas operations that may lead to odors. The SCAQMD already regulates odors under Rule 402 – Nuisance, so it is unclear as to why another regulation is necessary.

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Response to Comment #1-1

Complaint data has been incorporated into the draft staff report as Appendix B – Sampling of Complaint History (2010 – 2014) – Oil and Gas Production Facilities and shows that some of the oil and gas production facilities have received numerous odor complaints.

SCAQMD Rule 410 – Odors from Transfer Stations and Material Recovery Facilities currently establishes odor management practices and requirements to reduce odors from municipal solid waste transfer stations and material recovery facilities. In addition, Proposed Rule 415 – Odors from Rendering Facilities seeks to establish odor mitigation requirements applicable to Rendering Facilities, and is scheduled for adoption later this year. The proposed amendment to Rule 1148.1 is a continuation of the effort to further minimize the potential for public nuisance due to odors from specific industries. While there are various regulations that address accidental releases or breakdowns, it is not certain that potential nuisance can be solely attributed to upset conditions, or to other non-upset conditions from routine or preventative maintenance activities, or to otherwise compliant but inefficient operational or maintenance practices.

The provisions of the proposed amendment seek to strengthen the preventative measures some facilities may currently be taking and formalizing them in order to improve communication and transparency between the regulated community and their local residential community. As such, staff believes that only facilities with ongoing odor nuisance issues will become subject to the more stringent requirements of the proposed amendment, whereas the community will benefit overall from the increased level of assurance provided from improved communication and improved overall awareness of the operations and practices conducted by the majority within the industry.

Lastly, some VOC and Toxic Air Contaminates (TACs) may be reduced as a result of incorporating additional best practices to reduce odors, but quantification of these benefits is difficult for State Implementation Plan submittals.

Comment Letter #1 (Cont.)

Mr. Barry Wallerstein
April 21, 2015
Page 2

1-1
Cont.

This rule not only attempts to solve an odor nuisance problem that does not exist, it has no actual emission reductions.

We were relieved to hear at the April 17th Stationary Source Committee (SSC) meeting that District staff has reversed its prior decision and will now prepare a Socioeconomic Impact Assessment. Page 20 of the staff report states that, "The proposed amendments are administrative in nature and do not have any socioeconomic impacts." Certainly, we do not believe this statement to be accurate and are happy to hear that the cost associated with this amendment will be evaluated.

WSPA assumes that this analysis will include the numerous, very costly new requirements outlined in the proposed amendments, in addition to the new standards for workover rigs that are not even technologically feasible at this time.

The rule requires every company (regardless of whether a single complaint call is levied against them) to install and maintain a "monitoring system that will alarm and notify operators at a central location...and will incorporate any emissions...identified in any approved SCAQMD operating permit." How could installation of such a complex, custom-designed computerized monitoring system be absent any expense? Further, where is the evidence to suggest that such monitoring is necessary when there is no data to support the assumption that this industry presents an odor problem?

1-2

The ban on the use of diesel-fired workover rigs is also the cause of great concern and potentially significant cost. It is WSPA's understanding that non-diesel fired workover rigs do not exist. What would be the cost to custom retrofit a rig with a natural gas engine, as required in section (c)(iii)? Further, WSPA questions the authority of the SCAQMD to regulate mobile sources of equipment that appear to fall under the jurisdiction of the California Air Resources Board. If SCAQMD knows of natural gas-fired workover rigs, these manufacturers' specifications and associated cost should be included in the Staff Report.

Significant additional labor costs would also result from the required change from weekly to daily inspections of all stuffing boxes and produced gas handling equipment within 1,500 feet of a sensitive receptor (rather than the currently required 323 feet). WSPA requests clarification as to the rationale behind the 1,500 foot buffer area and share what other regulations have similar setbacks. This setback is extreme, arbitrary and absent precedent, particularly when imposed upon an industry with no documented history of odor nuisance.

The rule's requirement that operators of oil and gas production wells conduct continuous odor surveillance downwind at the perimeter of each property would be both labor intensive and extremely costly. The existing Rule 1148.1 has recordkeeping and data requirements that industry has satisfied since 2004. Clearly a cost-benefit analysis would find these proposed requirements unsupported. Based on SCAQMD staff's own assessment, this rule has a negative cost benefit analysis. Further, odor is subjective, with no known monitoring device or measuring stick, so it is unclear what type of surveillance would be successful. This rule amendment results in no benefit at a great cost.

1-3

The staff report does not identify a single facility of the 473 in the Basin for whom odor nuisances have been a problem.

1-4

In addition to the required Socioeconomic Impact Assessment, staff indicated at the SSC meeting that an Environmental Assessment is currently being prepared pursuant to the California Environmental Quality Act (CEQA). While we appreciate the rulemaking being moved from April 2015 to June 2015, we are still unsure how the SCAQMD can complete these reports and meet the state's noticing requirements by the May 1, 2015, Set Hearing Board Package date.

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Response to Comment #1-2

A socioeconomic analysis has been included in the draft staff report, which includes a discussion of centrally located monitoring systems for facilities located within 1,500 feet of a sensitive receptor, and for odor surveillance. Staff notes, as a result of comments received and additional assessment, the use of alternative fueled or electric-powered workover rigs has been removed from the Odor Mitigation Plan requirements in the proposed rule.

It is important to note that staff does not believe that the requirements associated with implementation of an Odor Mitigation Plan and of the proposed amendment will have a significant cost impact to the larger regulated community and that only facilities with ongoing odor nuisance issues will become directly affected. Moreover, the requirements identified in the Odor Mitigation Plan section of the proposed amendment would be applicable to areas within the facility that are identified as potential sources of nuisance odor, or to areas that have become identified as part of a Specific Cause Analysis.

Staff does not expect the daily visual inspection to add significant additional labor costs, considering industry has indicated that it is standard practice to visit each well as part of their daily routines and because the visual inspection is not a labor intensive exercise. Where follow-up repair or maintenance is required following a failed visual inspection, it would be expected that the same frequency of follow-up should occur under the current weekly inspection, unless such equipment fails on a more than weekly frequency, which industry has indicated is not the case.

See also Response to Comment # 1-1.

Response to Comment #1-3

Staff has included a summary of the complaint history data in the Staff Report, as well as a map of the facilities with more than one complaint in Appendix B – Sampling of Complaint History (2010 – 2014) – Oil and Gas Production Facilities.

Response to Comment #1-4

The Draft Environmental Assessment and Notice of Completion were released April 28, 2015 for public review.

Comment Letter #1 (Cont.)

Mr. Barry Wallerstein
April 21, 2015
Page 3

1-4
Cont.

These analyses will help convey to the public the fact that there are no emission reductions associated with implementation of this amended rule. Further, "being able to smell something" does not necessarily correlate with adverse health effects. In fact, numerous studies and the SCAQMD's own ambient monitoring data proves this fact.

1-5

In addition to Rule 1148.1, there are numerous other SCAQMD regulations currently in place which require emission reductions, leak detection and repair, emission control systems and other measures designed to eliminate potential odor impacts from oil and gas operations. They include, but are not limited to:

- ✓ Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring Written Permits Pursuant to Regulation II;
- ✓ Rule 401 – Visible Emissions;
- ✓ Rule 403 – Fugitive Dust;
- ✓ Rule 430 – Breakdown Provisions;
- ✓ Rule 462 – Organic Liquid Loading;
- ✓ Rule 463 – Organic Liquid Storage;
- ✓ Rule 464 – Wastewater Separators;
- ✓ Rule 466.1 – Valves and Flanges;
- ✓ Rule 467 – Pressure Relief Devices;
- ✓ Rule 301 – Fees (Annual Emission Inventory Report);
- ✓ Rule 2004 – Breakdown Provisions for RECLAIM Facilities;
- ✓ Rule 1470 – Internal Combustion Engines, RECLAIM;
- ✓ Rule 1176 – VOC Emissions from Wastewater Systems;
- ✓ Rule 1148 – Thermally Enhanced Oil Recovery Wells;
- ✓ Rule 1149 – Storage Tank Degassing;
- ✓ Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants;
- ✓ Rule 1166 – VOC Emissions from Decontamination of Soil;
- ✓ Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities; and
- ✓ Rule 402 – Nuisance.

1-6

Rule 402 – Nuisance, already allows SCAQMD inspectors to issue Notices of Violations (NOVs) after six complaint calls. Monetary penalties must be paid for odor complaints and companies must rectify the situation that caused any odors.

1-7

District Rule 430 – Breakdown Provisions, requires a company to notify the SCAQMD within one hour of discovery that any device is not operating properly and may have resulted in emission leaks. Written documentation must then be submitted which identifies what was broken, how it was fixed and the quantification of any emission leaks. These reports are also used to issue NOVs.

1-8

In addition to air quality regulations, several other environmental agencies regulate oil and gas operations with the goal of maintaining equipment integrity, safety and preventing any negative environmental impacts. Monitoring above and beyond what is already required by the Fire Departments, Consolidated Unified Program Agencies (CUPAs), Occupational Safety and Health Administration (OSHA), and California Department of Gas and Geothermal Resources (DOGGR) are redundant and unnecessary. The SCAQMD should allow those agencies with direct jurisdiction over this industry to continue to monitor and regulate this industry.

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Response to Comment #1-5

Staff agrees and has updated the rule language to indicate that the cross-referenced rules in the Applicability subdivision include the language “includes, but is not limited to:” to address the intent of your comment, considering the variability in the facility operations and other existing rules that may regulate those operations.

Response to Comment #1-6

The current complaint handling process under Rule 402 – Nuisance addresses violations under the approximate six independent verified complainants for a given odor event. The proposed amendment seeks to provide additional enforceable mechanisms to prevent potential nuisance issues from becoming a public nuisance, and to provide additional means to communicate intermediate actions prior to the issuance of a notice of violation and the resultant mitigation in the form of penalties or fees. As such, staff believes the proposed amendment not only provides additional assurances to the local community that intermediate actions are being taken to prevent larger nuisance odor from forming, but also provides a mechanism for the regulated community to share their corrective and preventative measures and best practices without the overhang of enforcement action.

Response to Comment #1-7

As noted, Rule 430 – Breakdown Provisions does not provide relief from Rule 402 – Nuisance. However, not all odor issues are related to breakdown, and the purpose of the proposed amendment is to prevent nuisance, not to respond to nuisance causing conditions.

See also Response to Comment #1-1.

Response to Comment #1-8

Staff agrees that oil and gas production facilities currently operate existing systems to safeguard for fire prevention and emergency response, and considers these systems as centrally located monitoring systems, meeting the requirements of paragraph (d)(12) of PAR1148.1. The requirement for a centrally located monitoring system has been revised to apply only for central processing areas of an oil and gas production facility located within 1,500 feet of a sensitive receptor, in order to monitor and ensure proper facility operation. PAR1148.1 seeks to leverage these systems for those facilities that may become subject to an odor mitigation plan to integrate any identified feasible additional odor or surrogate emissions monitoring equipment as part of the odor mitigation plan implementation.

The proposed amendment does not change the definition of Nuisance. Rather, the proposed amendment creates intermediate enforcement mechanisms short of a notice of violation, and serves the purpose of potentially preventing notices of violation for Nuisance, provided the Specific Cause Analysis is representative and encompasses adequate corrective actions that provide for continual improvement in the facility’s overall odor management system and implementation of best practices.

Comment Letter #1 (Cont.)

Mr. Barry Wallerstein
April 21, 2015
Page 4

1-8
Cont.

Therefore, these proposed amendments are redundant with current environmental regulations and, as such, unnecessary and excessive. This rule's proposed language would change the definition of Nuisance from six calls per day to requiring a written Specific Cause Analysis Plan after just three odor complaints in any six month period.

1-9

This unfairly singles out a specific industry which does not have a history of legitimate odor complaints. In fact, the SCAQMD's ambient monitoring, conducted for many years at oil and gas fence line locations, confirms no excess emissions. Many of our member companies have never been issued an odor NOV.

1-10

Based on our members' experience and recent testimony at the rule making public meeting held in Montebello on March 26, 2015, community activists have indicated that they utilize "phone trees" and that calls are placed to SCAQMD by people who did not actually smell an odor. Asking industry to complete additional reports on the basis of only three calls will be onerous and, again, will not advance the cause of clean air nor will it reduce criteria pollutants in the South Coast Air Basin in any way.

Further, WSPA members are extremely concerned about the lack of transparency as to how current odor complaints are handled. The SCAQMD's recent refusal to indicate street addresses and/or people's names leads us to conclude that SCAQMD knows in many cases it is the same one or two people calling repeatedly from the same location. A true odor nuisance should result in calls from various nearby addresses. The fact that complaint calls continued to come in to SCAQMD about Allenco long after they voluntarily ceased operations indicates the specious nature of these calls.

There is no scientific basis for this rulemaking and there is ample SCAQMD evidence demonstrating that odor complaints from the oil and gas industry are no greater than those calls received for other industries. SCAQMD's own ambient monitoring data in and around oil and gas production facilities for the past several years indicates emission levels significantly below background levels elsewhere in the South Coast Air Basin. In fact, emissions actually increased (i.e., four minute "spikes") AFTER Allenco suspended operations, according to Mr. Mohsen Nazemi at the Stationary Source Committee Meeting in September, 2014.

1-11

SCAQMD staff indicates that 1080 wells were drilled or "reworked" in the past 18 months in the South Coast Air Basin. Our repeated requests for confirmation that no odor complaints have been associated with these well drilling operations have gone unanswered by District staff.

1-12

Odor monitoring is subjective, burdensome and does nothing to reduce criteria pollutants or toxic air contaminant emissions.

Specific Areas of Concern

1-13

- The Applicability Section (b) notes three of the many air quality regulations required of the industry. As mentioned above, there are numerous District regulations absent from this list.

1-14

- Per (c)(3), any three calls now constitutes a "Confirmed Odor Event." The definition does not provide the time lapse of the three complaints, nor does it specify whether they can be from within the same apartment or housing complex.

1-15

- The rule would require SCAQMD to respond to each and every specific call made by the public in order to document a three-call Confirmed Odor Event. This seems impossible, given limited SCAQMD resources.

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Response to Comment #1-9

For those member companies that have never been issued an odor NOV, or that rarely if ever receives a confirmed complaint, the requirements of the proposed amendment will have minimal impact. However, staff disagrees that previous monitoring work at oil and gas production facilities has failed to confirm excess emissions. For example, data collected as part of the AllenCo investigation routinely showed a spike in emissions, albeit for short periods of time, which has led to multiple nuisance violations.

See also Response to Comment #1-1.

Response to Comment #1-10

The current complaint handling process used by the SCAQMD involves the confirmation by an agency inspector of any odor identified in a complaint. The confirmation includes identification of the odor at the complainant location, traced back to a source. Any use of call trees that do not result in confirmation by the agency inspector would not qualify under definition as a confirmed odor event.

It should be noted that the agency has responsibility for not only reduction in criteria pollutants leading to attainment of the ambient air quality standards, but also is responsible for preventing public nuisance under the Health and Safety Code. Odor issues affecting a single complainant may be better described as a private nuisance and would not be covered by this authorization. The criteria used to establish a public nuisance is a relatively high bar, although the crossover from a potential private to a potential public nuisance is nuanced, and the proposed amendment seeks to improve awareness over the issues involved, the efforts by the regulated industry, and the concerns from the local community.

Finally, although not every complaint call results in a confirmed odor event, the complaint itself can be a community outreach opportunity, either as an indicator of dissatisfaction with perceived responses, actions, or of the desire for more information and awareness of the activities, including frequency and timeframes. In this way, management of potential private nuisance issues can help avoid escalation into a possible public nuisance situation.

See also Response to Comment # 1-9

Response to Comment #1-11

Drilling and rework activities are covered by Rule 1148.2 — Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers rather than Rule 1148.1.

See also Response to Comment #1-3.

Response to Comment #1-12

Odor monitoring is used as part of an odor management system. It is not directly related to criteria or toxic air contaminant emissions, although there may be cross-over. Nuisance is inherently subjective and odor monitoring should be expected to be similar.

Response to Comment #1-13

See Response to Comment #1-5.

Response to Comment #1-14

The definition for Confirmed Odor Event refers to “an occurrence of odor resulting in three or more complaints by different individuals from different addresses, and the source of the odor is verified by District personnel.” Individuals from different addresses but within the same housing complex would be considered different individuals provided they reside in different addresses. The time lapse of the complaints would be relative to the time required to verify them, and to the extent that the odor resulted from the same occurrence, as determined through investigation by the inspector.

Response to Comment #1-15

The District’s goal is to respond to all complaints during normal working hours, and prioritizes complaints during off-hours based on frequency and complaint history. Although it is staff’s intention to respond to all complaints, some limitations exist that may prevent immediate response. However, the proposed amendment does not require a response to each and every call, only that any confirmation of an odor that results in three or more independent complaints would qualify as a confirmed odor event and the subsequent requirements that are triggered by that designation. Staff will reassess the effectiveness of this approach on a periodic basis and may determine the need for a confirmed odor event resulting from more or less complaints.

Comment Letter #1 (Cont.)

Mr. Barry Wallerstein
April 21, 2015
Page 5

- 1-16 • After three complaint calls from anyone over a six month period, a written Specific Cause Analysis is required. If the source of the odor event was confirmed by AQMD personnel, why would the facility need to “investigate the cause of confirmed odor event...”? The cause would have already been determined in order to be confirmed by the SCAQMD. Further, the company would already (as mentioned above) be subject to extensive reporting requirements under Rule 430 – Breakdown Provisions. A Specific Cause Analysis does not lessen the likelihood of an odor incident. Much of this information is already required to be submitted in a 430 Breakdown report.
- 1-17 • If the definition of Nuisance is to change, then Rule 402 should be amended so that all industries are treated equally. Typically, 6 calls in one day constitutes a Notice of Violation (NOV) under existing Rule 402 – Nuisance.
- 1-18 • The rule requires every oil and gas company to put signs on exterior fencing, with specific instructions spelling out how to complain to SCAQMD about production facilities and their operators. What other industries are required to do this? Why is this industry being singled out? Why is SCAQMD encouraging calls toward one industry?
- 1-19 • Section (d)(11) requires each company to install a Continuous Monitoring System and alarm system regardless of whether or not a single complaint call comes in.
- 1-20 The system must “incorporate any emissions or process monitoring and associated alarm thresholds...”
What type of monitoring is required and what pollutants/levels are to be monitored? Daily and weekly monitoring and data gathering are already required by several other agencies and SCAQMD rules. What are the allowable emission thresholds to which this data should be compared? Who will establish these thresholds?
- 1-21 • The rule further requires an Odor Mitigation Plan after nine complaint calls. This is in addition to the Specific Cause Analysis. Is such a plan required of any other industry?
- 1-22 • Continual odor surveillance downwind at the perimeter of the property at all times during well work is required. Observations shall be recorded hourly. If an odor is detected, all drilling work must cease. What specific compounds are to be analyzed? Is the human nose the barometer? If so, odor is again subjective, so it is unclear how one individual would make this determination
- 1-23 • Further, the Odor Mitigation Plan requirement itself can now result in a Notice of Violation. What constitutes such a violation?
- 1-24 • If an Odor Mitigation Plan is required, the facility is then banned from using diesel fired workover rigs. To our knowledge, neither electric nor natural gas workover rigs currently exist. Further, these rigs are already regulated as mobile sources by the California Air Resources Board (CARB). WSPA questions the SCAQMD’s legal authority to regulate this equipment and is unclear how this rule change will reduce potential odor emissions.
- 1-25 • This rule arbitrarily changes the set back to sensitive receptors from 323 feet to 1,500 feet. Upon what scientific data or analysis is this change based? This is inconsistent with other SCAQMD regulations which specify permit notification and siting requirements based on shorter distances. Specifically, this proposed change contradicts Rule 1401 Guidance, 1401.1 – Requirements for New and Relocated Facilities Near Schools, Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion

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Response to Comment #1-16

Because not all confirmed odor events are expected to be the result of a breakdown, a facility may not be required to perform an investigation per Rule 430. To the extent that there is overlap, a report under one rule could serve as a report under the other, provided the affected facility indicates that the submitted report is intended to serve multiple purposes.

In addition, confirmation of an odor is not confirmation of the specific cause. Whereas an odor is confirmed and traced to a source from the location of the complainant to a facility boundary, while ruling out other potential sources through consideration of upwind and downwind conditions, a specific cause analysis can point towards a process upset, improper implementation of best practices, or identification of a previously unidentified odor causing condition. A properly conducted Specific Cause Analysis and proper incorporation of corrective actions into a facility's overall management system helps prevent future occurrences, and is a universally accepted quality assurance practice.

Response to Comment #1-17

The proposed amendment to Rule 1148.1 does not change the definition of a public nuisance of the implementation of Rule 402 – Nuisance. However, as staff continues to address and analyze the extent of complaints pertaining to specific industries, staff may consider a similar approach for those industries in the future.

See also Response to Comment #1-6.

Response to Comment #1-18

Rule 461 currently contains signage requirements for complaint reporting through 1-800-CUT-SMOG. Rule 410 – Odors from Transfer Stations and Material Recovery Facilities also contains a signage requirement for complaints and Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities are also required to post contact information related to complaints. Proposed Rule 415 contains a similar requirement to PAR 1148.1.

The requirement for posting signage for complaints is in response to community requests for such information and facilitates communication, awareness, and most importantly, faster mitigation of the underlying issues. SCAQMD encourages complainants to call in a complaint when nuisance type issues occur, independent of the suspected or confirmed source.

Response to Comment #1-19

The requirement for operation and maintenance of a centrally located monitoring system, which has been revised to apply only to facilities with central processing areas located within 1,500 feet of a sensitive receptor, recognizes the prevalence of

existing systems used for purposes other than odor or emissions monitoring that can be used as surrogate monitoring.

See also Response to Comment #1-8.

Response to Comment #1-20

Paragraph (d)(11) requires that any monitoring requirements that are identified as part of an odor mitigation plan be integrated with a centrally located monitoring system. The odor mitigation plan is triggered through multiple confirmed odor events or a notice of violation for Rule 402 – Nuisance, and any activities or equipment that is identified from the specific cause analyses or notice of violation investigation would be reviewed by the facility owner or operator and submitted for review by the SCAQMD to determine if any appropriate and feasible additional monitoring, either emissions or surrogate parameter monitoring is warranted to minimize or respond to nuisance odor causing events.

See also Response to Comment #1-8.

Response to Comment #1-21

The Odor Mitigation Plan requirement is triggered following three confirmed odor events over any six month period, rather than nine complaint calls over an indeterminate period of time or agency confirmation status. Facilities under Rule 410 – Odors from Transfer Stations and Material Recovery Facilities are subject to an Odor Management Plan, which is required of all facilities rather than through use of a confirmed odor event trigger.

Proposed Rule 415 – Odors from Rendering Facilities also contains an Odor Mitigation Plan requirement, based on confirmed odor event trigger.

See also Response to Comment #1-1.

Response to Comment #1-22

The proposed rule language has been revised to more directly link any odor detected as part of the surveillance requirement of (f)(2)(~~C~~)I(ii) to the activities being monitored, including the addition of the following phrase associated with discontinuation of activities:

“...unless the source or cause of the detected odors are determined to not be associated with the activity under surveillance.”

Response to Comment #1-23

Similar to the provisions of Rule 221 – Plans, subdivision (e), a violation of any requirement stated within an approved Odor Mitigation Plan would constitute a violation of the proposed amended rule.

Response to Comment #1-24

Due to stakeholder comments and additional staff analysis, the proposed requirement for use of alternative-fuel or electric-powered workover rigs from the Odor Mitigation Plan requirements in the proposed rule.

Response to Comment #1-25

The increased proximity distance to sensitive receptors under the proposed amendment would harmonize the requirement with Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers.

Complaint history pertaining to a subset of the oil and gas production facilities indicates that the majority of complaints are from locations farther than 100 meters, and also include some locations beyond 1,500 feet. Because nuisance is primarily determined by the receptor, and the incident rate for this source category has been driven by residents due to proximity concerns, staff believes that increasing the sensitive receptor distance as proposed is an appropriate proxy for addressing nuisance potential and nuisance mitigation.

A summary of the complaint information and distances is included as See Appendix B – Sampling of Complaint History (2010 – 2014) – Oil and Gas Production Facilities.

Finally, with respect to Rules 1401, 1401.1, 1470, and 212, the identified setback requirements were not established for the purposes of minimizing public nuisance and the corresponding criteria is not the same as for PAR1148.1.

Comment Letter #1 (Cont.)

Mr. Barry Wallerstein
April 21, 2015
Page 6

1-25
Cont.

and Other Compression Ignition Engines, and 212 – Standards for Approving Permits and Issuing Public Notices, etc. These are regulations pertaining to known air toxics yet they are assigned a smaller set back than potential odor? Each of these rules would also require amendments.

1-26

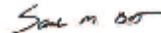
As the staff report correctly states, Health and Safety Code Section 40727 requires the Governing Board to adopt rules for which the findings of necessity, authority, clarity, consistency, non-duplication and reference can be made. These proposed amendments meet none of these criteria.

1-27

In conclusion, the rule is unnecessary and duplicative of numerous other SCAQMD and state requirements aimed at reducing emissions and potential odors from oil and gas operations. SCAQMD has no legal authority over workover rigs which are already regulated as mobile sources by CARB. Finally, several definitions and the newly established 1,500' setback for sensitive receptors are not consistent with other SCAQMD rules. It is unclear why a rule with no emission reductions and which does nothing to protect public health is necessary at this time.

We urge the SCAQMD to return its focus to the federally-mandated mission of attaining and maintaining ambient air quality standards. These are health-based protective standards. The Rule 1148.1 amendments don't reduce emissions, but they do create a larger, most burdensome set of requirements, one which do not get this Basin one step closer to attainment. WSPA and its member companies appreciate the opportunity to provide comments and look forward to working with the District on this rulemaking.

Sincerely,



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Response to Comment #1-26

The draft staff report identifies the draft findings of necessity, authority, clarity, consistency, non-duplication and reference.

Response to Comment #1-27

See responses to Comments #1-1, #1-2, #1-14, #1-17, #1-24, #1-25, #1-26.

Oral Comments

The following comments were received at the April 16, 2015 public workshop:

Comment #1

More definitions are needed, including for “odor” and various forms of processed gas. Definitions should be included from DOGGR regulations and for internal consistency; the PAR refers to “oil”, “crude oil” and “emulsified oil”.

Response

Staff has reviewed the proposed amendment and has incorporated a definition of “odor” consistent with the definition included in the currently Proposed Rule 415 – Odors from Rendering Facilities as part of the introduction of the odor mitigation concept. However, staff believes that the current references to oil, crude oil and emulsified oil rely on common terminology and that defining these terms may have an inadvertent limiting effect on compliance determination and action. Similarly, expanding the set of definitions to include the various forms of processed gas and harmonizing current Rule 1148.1 definitions with DOGGR regulations could have a similar limiting effect and thus are not recommended for revision.

Finally, Rule 1148.1 currently applies to oil and gas production wells and the amendment covers oil and gas production facilities, which includes oil and produced gas handling equipment. Natural gas distribution, transmission and associated storage operations are not subject to the current or proposed amended rule.

Comment #2

The proposed amendment should be evaluated as a “good neighbor policy”, with consideration for a lower action level threshold for facilities that are in even closer proximity to sensitive receptors that can be located within 20 to 30 feet from the property line. Facilities within 500 feet of a sensitive receptor should have additional requirements. SCAQMD Proposed Rule 415 Odor from Rendering Facilities has more stringent standards and should be adopted under PAR1148.1.

Response

The odor mitigation requirements of PAR1148.1 parallels the structure in Proposed Rule 415 by including odor mitigation requirements such as notification signage for all facilities while also setting additional odor mitigation action levels based on the number of confirmed odor events. Rule 1148.1 currently requires additional inspection and repair actions for wells located within 100 meters of a sensitive receptor while the proposed amendment extends the proximity requirement to 1,500 feet (457 meters), which is more stringent. Furthermore, the proposed amendment harmonizes the sensitive receptor definition from existing Rule 1148.2 – Notification Reporting Requirements for Oil and Gas Wells and

Chemical Suppliers to include residences, which provides additional protections for communities over the current rule, which excludes residences. To the extent that facilities located even closer to sensitive receptors represent a higher nuisance potential, the greater potential should readily translate into more rapid triggering of the odor mitigation action levels. Staff's review of the complaint history [included in Appendix B – Sampling of Complaint History (2010 – 2014) – Oil and Gas Production Facilities] suggests that only a handful of facilities have the potential to trigger the odor mitigation requirements under the proposed amendment and decreasing the proximity requirement would not increase the number of potentially affected facilities.

Comment #3

Affected communities are put in a position where they feel they are trading their health in exchange for philanthropy from operating facilities, because community outreach from facilities tends to reduce complainants but may not reduce exposures to potential nuisance odors or associated health impacts. Facility workers themselves may feel that they are choosing between employment and good health.

Response

Oil and gas production facilities are currently subjected to several SCAQMD rules and regulations, including the various rules identified in comparative analysis section, which cover both criteria pollutant and toxic air contaminant emissions and application of Best Available Control Technology and Best Available Retrofit Control Technology, as well as the protective standards under Regulation I-V - Regulation XI-V - Toxics and Other Non-Criteria Pollutants.

The requirements under Rule 402 – Nuisance serves as both a final regulatory prohibition to protect the public from otherwise *de minimis* emissions that may result in objectionable odors as well as a mechanism for further protecting the public from event driven releases that may be caused by poor implementation of facility emission management programs, including preventative maintenance or possible non-compliance that is not identified as part of the underlying facility monitoring or agency inspection efforts.

Staff's review of the compliance history of these facilities indicates a general high level of compliance – however, staff also believes that the proximity to sensitive receptors does represent a higher nuisance potential. The proposed amendment seeks to acknowledge the higher potential for odor nuisance by adding additional enforcement mechanisms to lower the threshold for potential regulatory action following confirmation of an odor driven event. Similarly, the proposed amendment seeks to acknowledge the general high level of compliance within the industry by setting action levels so that only facilities with recurring odor driven issues are required to implement more rigorous mitigation measures to further protect sensitive receptors from potential exposures and reducing exposures to even lower levels, based on a site-specific evaluation and use of current best practices.

Comment #4

Under the current complaint handling system, inspectors do not visit complainants—I've made several complaints and have never seen an inspector.

Response

The current complaint handling system covers initial inspector response, investigation, and follow-up communications. Following the initial complaint, inspectors, once dispatched, attempt to identify and trace the odor based on the complainant description and knowledge of the area, including nearby operations and activities. Should the odor be identified as part of a general area investigation, the inspector may need to immediately spend time tracing the odor before it dissipates in order to properly identify any potential sources. In addition, during off-hours, evenings and weekends, supervising inspectors prioritize the complaint response based on historical activity and complaint description. In many cases the inspector may be resource constrained and unable to contact the complainant in person, but will instead contact via phone to describe the complaint response, and when available, the resolution of the complaint.

The proposed amendment seeks to provide additional communication mechanisms to keep the complainant and affected local community informed of the status of facilities, with respect to confirmed odor complaints and associated activities in response to any corrective actions. Furthermore, the proposed rule requires posting of signage at the facility that provides contact information for the facility and the SCAQMD complaint process information.

Comment #5

Idled wells should not be exempted under Rule 1148.1.

Response

The current rule provides an exemption for low producing wells that are not located within 100 meters of a sensitive receptor, based on the lower emissions potential. Staff expects the associated odor nuisance potential to be similarly low. Because staff in general believes the odor mitigation plan would be required under the proposal only for those facilities with recurring odor issues and because these issues have not been identified as part of the complaint history for low production wells, the exemption should continue under the proposed amendment.

Comment #6

An oil field modernization project being publically heard in Montebello this month (April 2015) features the relocation of wells towards the periphery of the property, putting them in closer proximity to sensitive receptors.

Response

SCAQMD has reviewed the Draft Environmental Impact Report (EIR) and Recirculated Draft EIR for the Montebello Hills Specific Plan project and provided the following comment letters to the Lead Agency:

<http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2008/january/montebello-hills-specific-plan.pdf>

<http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2009/june/proposed-montebello-hills-specific-plan.pdf>

<http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/october/deirmontebello.pdf>

PAR1148.1 would further strengthen the protections for the community from oil and gas wells.

Comment #7

Under Rule 1148.2, exemptions are available for “emergencies”. What constitutes an emergency and when do we find out details?

Response

Rule 1148.2 (d)(3) allows for delayed notification for activities that are necessary to avert a threat to life, health, property or natural resources. Notifications are required no later than 48 hours after the start of operations and the community would then have access to the information through the web portal, similar to other required notifications under Rule 1148.1.

Comment #8

Can the District provide a sample of what the required signage in the proposed amendment might look like?

Response

Staff has added an example of the required signage as Appendix C – PAR1148.1 (d)(12) Sample Information Signage to the Draft Staff Report.

Additional Comments

The following include additional comments that were received as part of the rule development process:

Comment #9

Including Toxic Air Contaminants is not appropriate to the purpose and scope of the proposed amendment. The applicability should be only to hydrogen sulfide and the purpose section further clarified to refer to nuisance odorous compounds.

Response

Although the primary purpose of PAR1148.1 is to reduce VOC emissions from oil and gas production wells, because concurrent reductions of TAC and TOC emissions result from the administrative and engineering controls, and because the rule also includes maintenance activities, it is appropriate to reference all pollutants that are subject to the rule. Furthermore, because any potential odors from the emissions from oil and gas production wells are from the above listed pollutant categories, further including and subsequently defining “nuisance odorous compounds” could have a limiting effect from an enforceability perspective and is not recommended by staff.

Comment #10

The proposed amendment should include cross-referencing to definitions that originated from other SCAQMD rules in order to ensure consistency. Verbatim inclusion in the proposed amendment may cause difficulty should the underlying rule from which the definition was derived become amended at a later date.

Response

PAR 1148.1 includes direct cross-referencing for definitions that have universal applicability, such as the definition for VOC. For other areas, the affected community has requested SCAQMD to include definition language directly in the proposed amendment for clarity especially for individuals that may not have direct access to the internet or the other cross-referenced regulatory language. While it may be difficult to ensure consistency amongst the various SCAQMD rules with respect to common definitions, the independence of the definitions may provide additional flexibility in the development of future source specific requirements. In fact, updating of definitions in the underlying rule may be for a purpose that is more unique to that industrial sector and could potentially create enforceability or compliance related issues to PAR 1148.1 if they were directly cross-referenced or linked in the manner suggested. Staff has reviewed the definitions that were derived from other SCAQMD rules, cross-referencing where appropriate and including full language definitions for clarity elsewhere.

Comment #11

Delete “toxic air contaminants (TAC) emissions” from the Purpose and replace with “Hydrogen Sulfide”.

The rule and all of the requirements of the rule are for the control of gaseous organic compounds (TOC) and most volatile compounds of carbon (VOC). These two classifications of gaseous hydrocarbon compounds include the key TAC components found in hydrocarbons (such as Benzene). Almost all of TAC compounds identified by the California Air Resources Board and listed in Section 7412 of Title 42 of the United States Code would not be applicable to oil and gas production wells. Therefore, inclusion of the TAC list is unnecessary and unwarranted as part of this rule.

One of the concerns with inclusion of TACs is diesel particulate matter and other combustion TAC emissions, which are not a compound associated with oil and gas wells, but are associated with mobile equipment that services oil and gas wells. Is it AQMD’s intent for the scope of the rule to include diesel electric generators and engines and vehicular traffic even though they are already subject to regulation under CARB? A huge and most likely infeasible burden will be placed on industry and the inspectors to attempt to find the appropriate source of a combustion odor complaint since all LA Basin fields are surrounded by highly traveled busy streets and roads, which far exceed emission levels of temporary and transient oil field sources. It is also important to note the methane and ethane are exempt compounds in AQMD’s Rule 102. They are both odorless and have no bearing on the alleged and unjustified odor complaint management being proposed by the Rule amendments.

Response

Although the primary purpose of the rule is to reduce VOC emissions from oil and gas production wells, because concurrent reductions of TAC and TOC emissions result from the administrative and engineering controls, and because the rule also includes maintenance activities, it is appropriate to reference all pollutants that are subject to the rule.

See also Response to Comment #1-24 and Comment 9.

Comment #12

Several definitions have been added to PAR1148.1 that are repeats of definitions in other District rules. Examples include “component”, “heavy liquid”, “leak”, “light liquid” (Rule 1173), and “wastewater” (Rule 1176). In addition to the concern CIPA expressed in its letter of February 13, 2015, regarding the creation of “internally inconsistent language within existing AQMD rules” when one rule overlaps or exceeds the requirements of another rule (e.g., fugitive component repair times in PAR1148.1 vs. Rule 1173), CIPA believes the practice of repeating definitions of the same terms in multiple rules is unwise unless absolutely necessary to tailor the rule to specific circumstances. District staff has acknowledged it is generally not possible to

update multiple rules at the same time in order to ensure consistency. Thus, if a definition were to change in one rule as part of a future rule amendment, but not change in the other rule(s), the result would be inconsistent definitions between rules. This creates confusion not only for the regulated community, but also for the public and District staff as well. This confusion leads to inefficient conversations and increases the potential for misunderstandings and inadvertent non-compliance. A better practice would be to utilize Rule 102 and other rules that provide standard definitions to be referenced in the District's rules and regulations. In addition to the repeat definitions from Rules 1173 and 1176 noted above, PAR1148.1 now includes a definition of "facility" that is slightly different from the definition in Rule 1302. Again, CIPA believes this is unwise and encourages the District to define such common and far-reaching terms in broadly applicable rules that can then, in turn, be referenced in individual source specific rules.

Response

Definitions that have originated from other rules are proposed for incorporation into the proposed amendment in response to general stakeholder comments received that requested that cross-referencing be minimized to facilitate understanding of the requirements for individuals who may not have access to the cross-referenced rules. In addition, cross-referencing definitions may limit flexibility during subsequent rule development efforts for either rule.

See also Response to Comment 10.

Comment #13

Insert language "except where there is an existing AQMD permit for air pollution control equipment" at the end of the first sentence to the provisions for use of a produced gas collection and control system in paragraph (d)(7).

This will allow existing or future AQMD permit conditions to supercede the rule to avoid conflict. Some site specific or various location permits of CIPA member companies require the use of a PID for VOC measurements on portable tanks equipped with permitted vapor control devices (i.e. carbon canisters). However, this Rule provides for using a TVA for TOC measurements. If the language does not change, there will be a conflict to either comply with the Rule or the permit condition.

Response

The current language requires a control efficiency demonstration of 95% or measurement of less than 250 ppmv. Permit conditions may require a different measurement, but would be required to demonstrate compliance with Rule 1148.1. However, for clarity, the proposed amended language has been revised to include the following provision "...or by an equivalent demonstration identified in an approved permit issued on or after March 5, 2004, pursuant to Rule 203 – Permit to Operate."

Comment #14

Remove the changes to “1,500 feet” and maintain the existing rule language of “100 meters”.

With the focus of the changes on the urban environment, the existing 100 meter requirement (328') and the change to sensitive receptor definition include and regulate all urban well cellars. There is no scientific evidence to support the increase to 1,500', which appears arbitrarily established. There are unintentional consequences of expanding to 1,500 feet. Large numbers of additional wells in large multi-acre fields would become incorporated into the rule, for which there is absolutely no basis.

Pointing to Rule 1148.2's setback requirement as justification to change this rule is not an appropriate justification. CIPA pointed out in earlier comments that setback requirements in 1148.2 were inconsistent with 1148.1. CIPA objected to and repeatedly questioned the District's scientific reason for the distance requirements in the rule without ever receiving any justification. In addition, 1148.2 is a reporting rule which is far different than a compliance rule which will likely add significant costs without any benefit.

The existing Rule 1148.1 has recordkeeping and data requirements that industry has satisfied since 2004 and can show there are no emissions from well cellars. The data clearly does not support the proposed amendments. To the contrary, a CIPA member company has actual air monitoring data collected over the past 4 years which has recorded no TOCs from drilling, completions and workover activities. During the same time, there have been no confirmed odor complaints at this company's facility in 4 years!

Response

See Response to Comment #1-25.

Comment #15

Concerning odors, monitoring data collected by industry and LA County (February 2015 Air Quality Study conducted at the Inglewood Oil Field) clearly indicate there is no odor issue related to oil and gas production activities. Therefore there is no justification for expending significant sums of money to create a central facility or location that currently does not exist at many facilities. While in theory it sounds like a monitoring system is appropriate, actual monitoring data proves otherwise. There are multitudes of emission thresholds, most of which are not related to odor. It is costly with no meaningful, documented value. This requirement is not feasible and a financial impact study needs to be conducted. Enforcement of existing AQMD rules and regulations is far more effective to ensure “bad actors” comply

Also, concerning safety, existing safety systems are already installed at production facilities. Redundant monitoring required by these rule amendments add no value and are duplicative and unnecessary. Safety systems that are inspected by Fire

Departments include, but are not limited to, LEL monitors; fire eyes (aka flame detection monitoring); and fire pumps and fire systems. In addition, DOGGR conducts environmental inspections, which include environmental, spill and fire equipment inspections. LA Fire Health Hazardous Materials Division conducts environmental inspections to include safety and environmental concerns as well as proper storage of hazardous materials.

Response

See Response to Comment #1-8.

Comment #16

The Operator Inspection Requirements are too stringent. The frequencies should be changed by making all daily and weekly requirements quarterly, consistent with the frequency required for well cellar inspections. In addition, the proximity to sensitive receptor condition should remain at 100 meters rather than 1,500 feet.

The existing Rule 1148.1 has recordkeeping and data requirements that industry has satisfied since 2004. The data clearly does not support the proposed amendments.

Additionally, a CIPA member company has actual air monitoring data collected over the past 4 years which has recorded no TOCs from drilling, completions and workover activities. There have been no confirmed odor complaints in the same 4 year period!

Response

The visual inspection frequencies in the current rule reflect baseline expectations and it is staff's understanding that it is industry practice to physically inspect each well on a similar frequency independent of this existing requirement. In the absence of this inspection, outside of standard industry practice implementation, an unattended well and accompanying well cellar could pose an increased potential for nuisance and emission generation up to a three month period, in addition to any potential for operational or production issues. The noted absence of confirmed odor complaints at a presumed compliant facility may be *prima facie* evidence of the effectiveness of this visual inspection requirement, although use of ambient monitoring by the facility described may also represent a best practice consideration.

Comment #17

In the first sentence of the odor mitigation requirements section, delete the change to "1,500 feet" and make it "100 meters". Also, insert language "as far as it applies to the actual confirmed odor complaint event" at the end of the sentence associated with specific cause analysis to ensure the Odor Mitigation Requirements address the specific odor that is the subject of the complaint events.

Response

The proposed amended language has been revised to refer to “confirmed odor event” rather than “odor” with respect to Specific Cause Analysis and related reports.

However, the odor mitigation plan requires facilities to comprehensively review their operations to identify all sources of potential odor and related emission sources as well as the management systems used to minimize nuisance odor potential. As such, the odor mitigation plan is not limited to the specific cause analysis or NOV that triggered the requirement to develop the odor mitigation plan.

See also Response to Comment #14.

Comment #18

Increase the Notice of Violation (NOV) trigger from one (1) to two (2) in a 12 month period of time for Odor Mitigation Plan and Mitigation Requirements.

This is important since each confirmed odor complaint event has the potential to become an NOV by the activists using their call trees. Industry has experience and evidence from AQMD incident reports that show the activist standing outside a facility soliciting passers bys to call in to increase complaint numbers. A single event should not increase compliance requirements on a company without the opportunity for the company to address and fix. One NOV does not necessarily mean there will be a repeat of the event. It should not be a “one strike you’re out” trigger.

Response

Currently, receipt of a Rule 402 NOV results in an investigation and assessment of appropriate corrective actions, including potential modifications to operating permits and permit conditions. The role of the Odor Mitigation Plan is to serve as a formal corrective action to address nuisance, for those facilities that have been identified from the complaint process as having the potential for creating a nuisance.

A facility that has received a notice of violation for Rule 402 is understood to have met the standard for having the potential to create a nuisance. Following issuance of an NOV, the facility would have all the rights and remedies available to any facility that has been issued an NOV, including defending against the District’s enforcement action in court. The facility can also go to the Hearing Board and seek a Variance and could dispute the violation, although the Hearing Board would typically rely on the District’s findings and make a determination of whether a Variance is warranted and, if so, the terms for reaching compliance.

Comment #19

The Odor Mitigation Plan should be specific to the actual triggering confirmed odor complaint event, and the rule language should reflect this.

Also, all references to providing leak history and records of releases from any pressure relief devices or vacuum devices attached to vessels should be removed from the proposed amendment because the data is already submitted to the AQMD on a quarterly basis and should be on file.

Response

The odor mitigation plan requires facilities to comprehensively review their operations to identify all sources of potential odor and related emission sources as well as the management systems used to minimize nuisance odor potential. As such, the odor mitigation plan is not limited to the specific cause analysis or NOV that triggered the requirement to develop the odor mitigation plan.

The proposed amendment does not require re-submittal of leak history. It does require facilities to consider leak history in identifying potential sources of odors and associated emissions.

Comment #20

Remove "continual" and "at all times" with respect to the required odor surveillance during well workover activities.

This requirement to conduct continuous odor surveillance downwind at the perimeter of the property would be labor intensive for operators that do not have existing systems for odor surveillance. The existing Rule 1148.1 has recordkeeping and data requirements that industry has satisfied since 2004. The data clearly doesn't support the proposed amendments. Clearly a cost-benefit analysis would find this requirement unsupported.

Response

The proposed requirement is for continual surveillance rather than continuous, with recordings at a minimum hour frequency. As part of the development of an odor mitigation plan, a facility would identify all potential sources of odor and related emissions and the feasible management practices used to minimize nuisance potential. Any benefit analysis conducted by the facility in support of a best practice will be considered by the District should an odor mitigation plan be required.

Comment #21

The requirement to discontinue certain well workover activities due to odor surveillance should contain language as follows: ... perimeter of the facility"and the

odor is confirmed from" drilling, well completion.... ..will discontinue "when the operation is safe to do so" and until the source or cause....

It is infeasible to discontinue operations mid-operation. This is not always feasible due to safety considerations of the well. To stop mid-operation could potentially leave a wellbore uncontrolled and endanger the safety of personnel and the environment. This is an extreme measure for a very expensive operation to shut down before an investigation is even conducted. The odor may not even be coming from these operations.

Response

The proposed amendment language has been revised to directly cross-reference the exemption currently provided in Rule 1148.1 to address safety considerations.

Comment #22

Remove the requirement for electric or alternative fueled workover rigs.

The provisions that require only electric powered or natural gas-, propane-, or butane-fired portable workover rigs is technically infeasible since there are no such rigs available in the United States. At any one time there could be up to 40 portable workover rigs operating in the LA Basin at one time. Even if gas rigs were available, the gas (propane, butane, CNG or LNG) would need storage onsite in large, portable, pressurized tanks. A diesel tractor trailer would be required to pull the tank from location to location for filling. This is both a safety concern as well as a space constraint on location with this type of rig. If the thought is to push electric and/or gas rigs because they are cleaner, as a comparison, a Cummins diesel 14.9 liter, 500 H.P. on road engine, Tier 4 final is certified at .18 ppm NOx (Tier 4 standard is .2 ppm). The PM is certified at .0000 ppm (Tier 4 standard is .01 ppm). So the Tier 4 final certified engines are extremely clean. If this provision is adopted and if the triggers of the provision were met, an operator would not be able to attain/operate such a rig, and thus, be unable to perform necessary well work as required by the DOGGR. The resulting effect is a taking of the operator's rights.

Response

See Response to Comment #1-24.

Comment #23

Remove the requirement to "store any removed drill piping and drill rods in a manner that minimizes emissions from crosswinds through the use of either a tarp or similar covering or by storing within an enclosed area"

The requirement is not feasible. If required, the volume of tarp or plastic sheeting that would be required (since you could not re-use) would create more vehicular criteria pollutant emissions during its transportation and disposal than would ever be emitted

from the drill pipe itself. As noted previously, four years of data collected by one company registered no odor or emission issues from these activities.

Response

The proposed amendment requires that facilities review the current feasibility of such measures as part of any required odor mitigation plan. Any benefit analysis conducted by the facility in support of an alternative best practice will be considered by the District should an odor mitigation plan be required. In addition, the proposed amended rule language and staff report have been revised to remove reference to the terms “tarping” and “covering”.

Comment #24

Delete the changes that require more stringent LDAR. See comment 16 above regarding operator’s data (air monitoring data for past 4 years and 1148.1 data for past 10 years) supporting no evidence which justifies the reduction in repair time under Rule 1173. The proposed changes create internally inconsistent language within existing AQMD rules and make it more burdensome for operators to comply.

The changes add confusion to Rule 1173. When would rule 1173 not be applicable? How would a leak be identified and quantified if not per Rule 1173 Inspection and Maintenance (I&M) Program? Using the District approved “CAPCOA-REVISED 1995 EPA CORRELATION EQUATIONS AND FACTORS” for calculation of fugitive emissions from equipment leaks, the total hydrocarbon (THC) emissions from a valve leaking at an EPA Method 21 screening value of 250 ppmv is calculated to be less than 1/1,000th of one pound per day. Furthermore, using a typical speciation profile for produced gas from a well in the South Coast Basin, the benzene associated with such a leak is calculated to be approximately 1/1,000,000th of one pound per day. Do these levels of emissions justify even the current required component repair times, let alone the proposed more stringent ones?

Response

The proposed language clearly identifies consideration of a shorter repair time than currently required under Rule 1173 for facilities that are subject to an odor mitigation plan and where an odor nuisance potential has been identified through a specific cause analysis or by the facility during the development of the odor mitigation plan. Because a facility will be identifying this measure as part of an odor mitigation plan that is submitted to the SCAQMD for approval, there would be no confusion with respect to the applicability of either rule or the odor mitigation plan.

Comment #25

The feasibility determination in the Odor Migration Plan should include the following languageis not feasible to include "or is not related to the confirmed odor complaint events(s) at the facility" subject to approval...." to ensure the Odor

Monitoring and Mitigation Requirements address the specific odor that is the subject of the complaint event(s).

Response

The odor mitigation plan is intended to support a facility's overall odor management system. As such, it is a comprehensive evaluation of a facility's operation, including operational procedures and odor management procedures, which are not limited to the specific cause analysis or notice of violation that may have triggered the requirement for the plan.

Comment #26

The Test Methods section should include the following language:Method 21 using an appropriate analyzer calibrated with methane "or any other method demonstrated by the applicant to be equivalent and approved in writing." The analyzer..... Reinstate original "(h)(4) Equipment Test Methods", which is shown as a strike through in this version of the rule.

The change could allow the use of a PID, which is the preferred and most cost effective measurement device in many instances. TVA's measure specifically TOC's and PID's measure specifically VOC's. TVA's are calibrated with methane and PID's are calibrated with hexane. Cost of a TVA is \$17,000 and cost of a PID is \$3,000. A TVA has an ignition source with a flame. Since well cellars are class 1 division 2 according to American Petroleum Institute Recommended Practice 500B, which means non-explosion proof equipment, is not allowed in the area without monitoring equipment and a hot work permit, the PID is the preferred measurement device. The PID is explosion proof and the TVA is not. Additionally, the goal of 1173 and 1176 is to control VOC's. Perhaps there could be an adjustment to the limit of 250 ppm TOC's to an appropriate VOC ppm limit.

Response

The provisions for the use of alternative test methods have not been deleted in the proposed amendment. Rather, the language has been relocated to the beginning of subdivision (h) with the same applicability as the current rule, including allowing a facility to use a PID for monitoring purposes where approved.

Comment #27

The written request and justification for development of a company safety manual that is to be submitted to the Executive Officer, needs to have a defined timeline for approval by the District. It is recommended that a 30-day approval process be defined in the Rule for whether the justification meets the criteria for this exemption.

A time line needs to be added so as not to impede the activities of the operator being requested for exemption. An additional proposal would be to discuss a CIPA member

submittal for an industry-wide justification since the safety considerations would be industry-wide in nature.

Response

The submittal language was removed from the prior iteration of the proposed amended rule. The demonstration would be required as part of use of the proposed exemption in the event any compliance related SCAQMD investigation.

Comment #28

Remove the changes to "1,500 feet" and maintain existing rule language of "100 meters" associated with the exemption provided for low producing wells.

Response

The proposed language has been revised to continue the exemption for low producing wells located outside of 100 meters of a sensitive receptor.

Comment #29

Change the rule to require an Odor Mitigation Plan for every facility upon rule adoption—do not require waiting until after odor complaints occur.

Response

See Response to Comment #2.

Comment #30

AQMD should commit to providing an evaluation of onsite monitoring and monitoring options for the community. Monitoring alarms and systems should be outlined in the rule.

Response

SCAQMD is currently reviewing emerging monitoring technologies with particular emphasis on lower cost fence-line monitoring capabilities to supplement existing inventory efforts. Oil and Gas Production Facilities are part of this ongoing effort. Additional descriptions of the systems and capabilities under review are included in Appendix A – Monitoring Systems for the Oil and Gas Production Industry to the staff report.

Comment #31

AQMD should provide the public with an evaluation of Best Available Retrofit Control Technology (BARCT) for all existing oil drilling and Best Available Control Technology (BACT) for new, modified and expanded operations, including best available equipment, inspection techniques, and best practices.

Response

A brief discussion on BACT and BARCT has been included in the Draft Staff Report.

See also Response to Comment #3.

Comment #32

The proposed amendment should also include monitoring and mitigation plans to prevent oil spraying of houses and vehicles during initial and ongoing operations.

Response

The incident noted ~~should be~~ is typically handled under Rule 402 - Nuisance. PAR1148.1 is intended to bridge the gap for odors in part because of the concurrent VOC emission reduction potential. Oil deposition should be handled on a case-by-case basis. ~~Until the case noted has been addressed, it is unclear what universal standards would be applicable to all facilities, and as such, the proposed amendment has been revised to incorporate the requirements of a Specific Cause Analysis for any Confirmed Oil Deposition Event, which has been defined as an occurrence of property damage due to the airborne release of oil or oil mist from an oil and gas production facility, as verified by District personnel.~~

Comment #33

A hazardous risk analysis should be performed for any facilities using or storing hydrogen fluoride

Response

Well acidization activities, including use of hydrogen fluoride, is not covered by Rule 1148.1, but these activities are included as part of Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers implementation. Any additional requirements associated with well stimulation based on the data obtained under Rule 1148.2 would be addressed in a subsequent rule development effort.

Comment #34

Diesel truck emissions and other diesel engine emissions as well as analysis of benzene, toluene, ethyl benzene and xylene (BTEX) compounds should be part of the proposed amendment for facilities located within 1,500 feet of a sensitive receptor.

Response

These activities are currently subject to Rules 1401, 1402, 1470, and the AB2588 program and annual emission reporting programs, and are regulated in various ways and by various agencies.

Comment #35

The proposed amendment should require that all information be made publicly available to provide opportunity for public comments and be responsive to these comments. More transparency is needed for all new and existing drilling operations to provide all of the plans and reports including all specific cause analysis reports, and all odor mitigation plans.

Response

The requirements for managing information associated with confirmed odor events will be addressed through implementation of the Board Resolution item included with the Final Hearing Package. This may include, but are not limited to, a specific SCAQMD website that could list confirmed odor events and specific cause analysis reports submitted by facilities.

Comment #36

The odor mitigation plan should be updated to address any reported odors that occur whether confirmed or unconfirmed

Response

There would be little legal standing to enforce an unconfirmed odor complaint. However, facilities are free to voluntarily conduct an internal investigation and work directly with complainants on any unconfirmed complaints. Staff believes that the required signage under the proposed amended rule may also encourage the complainants to contact the facility first to accelerate corrective actions.

Comment #37

Require operators to update standard operating procedures (SOP) under subparagraph (f)(2)(C) and other work practice plans should be required to prevent future re-occurrences of odors.

Response

The provisions of this section of the proposed amendment have been strengthened to require facilities to document the rationale for not including specific considerations.

Comment #38

Require records to be maintained for 10 years.

Response

Current record retention under Rule 1148.1 is a three-year retention, with a five year retention for major sources subject to Title V of the federal Clean Air Act. In general, the record retention requirements are established based on the

compliance schedule for any applicable regulatory requirement. In many cases, an annual requirement would be accompanied by a two-year retention to ensure that regulated facilities are capable of demonstrating compliance through the next compliance milestone. Permit applications are generally required for the life of the permitted equipment to ensure adherence to the facility representation of the equipment potential to emit. Staff does not believe that a 10-year universal record retention is accompanied by an applicable regulatory milestone, and therefore does not recommend extending the current retention requirements.

Comment #39

Require at a minimum the same level of leak detection and repair that is mandated for oil refineries including frequent inspections. Furthermore, the proposed amendment should not allow standing oil in well cellars.

Response

Oil and Gas Production Facilities are currently subject to Rule 1173. Additional leak detection and repair is part of the current Rule 1148.1. The proposed amendment further increases the stringency of this requirement by tightening the leak repair time for facilities subject to an odor mitigation plan, and also requires accelerated clean-up of wells that exceed 250 ppmv and that are located within 1,500 feet of a sensitive receptor, which is more stringent than the existing requirement that applies to wells located within 100 meters (328 feet) of a sensitive receptor.

In addition, the proposed amended rule language has been updated to require monthly inspections for any component identified as an odor source as part of a specific cause analysis until six consecutive months where the measurement does not exceed the regulatory leak thresholds.

Finally, the proposed amended rule language has been revised to include a requirement to pump out or remove organic liquid that has accumulated in the well cellar by the end of the day following three complaints in a single day as verified by District personnel.

Comment #40

Improve fugitive emission control beyond simple tarps requiring more protective fugitive emission control to protect against evaporation. Nonetheless, the proposed rule incorporates additional best practices, such as the use of a grommet, to further minimize odors associated with oil and gas production facilities.

Response

The proposed use of a covering or tarps ~~is was~~ for a specific activity and intended to minimize odors. Oil and Gas Production Facilities are currently subject to various fugitive emission control requirements, including Rules 461, 1173, 1176,

and the existing elements in Rule 1148.1. Nevertheless, reference to the use of tarps or coverings has been removed from the proposed amended rule language and staff report.

Comment #41

Minimize on-site combustion as much as possible in concert with eliminating fugitive leaks and venting of gases

Response

Combustion emissions are subject to current permitting and BACT requirements. The trend toward the use of micro turbines over flaring balances the overall environmental impacts.

Public Consultation Meeting Comments

The following comments were received at the May 28, 2015 public consultation meeting:

Comment #42

The trigger for the requirement to perform monthly inspections on specific components identified in a specific cause analysis should refer to those that have “caused or likely to have caused” the confirmed odor event rather than being referenced as a “potential” source, in order to be consistent with other proposed amended rule language.

Response

The proposed amended rule language has been updated for consistency as follows:

[...] the operator of an oil and gas production facility shall conduct a monthly TOC measurement on any component that has been identified as a potential odor nuisance source causing or likely to have caused the confirmed odor event through a submitted specific cause analysis report submitted in accordance with the provisions of subdivision (f). [...]

Comment #43

The reference to drill piping and drill rods in the proposed amended rule language may be better referred to as production tubing and sucker rods to reflect industry terminology for oil and gas production facilities.

Response

The proposed amended rule language has been updated as follows:

[...] The oil and gas production facility shall store any removed drill piping, production tubing and sucker rods in a manner that minimizes emissions from crosswinds [...]

References within the staff report have been similarly updated for consistency.

Comment #44

Please clarify further the types of monitoring systems that would meet the requirements of paragraph (d)(12) of PAR1148.1. Facilities' monitoring capability varies from site to site and most do not have dedicated LEL monitors throughout the site.

Response

Staff considers the various process monitoring and fire alarm systems in use today to meet the requirements of paragraph (d)(12) of PAR1148.1, which requires that such systems be used and maintained in operational condition. The rule language has been further revised to clarify that such systems be capable of alarming or notifying (rather than alarming and notifying) operators to ensure timely response to a response condition in consideration of the various systems currently in use. The requirement for a centrally located monitoring system has been further revised to apply only to central processing areas of an oil and gas production facility located within 1,500 feet of a sensitive receptor, in order to monitor and ensure proper facility operation. Any additional requirements that may apply as part of an odor mitigation plan would be integrated into either an existing system or as part of a new installation and may apply to specific equipment, processes or activity identified as causing or likely to have caused a confirmed odor event or Notice of Violation, rather than to the facility as a whole.

(Please also see response to Comment #1-8 and Comment #15)

Public Consultation Meeting Written Comment

The following comment letter was received from the California Independent Petroleum Association, dated June 9, 2015. The letter has been bracketed for cross-referencing with corresponding responses following each page.

Comment Letter #2



1200 Discovery Drive, Suite 100
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E-Mail: blair@cipa.org

June 9, 2015

Naveen Berry, Planning & Rules Manager
Phillip Fine, Assistant Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

VIA ELECTRONIC MAIL

RE: Draft Revisions to Rule 1148.1.-Jun15 Version

Dear Mr. Berry:

The California Independent Petroleum Association (CIPA) respectfully submits our third round of comments on the proposed revisions to Rule 1148.1. CIPA is a non-profit, non-partisan trade organization representing over 170 oil and gas producers and over 350 associate members throughout California, including operators throughout the LA Basin. CIPA respectfully continues to question the need for the proposed rule revisions, especially given that the concerns voiced by the District are already dealt with by other District Rules, including Rules 402, 1173 and 1176. We also continue to be concerned that the proposed revisions single out a specific industry, include infeasible requirements, and would provide no meaningful improvements at significant expense.

2-1

General Comments

The data collected in accordance with the requirements of Rules 1148.1 and 1148.2, odor and nuisance complaint records including SCAQMD investigations, and specific oil production site data does NOT, except in a few specific instances, support any action by the District. In particular, a broad rulemaking solution is not warranted when there is no identified, verified, or persistent widespread problem to be solved.

2-2

The data and evidence presented by the District indicates that oil and gas operations does not pose any more or less of an issue than other industrial operations or land uses throughout the area and, thus, does not warrant separate rulemaking action outside of Rule 402. There is no evidence of significant widespread odor impacts from existing oil and gas operations. Thus, there is no justification for the proposed rulemaking. In fact, there is substantial evidence to the contrary. In apparent response to our previous requests for such data, the District has included some historical odor complaint data related to oil and gas production facilities in its final staff report. This data indicates that more than 98% of the odor complaint history is associated with five specific facilities, each of which is located in a high density residential area. Thus, we believe this data supports our position that rulemaking which imposes additional requirements and significant cost impacts on all oil and gas production facilities is not warranted.

2-3

Response to Comment #2-1

See Response to Comment #1-1, #1-5, and #1-9.

Response to Comment #2-2

See Response to Comment #1-1, #1-5, and #1-9.

Response to Comment #2-3

See Response to Comment #1-1, #1-5, and #1-9.

Comment Letter #2 (cont.)

removed from wells, component leaks, exhaust from diesel engines, etc.) may have been responsible for, or contributed to, the odors. CIPA specifically requested such information in its previous comments, but it has yet to be provided. Without such data, the rule amendments being proposed by the District amount to a broad mixture of control measure “guesses”, most of which are likely to have no effect, as opposed to specific data-driven measures that address a specific problem or problems. As a result, the proposed rule amendments will be highly cost-ineffective, achieving little if any emissions reductions while imposing significant additional operating costs.

2-4

Beyond these general concerns, CIPA has the following specific concerns regarding the proposed rule language:

1500 Foot Distance to Sensitive Receptor as Trigger for Additional Requirements

There is no basis for the proposed change to require well cellar pump-outs within one day (vs. five days) for well cellars located within 1500 feet (vs. 100 meters) of a sensitive receptor. First, the 1500 foot criterion is arbitrary and not based on any data or scientific analysis. Further, we are not aware of any confirmed odor complaints that have identified well cellars as the cause of odors. Increasing the distance criterion from 100 meters to 1500 feet will subject hundreds, possibly thousands, of additional well cellars to this requirement, significantly increasing costs and potentially requiring the use of additional vacuum trucks and other vehicles on surface streets, resulting in increased vehicular traffic and emissions.

2-5

Monitoring and Alarm System

As reflected in the Final Staff Report, District staff has stated that it believes all (or nearly all?) operators already have a system in place that satisfies this requirement. But, because the District has not defined the characteristics of an acceptable system, this is far from clear to operators. At the May 28, 2015, Public Consultation Meeting, staff described a configuration of LEL (lower explosion limit) monitors tied into a central alarm system as an example of what would satisfy this requirement and stated their belief that virtually all facilities already have such a system in place. But this is not the case. Thus, this requirement should either be eliminated or District staff should officially deem that existing systems, whatever they are, already meet this requirement. Depending on exactly what the Districts’ requirements for a monitoring and alarm system are, there may be significant costs associated with required system upgrades.

2-6

Trigger for Odor Mitigation Plan

A single NOV should not trigger additional compliance requirements of any kind. An operator should have an opportunity to address and fix the problem that led to the NOV. This is a “one 11strike and you’re out” mentality. Two nuisance NOV’s in any six month period would be a more reasonable trigger.

2-7

Odor Mitigation Plan Requirement for Storage of Piping and Rods Removed from a Well

The requirement to store removed piping and rods in “an enclosed area or other equivalent method” is not reasonable considering the cost impact and the small amount and short duration of the emissions likely involved. Enclosed structures or an “equivalent method” may be feasible for a few limited urban facilities with small footprints, but not for larger facilities extending over wide areas. At the May 28, 2015, Public Consultation Meeting, staff described “a tented structure and negative air machine” as an example of an “equivalent method”. But this is not

2-8

Comment Letter #2 (cont.)

practical for most facilities. It would be costly and ineffective and would create additional unnecessary vehicular traffic and emissions during each well activity. Most well locations at larger facilities would require a gasoline or diesel engine to power the negative air machine, creating still more emissions and noise. Also at the May 28, 2015, Public Consultation meeting District staff verbally agreed that piping and rods are not "stored" while temporarily standing in the derrick of a rig during a well activity. But language in the staff report conflicts with this. It is not reasonable for storage requirements to apply to piping and rods temporarily standing in the derrick of a rig while well work is being performed. Finally, the general requirement for the use of rubber grommets to wipe excess liquid from piping and rods as they are removed from a well should minimize the potential for piping and rods to be sources of emissions and odors.

2-8

Comments on Final Staff Report

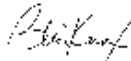
Additional comments on specific aspects of the Final Staff Report are contained in the attachment.

Summary

CIPA continues to be in disagreement regarding the need for and the overall scope and many of the specific requirements in the proposed amended rule.

Thank you in advance for your consideration of our comments. CIPA appreciate the opportunity to have met with District staff in January and again via telephone in April to discuss our concerns with the proposed amended rule. Please feel free to contact me should you have any questions.

Sincerely,



Blair Knox
CIPA Director of Regional Affairs

Response to Comment #2-4

The current complaint investigation process under the implementation of Rule 402 – Nuisance involves tracing of odors at the location of the complainant to a source, which can be as broad as a facility. PAR1148.1 adds the requirement for a specific cause analysis for confirmed odor events, which would drive the identification of the activity or equipment that caused or was likely to have caused the odor. This additional enforcement mechanism is not currently in place and consequently identification of the activity or equipment contributing to an odor complaint is not consistently available. However, because the requirements of PAR1148.1 are event driven, only those facilities that trigger the additional requirements would be affected prospectively, using specific data driven measures to address any facility identified specific problem or problems through a specific cause analysis and submitted report.

See also Response to Comment #1-1 and 1-6.

Response to Comment #2-5

The requirement to remove accumulated organic material from a well cellar within the following business day rather than within the five days following detection would merely push the job for any required vacuum trucks to an earlier date rather than create additional jobs. Industry has indicated that well cellars are typically well maintained, leading to the conclusion that required repairs are generally infrequent such that a following day clean out requirement would not result in more trips than would be required under a five-day carryover. However, for those well cellars located in closer proximity to sensitive receptors, a more rapid clean out would serve to reduce the potential for odor nuisance. Over the five-year period reviewed as part of Appendix B, both of the Rule 1148.1 NOVs identified in the sample were associated with the well cellars, and both were immediately precipitated by community complaints for odor.

See also Response to Comment #1-25.

Response to Comment #2-6

Staff considers the various process monitoring and fire alarm systems in use today to meet the requirements of paragraph (d)(12) of PAR1148.1, provided that the systems in place are used and maintained in operational condition. Staff’s verbal description of a configuration of lower explosion limit (LEL) monitors tied into a central alarm system was representative of a type of system observed, but did not represent the expectation for all facilities. Locations with fewer wells having a facility-based system rather than a system with individual well monitoring may be sufficient to provide the protection needed to respond to fire or safety hazards, in accordance with applicable federal, state or local building or fire safety regulations. In addition, the requirement for a centrally located monitoring system has been revised to limit the requirement to facilities with central processing areas located within 1,500 feet of a sensitive receptor. As noted in the staff report, facilities would not be expected to install new systems. However, to address any potentially unaccounted facilities, staff

has added additional costs reflecting roughly five percent of the facility population to the analysis.

The staff report has been updated to further clarify the purpose of the central monitoring system envisioned by the proposed amendment as follows:

Oil and gas production facilities generally monitor equipment for safety process or fire protection purposes to comply with a broad range of federal, state or local building or fire safety regulations, and thus typically have a gas detection program. In addition, these systems can support implementation of the General Duty Clause of the Clean Air Act, Section 112(r) as part of a facility hazard assessment and accidental release prevention program, typically from a central location. Some facilities utilize control centers that also allow for monitoring and controlling operating parameters to support efficiency or serve as an indicator for leak related emissions.

See also Response to Comment #1-8 and Comment #44.

Response to Comment #2-7

A facility that has received an NOV for Rule 402 is understood to have met the standard for having the potential to create a nuisance. Currently, the threshold for triggering an NOV is high – typically requiring six independent complaints confirmed from the same occurrence. Prior to receiving an NOV for Rule 402, under PAR1148.1, a facility can experience one or more confirmed odor events, or receive one or more complaints, each acting as a lower level compliance action that would not trigger the requirement for an Odor Mitigation Plan (OMP). Because an OMP is meant to prevent public nuisance, the actual issuance of an NOV for Rule 402 would represent a failure of the facility’s odor mitigation practices and the need for an OMP or a revision to an existing plan.

See also Response to Comment #18.

Response to Comment #2-8

The staff report has been revised to distinguish between the vertical staging of piping or rods on a derrick and the subsequent storage of removed rods subject to the odor mitigation plan requirement of paragraph (g)(3)(C).

See also Response to Comment #43.

Comment Letter #2 (cont.)

PAR 1148.1 Final Staff Report – CIPA Comments
(Italics are excerpts from the Final Staff Report dated June 2015)

Executive Summary

- o *(p1) An increased awareness of oil and gas production wells due to community concerns over potential environmental impacts from well stimulation techniques such as hydraulic fracturing has resulted in a goal to minimize impacts to nearby residents and sensitive receptors from ongoing operations that do not include drilling.*

And

- o *(p1) As a separate, but concurrent effort, proposed amendments to Rule 1148.1 address the production and maintenance aspects of an operating oil and gas well, rather than the pre-production or stimulation aspects covered under the requirements of Rule 1148.2.*
 - Either revise these statements to reflect that drilling operations are addressed in the rule or remove the rule requirements applicable to drilling (e.g., rubber grommet for “drill piping”, monitoring and mitigation of “drilling”, and storage of “drill piping”)

2-9

- o *(p1) The proposed amendment incorporates some of the information gathered through the reporting mechanisms provided by Rule 1148.2*
 - Please provide a reference to which provisions of the rule does this refer to?

2-10

- o *(p1) There is no anticipated significant cost increases associated with the proposed amendment because the amended rule focuses on improving work practices and establishing odor mitigation procedures as a contingency, rather than on additional engineering controls. Any additional cost impact associated with implementation of improved work practices and odor mitigation procedures are expected to be administrative and nominal.*

- There are cost increases associated with requirements to:
 - General:
 - o remove fluids > 250 ppmv from more well cellars (those within 1500 feet vs. 100 meters) within one day (vs. five days) (this will increase emissions from vacuum trucks)
 - o install and operate a “monitoring system” to provide notification / alarm to a “central location” (unclear what constitutes a satisfactory system)
 - o perform monthly (vs. quarterly) fugitive component inspections for components “identified as a potential odor nuisance source through a submitted specific cause analysis report”.
 - Once a facility is required to have an Odor Mitigation Plan:
 - o Provide an enclosure or equivalent controls for pipe and rods when “stored”
 - o repair leaks > 250 ppmv from more components (those within 1500 feet) within one day (vs. 2-7 days)
 - In addition, even administrative actions (e.g., responding to anticipated increased odor complaints resulting from signage “inviting” the public to call AQMD, increased recordkeeping, and preparing Specific Cause Analyses an

2-11

Response to Comment #2-9

PAR1148.1 applies to the operation and maintenance activities at oil and gas production facilities. Odor nuisance related aspects associated with drilling, well completion or rework at an oil and gas production facility are subject to the odor mitigation plan requirements that are triggered following receipt of an NOV for Rule 402 – Nuisance, or notification of three or more confirmed odor events in a six month period.

The executive summary has been revised as follows:

As a separate, but concurrent effort, proposed amendments to Rule 1148.1 address the ~~production~~ operation and maintenance aspects of an ~~operating~~ oil and gas well production facility, rather than the pre-production or stimulation aspects covered under the requirements of Rule 1148.2.

See also Response to Comment #43.

Response to Comment #2-10

As noted, some of the information gathered through the reporting mechanism provided by Rule 1148.2 led to the previous provisions associated with alternative fueled or electric powered workover rigs. As these provisions have been removed from the proposal, the staff report has been updated to remove this cross-reference.

Response to Comment #2-11

The Executive Summary statement also includes a reference to the cost impact associated with specific cause analysis. Please refer to the Cost Analysis and Socioeconomic Impacts section of the staff report, which outlines the cost estimates associated with the provisions of the rule.

See also Response to Comment #2-6.

Comment Letter #2 (cont.)

<p>Odor Mitigation Plans) have costs (unless current employees have spare time on their hands).</p>	<p>2-11</p>
<p>Background</p> <ul style="list-style-type: none"> ○ (p5) Wellheads are susceptible to liquid leaks especially where the stuff box is poorly maintained or when large valves are opened and then closed, which often produces a noticeable amount of liquids, including hydrocarbons. <ul style="list-style-type: none"> ▪ “Stuff box” should be “stuffing box” ▪ A “noticeable amount of liquids” are produced “when large valves are opened and then closed”. Don’t understand this. Are valves likely to leak to when opened and then closed? And large valves more so than small valves? ○ (p5) If the liquid is allowed to stand over an extended period, VOC emissions and related odors may be released to the atmosphere, and may lead to odor nuisance complaints from the local community. 	<p>2-12</p>
<p>And</p> <ul style="list-style-type: none"> ○ (p6) well cellars are uncovered and can become sources of VOC emissions and associated odors when crude oil is collected and retained in this containment area for an extended period of time. <ul style="list-style-type: none"> ▪ Most emissions from a liquid leak “flash” within a short time of the leak; relatively small amounts of emissions occur as a result of “weathered” crude standing for “an extended period”. 	<p>2-13</p>
<ul style="list-style-type: none"> ○ (p6) Some of the equipment that require permits by the SCAQMD include American Petroleum Institute (API) separators.... <ul style="list-style-type: none"> ▪ API separators? – Believe this terminology refers to large refinery waste water separators / basins as opposed to production separators in oilfields (which are typically pressure vessels). 	<p>2-14</p>
<ul style="list-style-type: none"> ○ (p6) Gas collected from separators and oil treaters, along with vapors from storage tanks, may be processed through a glycol dehydration unit. This unit removes the water from the gas before it is put into a sales pipeline or used again in the dehydration process. <ul style="list-style-type: none"> ▪ “used again in the dehydration process”? Don’t understand this. Maybe it should be “or before being used as fuel or re-injected in subsurface”? 	<p>2-15</p>
<ul style="list-style-type: none"> ○ (p7) The rods and the piping are pulled up through a casing which is filled with oil and other organic liquid. <ul style="list-style-type: none"> ▪ “filled with oil and other organic liquid”? This is overstated and misleading. Most SoCal wells produce 95%+ water and have reservoir pressures that are insufficient to support a column of liquid in the wellbore that extends all or even most of the way to the surface, so the casing is never “filled with oil and other organic liquid”. 	<p>2-16</p>
<ul style="list-style-type: none"> ○ (p7) While the amount of VOC emissions released to atmosphere is short-term, the odor potential is great, unless measures are taken to wipe excess material during removal. 	<p>2-17</p>

Response to Comment #2-12

The staff report has been revised to correct the reference to stuffing box and with respect to large valves as follows:

[...] susceptible to liquid leaks especially where the stuffing box is or large valves are poorly maintained ~~or when large valves are opened and then closed, which often produces a~~ can result in noticeable amounts of liquids, including hydrocarbons. [...]

Response to Comment #2-13

Although “weathered” crude oil may contain lower amounts of VOC, the potential for emissions and odors is greater from a well cellar containing weathered crude than one that is free of organics. In addition, the accumulated organic material in the cellar may limit the ability to identify the source of the accumulation or to determine if there is an ongoing leak that requires repair. However, the staff report has been updated to remove the reference to an extended period of time to remove any potential ambiguity of the statement as follows:

[...] can become sources of VOC emissions and associated odors when crude oil is collected and retained in this containment area ~~for an extended period of time.~~

See also Response to Comment #2-5.

Response to Comment #2-14

The term “API Separator” is derived from the fact that such separators are designed according to standards published by the American Petroleum Institute (API); API separators include those that can be used at oil and gas production facilities. However, because the criterion for permitting is based on the air/liquid interfacial area [greater than 45 square feet air/liquid interfacial area requires an air permit per paragraph (n)(6) of Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II], the staff report has been updated to refer to “large oil/water separators” rather than “API separators.”

Response to Comment #2-15

The staff report has been revised to include the following clarification based on this comment:

“[...]This unit removes water from the gas before it is put into a sales pipeline, or used as fuel, or re-injected into the subsurface.[...]”

Response to Comment #2-16

The staff report has been revised to refer to “contains oil and other liquid” rather than “is filled with oil and other organic liquid” to meet the intent of the comment.

Response to Comment #2-17

The reference to elevated odor potential from removing sucker rods and production tubing while wet was identified by operators to District staff during field visits, although it was also indicated that most maintenance and repair activities do not involve wet removal. As included in the proposed amended rule, the current practice by some facilities of using a grommet to remove excess material from the sucker rods and production tubing is a simple approach to minimize potential odors.

Comment Letter #2 (cont.)

<ul style="list-style-type: none"> ▪ “odor potential is great”? This is subjective statement that indicates staff bias and should be removed. 	<p>2-17</p>
<ul style="list-style-type: none"> ○ (p10) Operators of oil wells and well cellars are not required to obtain SCAQMD permits for that equipment and not all oil wells utilize well cellars. Only those facilities with equipment such as API separators, tanks, vessels, heaters, boilers, internal combustion engines and clean-out sumps (part of the dehydration or wastewater system permit unit), and “control” equipment such as heaters, flares, gas treatment equipment, internal combustion engines, microturbines, and boilers would have SCAQMD permits. <ul style="list-style-type: none"> ▪ Inconsistent terminology, i.e., AQMD’s AER group and AER reporting tool refer to R222 well registrations as permits and these registrations have assigned A/N’s and Permit #’s. 	<p>2-18</p>
<ul style="list-style-type: none"> ○ (p10 - Table 2) Permitted or Registered SCAQMD Oil and Gas Production Facilities? <ul style="list-style-type: none"> ▪ Is this the number of registered oil well groups (vs. facilities)? <ul style="list-style-type: none"> • 144 RECLAIM • 329 non-RECLAIM ▪ Table is confusing, i.e., facilities vs. wells vs. R222 oil well groups 	<p>2-19</p>
<p>Odor Mitigation Work Practices and Associated Activities</p>	
<ul style="list-style-type: none"> ○ (p12 – Table 3) staff reviewed 100 out of 403 (roughly 25%) oil and gas production facilities, with only nine facilities identified as having more than one odor complaint, both confirmed and unconfirmed (alleged) over the last 5 years (2010 through 2014). <ul style="list-style-type: none"> ▪ 91% of the complaints are associated with three facilities ▪ 96.5% of the complaints are associated with three operators ▪ What is the justification for imposing additional requirements on other operators / facilities? 	<p>2-20</p>
<p>Summary of Proposed Amendment</p>	
<ul style="list-style-type: none"> ○ (p15) Effective 30 days after adoption, an oil and gas production facility, under the proposed amendment, will be required to utilize a rubber grommet designed for drill piping to remove excess or free flowing fluid from piping that is removed during any maintenance or drill piping replacement activity that involves the use the use of workover rig. (d)(10) <ul style="list-style-type: none"> ▪ “drill piping”? Is this requirement intended to apply to drilling operations? Or should “drill piping” be changed to “production tubing”? 	<p>2-21</p>
<ul style="list-style-type: none"> ○ (p17) The Specific Cause Analysis includes a brief review of the activities and equipment at the facility identified as contributing or causing the odor in question in order to determine the contributing factors and ultimately the corrective actions associated with the event. And The scope of the Specific Cause Analysis is limited to the possible origins and causes of the Confirmed Odor Event, <ul style="list-style-type: none"> ▪ What if the source of the odor cannot be determined? 	<p>2-22</p>
<ul style="list-style-type: none"> ○ (p19 – Table 6) If odors are detected from odor surveillance or odor monitoring at the perimeter of the facility, all drilling, well completion, or rework, repair, or maintenance of any well will discontinue until the source or cause of odors are determined and mitigated in accordance with measures previously approved. <ul style="list-style-type: none"> ▪ What if the source of the odor is not from the well activity? Well activity should not be impacted unless it is determined to be the source of the odor 	<p>2-23</p>

Response to Comment #2-18

Under the SCAQMD Annual Emissions Reporting (AER) program pursuant to Regulation III, facilities are required to report emissions from both permitted and non-permitted equipment/devices and processes annually, if the facility's actual emissions are above the reporting thresholds specified in Rule 301(e) Table III and IV. The AER reporting tools allow for tracking of equipment that does not require a permit as "Emission Sources", and for those entries, the application numbers and permit numbers are not used. Additional instructions for completing the AER are available on the SCAQMD website ("Accessing Facility and Completing the Report" under the help section: <http://www3.aqmd.gov/webappl/help/newaer/index.html>)

Response to Comment #2-19

The number referred to in the comment applies to the number of facilities, which is based on SCAQMD facility ID numbers. The table refers to the number of facilities. For clarification, the first column has been revised to refer to "Oil and Gas Production," rather than "Oil Wells."

Response to Comment #2-20

The majority of the requirements of PAR1148.1 only apply to facilities if certain odor related event thresholds are met. As such, based on complaint history, most facilities would not become subject to the requirements for specific cause analysis or for an odor mitigation plan. These requirements are meant to prevent a public nuisance, which is a significant event, and mainly reflect best practices currently implemented at facilities that do not have a historical complaint issue.

See also Response to Comment #1-1.

Response to Comment #2-21

See Response to Comment #2-9 and Comment #43.

Response to Comment #2-22

The submitted Specific Cause Analysis Report includes the equipment or activity identified as causing or likely to have the event, as well as the steps taken to identify the source and cause of the event, and corrective measures to prevent recurrence of a similar event. Because a Specific Cause Analysis is only triggered after confirmation of the event by District personnel, the source of the odor is the facility, and it is incumbent on the facility operator to trace the odor to the activity or equipment to best derive the corrective measures necessary to address the immediate event and to prevent future events. Should identification of the specific activity or equipment prove elusive, the Specific Cause Analysis Report should contain the details necessary to demonstrate the operators' level of due diligence taken to ensure the prevention of future events.

See also Response to Comment #18.

Response to Comment #2-23

Table 8 of the staff report has been updated to reflect the revised rule language as follows:

If odors are detected from odor surveillance or odor monitoring at the perimeter of the facility, ~~and~~ and confirmed from drilling, well completion, or rework, repair, or maintenance, the associated drilling, well completion, or rework, repair, or maintenance of any well will discontinue until the source or cause of odors are determined and mitigated in accordance with measures previously approved.

Comment Letter #2 (cont.)

<ul style="list-style-type: none"> ▪ What if the source of the odor is not even from a source within the facility? A facility's operations should not be impacted by an odor from a different facility. ▪ What if the source of odor cannot be determined? ▪ No activity should be impacted until and unless it is determined to be a source of odors. ▪ (This table entry needs to be updated to reflect recent changes to the proposed amended rule.) 	<p>2-23</p>
<p>Emission Inventory</p> <ul style="list-style-type: none"> ○ (P20) Staff does not expect any emission reductions or increases because the proposed amendment does not change any VOC standards, and is primarily intended to provide enforceable mechanisms to reduce nuisance odor potential and is otherwise administrative in nature. <ul style="list-style-type: none"> ▪ If there's no decrease in emissions, it's not reasonable to expect fewer odor events ▪ Well cellar pump-out standards are being changed (1500 feet vs. 100 meters requires pump out within one day vs. 5 days) ▪ LDAR standards are being changed 	<p>2-24</p>
<p>Cost Analysis and Socioeconomic Impacts (pp. 20-24)</p> <ul style="list-style-type: none"> ○ (P21) The following represents a conservative cost estimate for the implementation of the odor mitigation measures. 	<p>2-25</p>
<ul style="list-style-type: none"> ▪ Assumptions: <ul style="list-style-type: none"> • only three facilities are likely to need an OMP • other (470?) facilities will never need an OMP (and if they do, it's their own fault?) ▪ Elements of OMP <ul style="list-style-type: none"> • Storage of rods and piping <ul style="list-style-type: none"> ○ Staff report describes the need to enclose rods and piping while they are standing in the derrick. But at the May 28, 2015, Public Consultation meeting staff said that rods and pipe standing in the derrick during well activity did not constitute "storage", thus would not trigger the enclosure requirement. Clarification is needed, as enclosure of derricks is not practical except at small facilities with limited need to move the derrick structures. Further, staff mentioned tenting and negative air machines as a possible "equivalent method". Tenting and negative air machines would be cost prohibitive, would likely require diesel engines to power the negative air machines at most locations, and, including the additional necessary transportation activity to move the equipment from site to site, would likely create more emissions and potential for nuisance than the activity they are intended to control. 	<p>2-26</p>
<ul style="list-style-type: none"> • Odor surveillance <ul style="list-style-type: none"> ○ Staff report says "the facility is required to cease operation until the source of the odor is determined and mitigated". This is not reasonable and should be limited to only the equipment or activity that is determined to be the source of odor. • LDAR 	<p>2-27</p>

Response to Comment #2-24

Although some emission reductions may occur through the implementation of additional odor mitigation measures, the resultant reduction would be difficult to quantify in a manner suitable for inclusion in a State Implementation Plan. As such, the staff report has been revised to refer to quantifiable emission reductions as follows:

[...]Staff does not expect any quantifiable emission reductions or increases because the proposed amendment does not change any VOC standards, and is primarily intended to provide enforceable mechanisms to reduce nuisance odor potential and is otherwise administrative in nature.

Response to Comment #2-25

The parameter used in the cost analysis is based on historical complaints over the previous five-year period, thus representing three facilities every five years. The analysis does not presume that other facilities would never be subject to an OMP, only that the rate of inclusion would on average be three every five years.

Response to Comment #2-26

See Response to Comment #2-8 and Comment #43.

Response to Comment #2-27

The Cost Analysis section of the staff report summarizes the odor surveillance requirement by referring to the detection of odors related to the specific repair or maintenance activity and subsequent ceasing of associated activities under the odor is determined and mitigated. Staff believes the language in the staff report reflects the intent of this comment.

See Response to Comment #2-23.

Comment Letter #2 (cont.)

<ul style="list-style-type: none"> ○ The rule language and the staff report use different language. The rule language needs to be changed to conform to the language in the staff report, i.e., “would be required when a submitted Specific Cause Analysis report identifies a leaking component as the cause of a Confirmed Odor Event (vs. when identified as a potential source of odor). 	2-28
<ul style="list-style-type: none"> • Centralized monitoring and alarm systems <ul style="list-style-type: none"> ○ Given testimony and staff comments at the May 28, 2015, Public Consultation meeting, it appears that District staff is assuming that systems already in place are generally more robust than is actually the case (e.g., LEL monitors connected centralized monitoring system). The District needs to clearly define what constitutes a satisfactory “centralized monitoring and alarm system” before a final rule is adopted. If this is not done, the estimated costs in the staff report are likely severely understated. 	2-29
<p>Incremental Cost Effectiveness</p> <ul style="list-style-type: none"> ○ (p24) Staff reviewed the current standards throughout the state and determined that PAR1148.1 represents BARCT for the operation of oil and gas production wells because there are no other more stringent limits available. Although implementation of PAR1148.1 reduces the potential for nuisance odors, it is not anticipated to result in emission reductions and therefore no incremental cost analysis is required under Health and Safety Code § 40920.6. <ul style="list-style-type: none"> ▪ If there are no emission reductions, isn't the incremental cost effectiveness infinite? How is that reasonable? 	2-30
<p>Comparative Analysis</p> <ul style="list-style-type: none"> ○ (p25) Staff has determined that PAR 1148.1 does not conflict with the following rules because any similar requirements have been directly incorporated or cross-referenced into the rule language. <ul style="list-style-type: none"> ▪ There are conflicting requirements with R1173. Operators of facilities within 1500 feet of a sensitive receptor will need to refer to both rules in order to ensure compliance with all applicable LDAR requirements. 	2-31
<p>Appendix B – Sampling of Complaint History</p> <ul style="list-style-type: none"> ○ (pB-2) “Also notable is the amount of complaints that are from outside the 1,500-foot radius. However, these complaints have been verified identified as confirmed at the address and traced upwind to the specific oil and gas production facility according to this sample search, although final verification status has not been specifically reviewed.” <ul style="list-style-type: none"> ▪ This statement is unclear. What is the difference between “identified as confirmed” and “final verification status? Were the odors confirmed by the District as originating from the oil and gas facility or not? 	2-32
<p>General Comment</p> <ul style="list-style-type: none"> ○ Terminology: The terms “push rods”, “lift rods”, “drill rods”, and “lift connector rods” are all used in different places the document, apparently all referring to the same thing, which is assumed to be downhole pump sucker rods in producing oil wells equipped with beam pumping units. 	2-33

Response to Comment #2-28

See Response to Comment #42.

Response to Comment #2-29

See Response to Comment #44 and Comment #2-6.

Response to Comment #2-30

An incremental cost effectiveness calculation is not required.

See also Response to Comment #1-1.

Response to Comment #2-31

Although oil and gas facilities are subject to multiple rules, including Rule 1173, Rule 1176, and Rule 402, the determination of conflict is made based on the any overlapping requirements. The LDAR provisions contained in PAR1148.1 represent greater stringency rather than conflicting requirements. Moreover, the additional LDAR provisions contained within PAR1148.1 are triggered through notification of either a confirmed odor event or an odor mitigation plan, which directs operators to the applicable requirements.

Response to Comment #2-32

The introductory paragraph of Appendix B indicates that a sample of the facility complaint records were reviewed over a five year period encompassing 2010 and 2014. Detailed information, such as the outcome of the investigation including final complaint verification status and details on any violation notices, would require additional individual screening for each complaint and were not included in the Appendix. As such, the data system used to track complaints records each complaint initially by alleged source. As each complaint is investigated, the status may continue to be open or linked to follow-up actions, including NOV investigation, or parallel investigations for non-odor related regulatory compliance. Because the status of a complaint as confirmed is primarily relevant only if six or more complainants are involved for the same event, the level of verification and details associated with a complaint that is not associated with an NOV can vary within the system, and a more thorough review of the individual inspector reports would be required to verify whether a complaint was confirmed for the purpose of the requirements under PAR1148.1.

The reference to complaints in Appendix B therefore refers to those identified in the system as confirmed, but not verified through a review of the more detailed inspector reports and follow-up discussions with the field inspector to determine if the complaint would have been identified as confirmed under the requirements of PAR1148.1.

See also Response to Comment #1-1 and Comment #2-4

Response to Comment #2-33

See Response to Comment #43

Other Comments

In addition to the above comments, staff has received and reviewed numerous comments identifying typographical and grammatical errors, as well as cross-referencing updates. Staff appreciates the input and has updated the proposed rule language as appropriate.

REFERENCES

1. SCAQMD, Final Staff Report for Proposed Rule 1148.1 – Oil and Gas Production Wells, Proposed Amended Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, 2004.

**APPENDIX A. MONITORING SYSTEMS FOR THE OIL AND GAS
PRODUCTION INDUSTRY**

SAMPLING AND MONITORING APPROACHES

SCAQMD uses a variety of sampling and monitoring approaches, including use of canisters to measure hydrocarbons, handheld devices to screen for particulate matter (PM) and hydrogen sulfide (H₂S), as well as traditional fluid sampling and laboratory analysis for liquids and liquid constituents, to measure both upwind and downwind from a potential source to determine its contribution.

Summa Canisters

Evacuated containers are used to collect organics air samples. These canisters are thermally treated containers under a vacuum, and air sample are collected by opening a valve that is later closed after a pre-designated time period. SCAQMD uses Summa canisters, which stainless steel evacuated containers that have been electropolished on the interior to enrich the nickel and chromium surface and makes it more inert than untreated stainless steel.

Tedlar Bag Sampling

Tedlar bags are a simple and effective means of collecting gaseous samples when the target pollutant concentration is relatively high, about 10 ppmv. They can be used with or without a Teflon sampling probe. They are often used with evacuated sampling cases, however care is taken to keep the sample out of the sunlight to avoid sample degradation.

Handheld Devices

SCAQMD makes use of handheld detectors to screen low level concentrations of hydrogen sulfide (Jerome® Monitor) and particulate matter (DustTrak™).

Sampling

Small vials and jars are used to collect field fluid samples for follow-up analysis in the laboratory to determine organic content.

PAR 1148.1 MONITORING

Currently, oil and gas production facilities rely on a variety of monitoring systems, techniques and equipment to ensure operational efficiency and safety, especially with respect to fire prevention. Some larger facilities may use more advanced systems that not only monitor process parameters such as temperature, pressure and tank levels, but also employ motor controlled valves to remotely manage some parts of the operation.

The proposed amended rule seeks to build upon the existing systems used to monitor safety and operational parameters because many of these parameters can serve as surrogates for potential emissions and accompanying potential odor events. Current operational parameter monitoring in oil and gas production facilities can range from traditional analog technology to high tech video monitoring with pneumatic valve operation and alerting software that provides real-time access through a smartphone or through a centralized operation center or control center. Most facilities are in between these two examples while transitioning from older control boards to the newer generation as facility equipment turns over, is expanded or upgraded. Where identified through a developed and approved Odor Mitigation Plan, the

proposed amendment would focus on integrating feasible and effective measures. The proposed amended rule would focus on monitoring alarm and notification systems.

FIXED GAS DETECTION APPLICATIONS

In the oil, gas, petrochemical refinery and chemical industry, a variety of fixed gas detection methods currently utilized primarily for safety and hazardous environment monitoring. These include:

- Ultraviolet (UV) and Infrared (IR) radiation of hydrocarbon-based fires
- Open Path Infrared (OPIR) for long-range hydrocarbon detection
- Non-dispersive infrared sensor (NDIR) and point IR for toxic and combustible gas monitoring
- Electrochemical (E-chem) toxic gas leak detection, oxygen within confined spaces
- E-chem for oxygen deficiency for confined space entry
- Catalytic bead and NDIR for combustible gas detection

REMOTE SENSING TECHNOLOGY FOR FUGITIVE EMISSIONS

Recent advancements in optical remote sensing technology have made it possible to measure and quantify fugitive VOC emissions from an entire facility or from an operational process unit. This is made possible by mobilizing a Differential Optical Absorption Spectroscopy (DOAS) and Solar Occultation Flux (SOF), and traversing along the fence line of the facility. The data obtained from the analyzer can be graphically displayed with proprietary software.

In September 2013, the SCAQMD Board authorized to contract with FluxSense AB of Sweden for a pilot study to monitor and quantify fugitive VOC emissions from the Tesoro Refinery in Wilmington, CA. The monitoring approach proposed by FluxSense AB included the deployment of SOF and mobile DOAS technologies for monitoring and quantifying emissions including VOC's and other traces gases (e.g. SO₂ and NO₂). SCAQMD continues to review opportunities to utilize this emerging technology as an additional tool for assessing fugitive emission sources and fugitive emission sources.

AIR QUALITY SENSOR PERFORMANCE EVALUATION CENTER (AQ-SPEC)

SCAQMD's Board approved \$852,000 in July 2014 to fund the creation and first year of operation of the Air Quality Sensor Performance Evaluation Center (AQ-SPEC), which will be located at SCAQMD headquarters in Diamond Bar. The agency also will pursue funding opportunities to sustain the center in future years. This center, representing the nation's first comprehensive evaluation center, will test commercially available, low-cost air quality sensors.

The availability of such sensors, many of which can be purchased on the Internet for a few hundred dollars or less, is rapidly proliferating and many residents and community groups are

now using them to measure pollution levels in their neighborhoods. Data from the devices can be “crowd-sourced” in real time to Internet sites. However, there are no performance standards or testing centers to validate the accuracy of the devices, and preliminary tests have indicated that many of them are not reliable, perform poorly in the field and produce measurements that have little or no correlation to scientifically validated air quality data.

SCAQMD plans to acquire the air quality sensors and begin field and laboratory testing of them this fall. A dedicated website is expected to be launched in the near future and will include testing results and some guidelines and considerations for use of the new technology.

In the field, the sensors will be tested alongside one or more of SCAQMD’s existing air monitoring stations using federally approved methods to gauge overall performance. Sensors demonstrating acceptable performance in the field will then be brought to the AQ-SPEC for more detailed testing.

SCAQMD also will encourage other air quality agencies, universities and national labs to submit any test data and reports they have to help expand the knowledge of available air quality sensors and their performance.

Low-cost air quality sensors have many potential uses from research to personal exposure monitoring to providing education, information and awareness about air quality levels and exposure. Poor or improper data obtained from unreliable sensors could lead to confusion and also jeopardize the successful development, deployment and use of the technology. SCAQMD’s AQ-SPEC program is designed to help provide much-needed information about this emerging technology.

Field Testing

Air quality sensors will be operated side-by-side with more “standardized” air monitoring equipment such as Federal Reference Methods and Federal Equivalent Methods (FRM and FEM, respectively), which are routinely used to measure the ambient concentration of gaseous or particle pollutants for regulatory purposes. The testing will be conducted at one or more of SCAQMD’s existing air monitoring stations (e.g., Rubidoux air monitoring station in Riverside, CA, and the I-710 station, a near-roadway site) to test overall performance.

Laboratory Testing

Sensors that demonstrate an acceptable performance in the field will be brought back to the lab for more detailed testing. A “characterization chamber” (set-up inside the SCAQMD laboratory) will be used to challenge the sensors with known concentrations of different particle and gaseous pollutants (i.e. both individual pollutants and different pollutant mixtures) under different temperature and relative humidity levels.

Main Goals & Objectives

- Provide guidance & clarity for ever-evolving sensor technology & data interpretation
- Catalyze the successful evolution / use of sensor technology
- Minimize confusion

Sensor Selection Criteria

- Potential near-term use
- Real- or near-real time (e.g. 1-min)
- Criteria pollutants & air toxics
- Turnkey products first
- Price range: < ~\$2,000 (purchase); > ~\$2,000 (lease/borrow)

Type of Sensors That Are Being/Will Be Tested

- Electrochemical
- Metal Oxide
- Optical Sensors
- Other

Pollutants / Variables Measured

- Particle count and particle mass (e.g. PM2.5, PM10)
- Gaseous pollutants (NO_x, CO, NO, H₂S, SO₂, VOCs, others)
- Meteorological parameters (e.g. T and RH)

Expected Results and Next Steps

- Provide the knowledge necessary to appropriately select, use, and maintain sensors and to correctly interpret their data
- Promote a better and more responsible use of available sensors
- Discover new and more effective ways to interact with local communities
- Provide manufacturers with valuable feedback for improving available sensors and for designing the next generation sensor technology
- Create a “sensor library” to make “low-cost” sensors available to communities, schools, and individuals across California

APPENDIX B. SAMPLING OF COMPLAINT HISTORY (2010 – 2014) – OIL AND GAS PRODUCTION FACILITIES

SAMPLE SURVEY

A sample of the 473 oil and gas production facilities complaint records were reviewed for the five year period between 2010 and 2014. The facilities were reviewed for the number of complaints received during along with identification of any notices of violation received for Rule 402 - Nuisance, Rule 1176 - VOC Emissions from Wastewater Systems, Rule 1173 - Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, Rule 203 - Permit to Operate, and Rule 1148.1. Detailed information, such as the outcome of the investigation including final complaint verification status and details on ~~the any~~ violation notices, require additional individual screening for each complaint and ~~has~~ have not been included in this Appendix.

SAMPLE RESULTS

Over the reviewed five-year period, there were ~~26,986~~ 25,828 total odor complaints identified and recorded by the SCAQMD. From this total there were ~~353~~ 398 odor complaints that were alleged and identified as confirmed from industrial oil and gas wells facilities. The Table below lists facilities from the sample search, associated with the number of Rule 402 Nuisance notices of violation (NOV), along with other associated rule NOVs.

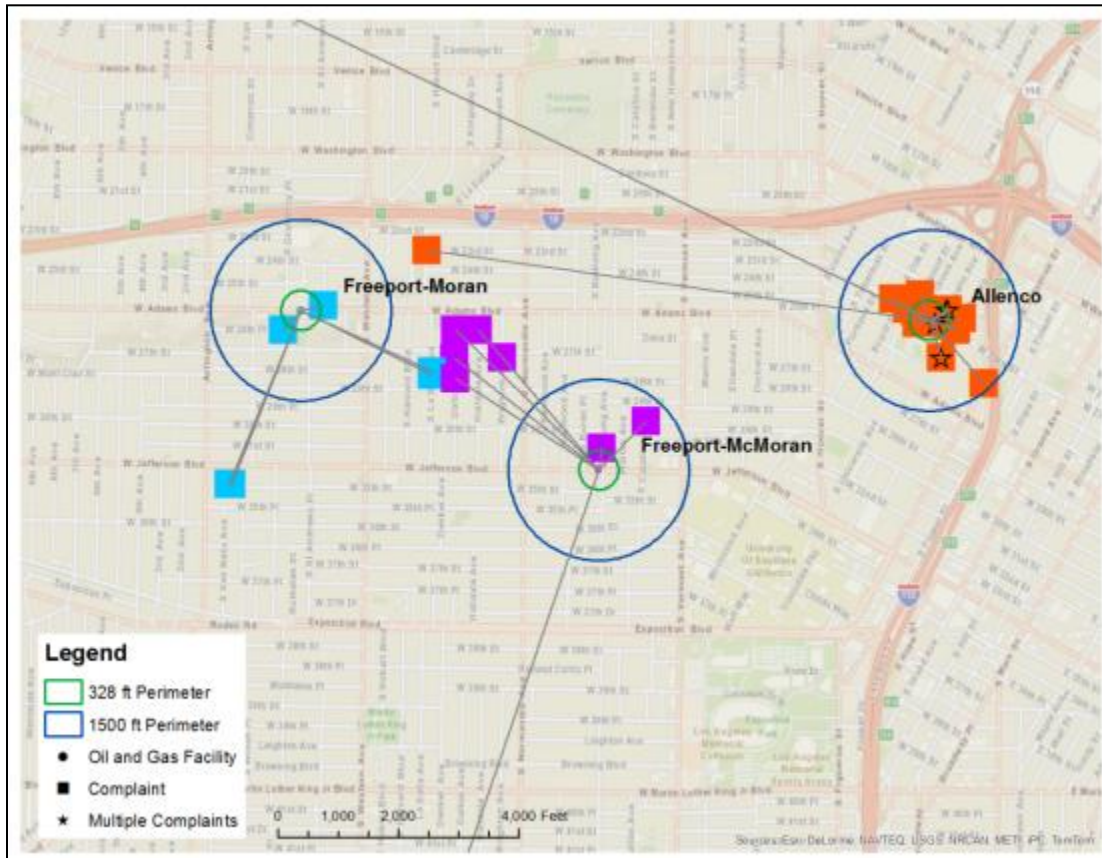
Facility Name	Location	No. Complaint	402 NOV	1176 NOV	1148.1 NOV	<u>1173 NOV</u>	<u>203 NOV</u>
AllenCo Energy	Los Angeles	258 <u>253</u>	3 <u>6</u>	4 <u>6</u>	4 <u>5</u>	2 <u>2</u>	4 <u>4</u>
Angus Petroleum	Huntington Beach	58 <u>109</u>	0	0	0	<u>0</u>	<u>0</u>
Freeport McMoran	Jefferson St.	44 <u>15</u>	0	2	0	<u>0</u>	<u>0</u>
Holly Street Inc	Huntington Beach	8	0	0	0	<u>0</u>	<u>0</u>
Freeport McMoran	W. Adams Bl.	7 <u>6</u>	0	2	0	<u>0</u>	<u>0</u>
Amtek Construction	Whittier	3	0	0	1	<u>0</u>	<u>0</u>
Oxy USA Inc	Carson	1	0	0	0	<u>0</u>	<u>0</u>
Matrix Oil Corp	Whittier	4 <u>2</u>	0	0	0	<u>0</u>	<u>0</u>
Greka Oil & Gas Inc	Placentia	1	0	0	0	<u>0</u>	<u>0</u>

MAPS

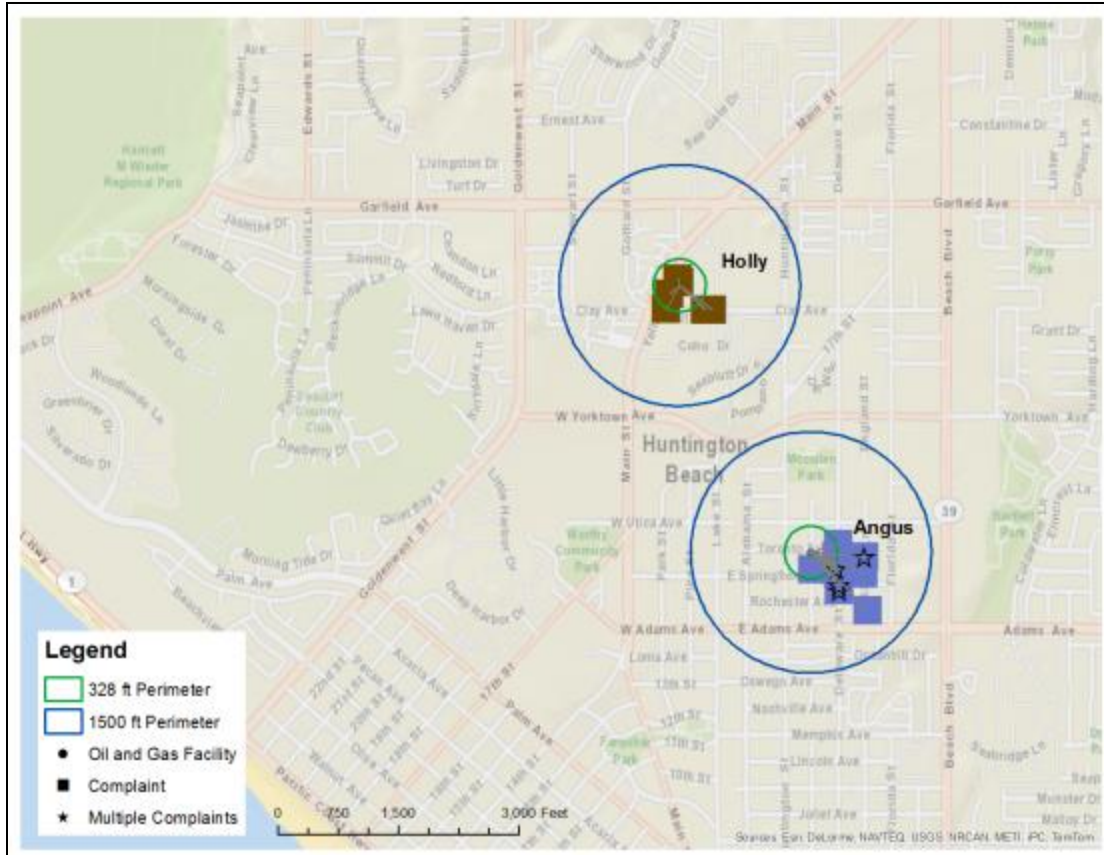
A graphical map display was used for the facilities from the list above to help illustrate the distance from the facility to each of the complainants. The larger circle represents a sensitive receptor distance of approximately 1,500 feet from the proposed amendment and the smaller

Final Staff Report

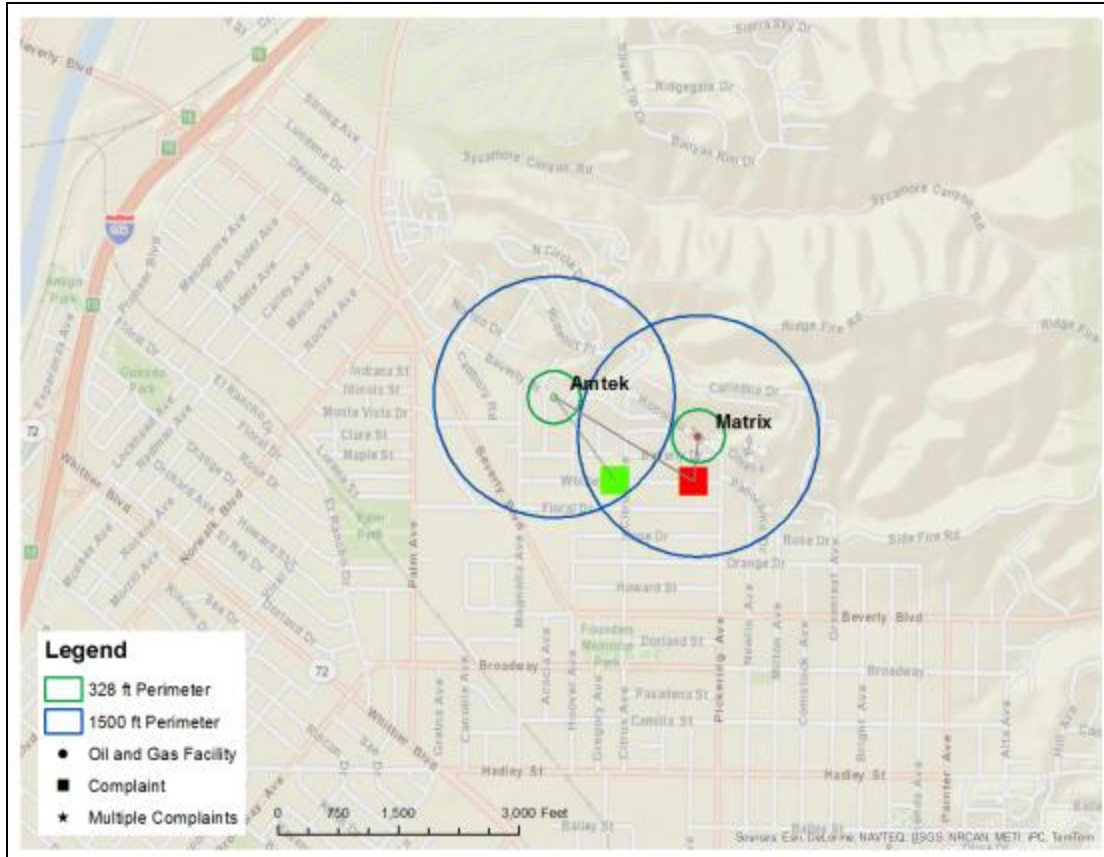
circle is the radius distance of 100m or 328 ft used for sensitive receptors based on the existing rule. The center of the 328ft radius circle is the location of the oil and gas production facility and the square dots within and outside the 1,500 foot radius and 328 foot radius represent logged odor complaints. The stars represent approximate locations of multiple complaints for several alleged events over the five-year period.



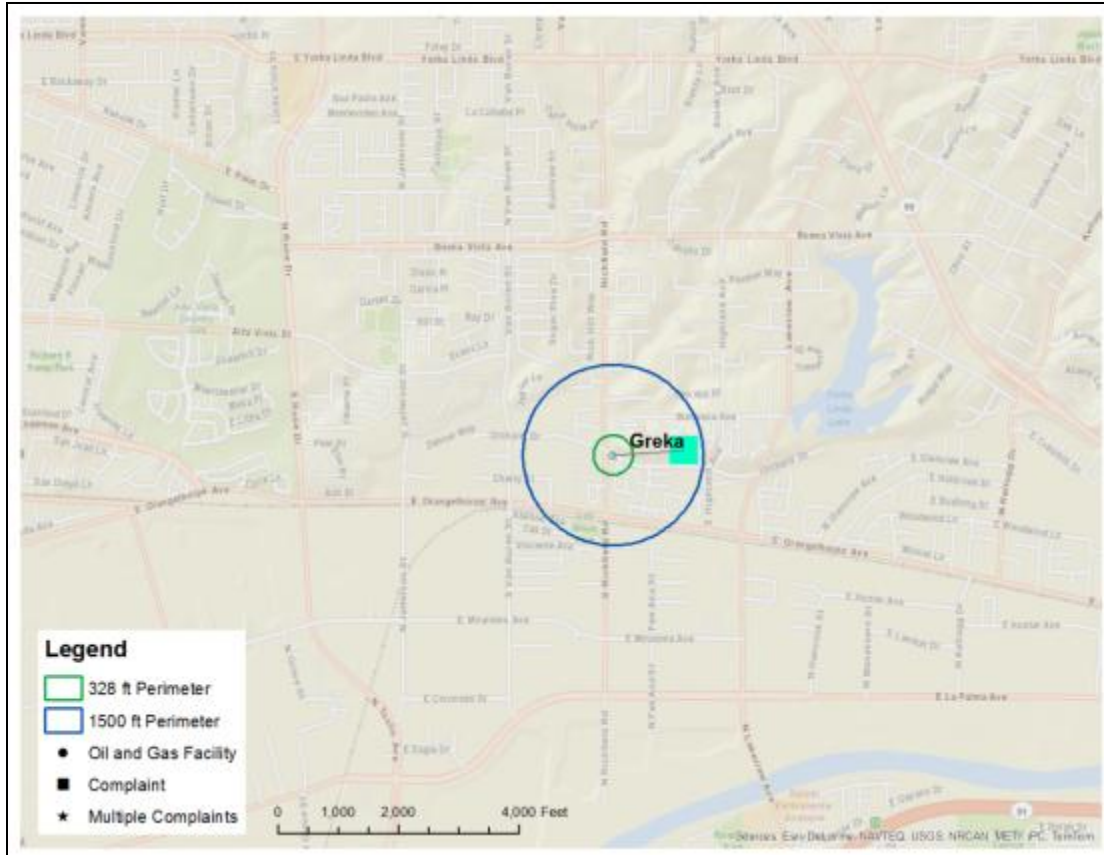
The above graph represents three oil and gas production facilities that are within two square miles, located near the Los Angeles Downtown Area. The grouping of complaint locations are mostly outside the 100 meter or 328 foot radius with the exception of Allenco, which has large grouping along its facility boundary. Also notable is the amount of complaints that are from outside the 1,500-foot radius. However, these complaints have been verified-identified as confirmed at the address and traced upwind to the specific oil and gas production facility according to this sample search, although final verification status has not been specifically reviewed.



Angus Oil, located in the City of Huntington Beach, has complainants that live mostly across the street from the oil and gas production facility. There are several blocks of condominiums and townhomes that border the oil production facility on two sides. The consistent factor is that the oil and gas production facilities are located near residential neighborhoods. The proximity to a densely populated residential neighborhood increases the likelihood of complaints with moderate to low wind movement during particular activities.



The above map identifies two Whittier oil and gas production facilities that are approximately 1,500 feet from each other. These two facilities are also situated in residential neighborhoods, but the population density is not as high as downtown Los Angeles and Huntington Beach, as shown through satellite mapping, and have historically lower odor complaints, if any, during any given year.



Oil and Gas Production facility located in the City of Placentia. The facility is located in a mixed-use and open area, and has only one confirmed odor complaint for a five year period.

OBSERVATIONS

The following was noted in the review of the complain history and proximity review:

- At farther distances and lower population density, complaint activity decreases.
- Conversely at closer distances and greater population density, complaint activity increases.
- Many complaints are registered within 1,500 feet.
- Some facilities, while located in close proximity to sensitive receptors, do not have a significant nuisance complaint history.

**APPENDIX C. PAR 1148.1 (d)(~~12~~13) – SAMPLE INFORMATION
SIGNAGE**

Instructional Information Requirement

PAR1148.1 (d)(~~12~~13) requires owner and operators, 30 days after the rule becomes effective, to post instructional signage for the reporting of odor complaints. The sign must be placed in a conspicuous location and under such conditions as to make it likely to be read or seen and understood by an ordinary individual during both normal operating and non-operating hours, for example near the facility entrance. The sign must contain information that informs the complainant of the facility's name, facility contact information, and instructions to contact the South Coast Air Quality Management District at the 1 800 CUT-SMOG number. The information must be posted in English and Spanish.

The following page is a sample of the type of signage that could be used to meet the requirements of paragraph (d)(~~12~~13) of the proposed amended rule.

To Report Odors: / Para reportar olores:

FACILITY NAME FACILITY PHONE NUMBER

Usted puede hacerlo directamente al nombre y número ubicado en la planta o instalación de donde provenga el olor.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD)
1-800-CUT-SMOG OR 1-800-288-7664**

Llamando a la agencia “South Coast Air Quality Management District o SCAQMD” al número (800) Cut- Smog o (800) 288-7664.

12”-18”

**CONTACT Us ONLINE: / POR MEDIO DE LA PAGINA EN LÍNEA UBICADA EN:
[HTTP://WWW3.AQMD.GOV/WEBAPPL/COMPLAINTSYSTEMONLINE/NEWCOMPLAINT.ASPX](http://www3.aqmd.gov/webappl/complaintsystemonline/newcomplaint.aspx)**

DOWNLOAD THE SCAQMD SMARTPHONE APP

POR MEDIO DE NUESTRAS APLICACIONES “APPS” DE TELÉFONOS INTELIGENTES LAS CUALES ESTÁN DISPONIBLES EN LOS SISTEMAS OPERATIVOS IOS Y ANDROID.

24”-36”

To Report Odors: / Para reportar olores:

FACILITY NAME FACILITY PHONE NUMBER

Usted puede hacerlo directamente al nombre y número ubicado en la planta o instalación de donde provenga el olor.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD)
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[HTTP://WWW3.AQMD.GOV/WEBAPPL/COMPLAINTSYSTEMONLINE/NEWCOMPLAINT.ASPX](http://www3.aqmd.gov/webappl/complaintsystemonline/newcomplaint.aspx)**

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24”-36”

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Environmental Assessment For Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

June 2015

SCAQMD No. 04282015BAR
State Clearinghouse No: 2015041090

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PREFACE

This document constitutes the Final Environmental Assessment (EA) for Proposed Amended Rule 1148.1 – Oil and Gas Production Wells. The Draft EA was released for a 30-day public review and comment period from April 29, 2015 to May 28, 2015 which identified the topics of air quality and greenhouse gases, and energy as environmental topic areas that may be adversely affected by the proposed project, but after completing the analysis, were shown to have less than significant impacts.

Two comment letters were received from the public regarding the analysis in the Draft EA. The comment letters and responses to individual comments are included in Appendix C of this document. No comment letters were received that identified other potentially significant adverse impacts from the proposed project.

Subsequent to release of the Draft EA, minor modifications were made to the proposed project and some of the revisions were made in response to verbal and written comments on the project's effects. To facilitate identification, modifications to the document are included as underlined text and text removed from the document is indicated by ~~striketrough~~. Staff has reviewed the modifications to the proposed project and concluded that none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these minor revisions do not require recirculation of the document pursuant to CEQA Guidelines §15073.5 and §15088.5. Therefore, this document now constitutes the Final EA for the proposed project.

TABLE OF CONTENTS

CHAPTER 1 - PROJECT DESCRIPTION

Introduction.....	1-1
California Environmental Quality Act.....	1-2
Project Location.....	1-3
Project Background.....	1-4
Technology Overview.....	1-7
Project Description.....	1-15

CHAPTER 2 - ENVIRONMENTAL CHECKLIST

Introduction.....	2-1
General Information.....	2-1
Environmental Impact Areas Potentially Affected.....	2-2
Determination.....	2-3
Environmental Checklist and Discussion.....	2-4

APPENDICES

Appendix A: Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

Appendix B: Assumptions and Calculations

Appendix C: Comment Letters Received on the Draft EA and Responses
to Comments

LIST OF TABLES

Table 1-1: Proposed Odor Monitoring and Mitigation Requirements.....	1-18
Table 2-1: SCAQMD Air Quality Significance Thresholds.....	2-12
Table 2-2: Baseline Emissions from Diesel-Fueled Workover Rigs Operated in Los Angeles, Orange, Riverside, and San Bernardino Counties.....	2-14
Table 2-3: Emissions from Diesel-Fueled Workover Rigs Operated in Los Angeles, Orange, Riverside, and San Bernardino Counties After Implementing PAR 1148.1.....	2-15
Table 2-4: Net Difference Between Baseline and PAR 1148.1 Emissions from Diesel-Fueled Workover Rigs Operated in Los Angeles, Orange, Riverside, and San Bernardino Counties.....	2-165
Table 2-5: Estimated Emissions from Alternative Fuel Workover Rigs Based on Diesel Fuel Usage Equivalency.....	2-198
Table 2-6: <u>Estimated Emissions from Vacuum Trucks and Generator Sets.</u>	2-20
Table 2-7: <u>Estimated Construction Emissions from Installing Monitoring Systems on a Peak Day.....</u>	2-20
Table 2-8: <u>Estimated GHG Construction Emissions from Installing Monitoring Systems at 24 Facilities.....</u>	2-21
Table 2-9: Electricity Usage Summary.....	2-3129
Table 2-107: Total Projected Alternative Fuel Use.....	2-329

LIST OF TABLES (concluded)

Table 2-11: Total Projected Fuel Use From Vacuum Trucks, Generator
Sets, Delivery Trucks and Construction Worker Vehicles 2-32
Table C-1: List of Comment Letters Received Relative to the Draft EA C-1

LIST OF FIGURES

Figure 1-1: Southern California Air Basins 1-4
Figure 1-2: Typical SCAQMD Complaint Handling Process 1-7
Figure 1-3: Typical Oil and Gas Production Facility Processes and
SCAQMD Rule Applicability 1-8
Figure 1-4: Artificial Lift Pumping Unit 1-10
Figure 1-5: A Typical Well 1-13

LIST OF WORKSHEETS

Worksheet B-1: Diesel Fuel Use B-1
Worksheet B-2: Diesel Delivery Trips B-2
Worksheet B-3: Electricity Demand B-5
Worksheet B-4: Alternative Fuel Use B-7
Worksheet B-5: Vacuum Trucks and Temporary Lighting B-8
Worksheet B-6: Installation of Monitoring Systems B-9

CHAPTER 1

PROJECT DESCRIPTION

Introduction

California Environmental Quality Act

Project Location

Project Background

Technology Overview

Project Description

INTRODUCTION

The California Legislature created the South Coast Air Quality Management District (SCAQMD) in 1977¹ as the agency responsible for developing and enforcing air pollution control rules and regulations in the South Coast Air Basin (Basin) and portions of the Salton Sea Air Basin and Mojave Desert Air Basin referred to herein as the district. By statute, the SCAQMD is required to adopt an air quality management plan (AQMP) demonstrating compliance with all federal and state ambient air quality standards for the district². Furthermore, the SCAQMD must adopt rules and regulations that carry out the AQMP³. The 2012 AQMP concluded that major reductions in emissions of particulate matter (PM), oxides of sulfur (SO_x), volatile organic compound (VOC) and oxides of nitrogen (NO_x) are necessary to attain the state and national ambient air quality standards for ozone and particulate matter with an aerodynamic diameter of 2.5 microns or less (PM_{2.5}). VOC emission reductions, along with NO_x emission reductions, are necessary because emission reductions of both of these ozone precursors are necessary to meet the ozone standards. VOC emission reductions also contribute to achieving the PM_{2.5} ambient air quality standards.

Although health-based standards have not been established specifically for VOCs, health effects can occur from exposures to high concentrations of VOCs because of interference with oxygen uptake. In general, ambient VOC concentrations in the atmosphere are suspected to cause coughing, sneezing, headaches, weakness, laryngitis, and bronchitis, even at low concentrations. Some hydrocarbon components classified as VOC emissions are thought or known to be toxic air contaminants (TACs). With stationary and mobile sources being the major producers of VOCs, which contribute to ozone formation, reducing the quantity of VOCs in the district has been an on-going effort by the SCAQMD.

Rule 1148.1 – Oil and Gas Production Wells, was adopted in 2004 to implement portions of the 2003 AQMP Control Measure FUG-05 – Emission Reductions from Fugitive Emission Sources, to reduce VOC emissions from well cellars as well as from sources of untreated produced gas located at oil and gas production facilities. Rule 1148.1 also requires a visual inspection and maintenance program for controlling untreated produced gas and contains additional regulatory considerations for sources located within 100 meters of sensitive receptors. However, due to an increased awareness of oil and gas production wells by the community, leading to multiple complaints and public comments requesting more proactive and preventative measures, SCAQMD staff has revisited the requirements in Rule 1148.1 to see what, if any, improvements can be made to the rule in order to minimize air quality and odor impacts to local residents and sensitive receptors that are often located nearby from ongoing operations that do not include drilling or well stimulation.

To prevent public odor nuisance and possible detriment to public health caused by exposure to VOC, TAC, and total organic compound (TOC) emissions from the operation and maintenance of oil and gas production facilities, SCAQMD staff is proposing amendments to Rule 1148.1 that would: 1) increase the minimum proximity distance to sensitive receptors (e.g., from 100 meters

¹ The Lewis-Presley Air Quality Management Act, 1976 Cal. Stats., ch 324 (codified at Health and Safety Code, §§40400-40540).

² Health and Safety Code, §40460 (a).

³ Health and Safety Code, §40440 (a).

to 1,500 feet) that would trigger additional emission and odor preventative measures; 2) require the use of odor mitigation best practices for operation and maintenance of oil and gas production facilities; 3) require specific cause analysis and reporting for confirmed odor events and confirmed oil deposition events; 4) require Odor Mitigation Plans for facilities with continuing odor issues; and, 5) make administrative changes by removing obsolete rule language and making minor revisions to promote clarity, consistency, and enforceability throughout the rule.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Because the proposed project is to be carried out by a public agency, it is a “project” as defined by the California Environmental Quality Act (CEQA). SCAQMD is the lead agency for the proposed project and has prepared this Final draft Environmental Assessment (EA) with no significant adverse impacts pursuant to its Certified Regulatory Program. California Public Resources Code §21080.5 allows public agencies with regulatory programs to prepare a plan or other written document in lieu of an environmental impact report once the Secretary of the Resources Agency has certified the regulatory program. The SCAQMD's regulatory program was certified by the Secretary of the Resources Agency on March 1, 1989, and is codified as SCAQMD Rule 110 - Rule Adoption Procedures to Assure Protection and Enhancement of the Environment.

CEQA and Rule 110 require that potential adverse environmental impacts of proposed projects be evaluated and that feasible methods to reduce or avoid significant adverse environmental impacts of these projects be identified. To fulfill the purpose and intent of CEQA and pursuant to Rule 110 (the rule which implements the SCAQMD's certified regulatory program), SCAQMD has prepared this Final Draft EA to evaluate potential adverse environmental impacts associated with implementing the proposed project. The Final Draft EA is a public disclosure document intended to: 1) provide the lead agency, responsible agencies, decision makers and the general public with information on the environmental effects of the proposed project; and, 2) be used as a tool by decision makers to facilitate decision making on the proposed project. This Final Draft EA includes an Environmental Checklist and project description. The Environmental Checklist provides a standard evaluation tool to identify a project's adverse environmental impacts.

SCAQMD's review of the proposed project shows that PAR 1148.1 would not have a significant adverse effect on the environment. Because PAR 1148.1 will have no statewide, regional or areawide significance, no CEQA scoping meeting was required to be held for the proposed project pursuant to Public Resources Code §21083.9 (a)(2). Further, pursuant to CEQA Guidelines §15252, since no significant adverse impacts were identified, no alternatives or mitigation measures are required to be included in this Final Draft EA. The analysis in Chapter 2 supports the conclusion of no significant adverse environmental impacts. The Draft EA was released for a 30-day public review and comment period from April 29, 2015 to May 28, 2015. Written Two comment letters on the environmental analysis in the Draft EA were received and will be were evaluated, and Responses to all of the comments received have will been prepared. The comment letters and the responses are included in Appendix C of this Final EA.

Subsequent to release of the Draft EA, minor modifications were made to the proposed project and some of the revisions were made in response to verbal and written comments on the project's

effects. Staff has reviewed the modifications to the proposed project and concluded that none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these minor revisions do not require recirculation of the document pursuant to CEQA Guidelines §15073.5 and §15088.5. Prior to making a decision on the proposed amendments to Rule 1148.1, the SCAQMD Governing Board must review and adopt the Final EA as providing adequate information on the potential adverse environmental impacts of the proposed amendments to Rule 1148.1.

PROJECT LOCATION

The proposed amendments to Rule 1148.1 would affect all on-shore oil producing wells, wellheads, well cellars, and untreated produced gas operations within the SCAQMD's jurisdiction, unless specifically exempt. The SCAQMD has jurisdiction over an area of approximately 10,743 square miles, consisting of the four-county South Coast Air Basin (Basin) (Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The Basin, which is a subarea of the SCAQMD's jurisdiction, is bounded by the Pacific Ocean to the west and the San Gabriel, San Bernardino, and San Jacinto mountains to the north and east. It includes all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties. The Riverside County portion of the SSAB is bounded by the San Jacinto Mountains in the west and spans eastward up to the Palo Verde Valley. The federal nonattainment area (known as the Coachella Valley Planning Area) is a subregion of Riverside County and the SSAB that is bounded by the San Jacinto Mountains to the west and the eastern boundary of the Coachella Valley to the east (see Figure 1-1).

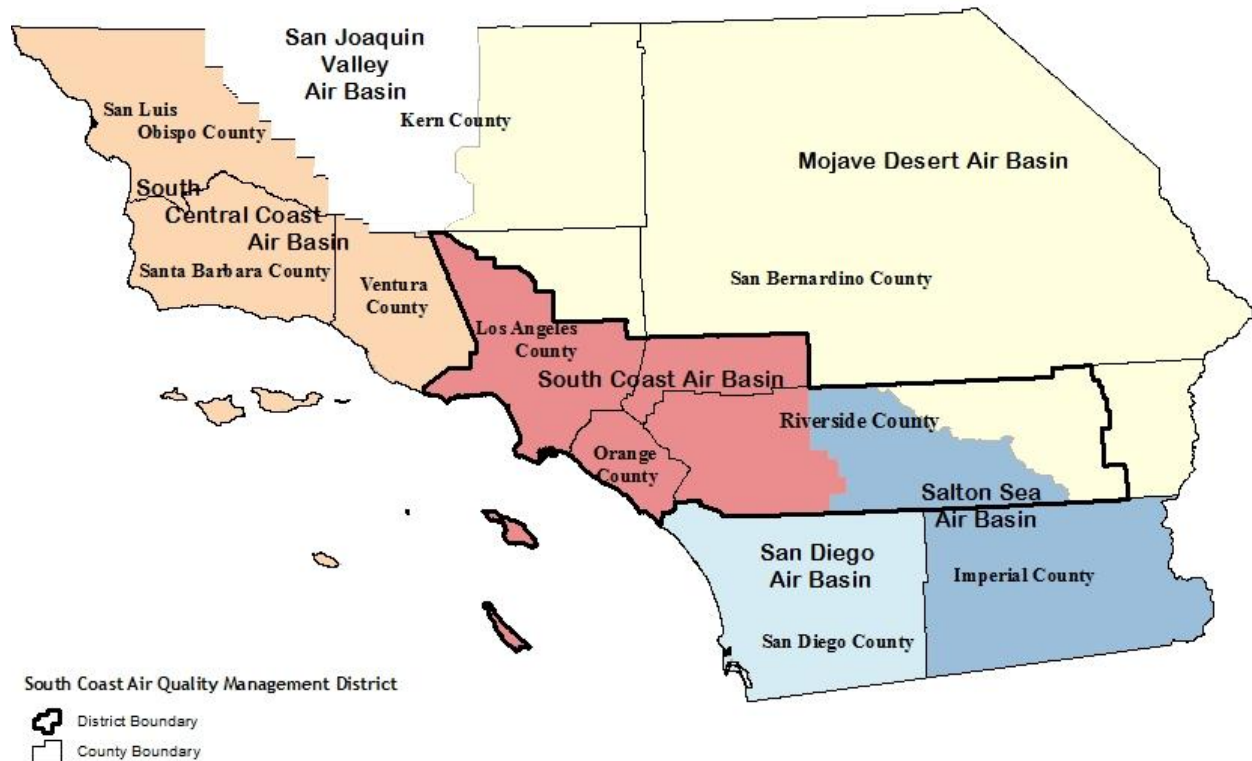


Figure 1-1: Southern California Air Basins

PROJECT BACKGROUND

The California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) oversees the maintenance of well cellars at oil and gas production operations throughout California. The Public Resources Code (PRC), Division 3, Chapters One through Four, govern the regulatory functions of DOGGR. DOGGR is responsible for supervising oil, gas and geothermal well drilling, operation, maintenance, plugging and abandonment operations to prevent the damage to life, health, property and natural resources by enforcing the requirements in Public Resources Code §§3300 - 3314 and §§3350 - 3353 which prohibit persons from willfully allowing natural gas from land containing oil or gas to escape into the atmosphere by:

- Preventing damage to underground oil, gas and geothermal deposits;
- Preventing damage to underground and surface waters suitable for irrigation or domestic use;
- Preventing other surface environmental damage, including subsidence;
- Preventing conditions that may be hazardous to life or health; and
- Encouraging the wise development of oil, gas and geothermal resources through good conservation and engineering practices.

DOGGR’s responsibilities also entail permitting and testing wells; conducting safety inspections; overseeing production and injection projects; conducting inspections of environmental leases; testing idle-wells; inspecting oilfield tanks, pipelines, and sumps; plugging hazardous and orphan-wells and overseeing abandonment contracts; and monitoring subsidence.

Rule 1148.1 was adopted in 2004 to regulate VOC emissions from wellheads, well cellars and untreated produced gas at oil and gas production operations. Rule 1148.1 currently implements all feasible control measures in accordance with the 2003 AQMP Control Measure FUG-05 – Emission Reductions from Fugitive Emission Sources and California Health and Safety Code §40920.5. Rule 1148.1 works in concert with the state regulations.

Operators of oil wells and well cellars are not required to obtain SCAQMD permits and not all oil wells utilize well cellars. However, facilities with equipment such as American Petroleum Institute (API) oil-water separators, tanks, vessels, heaters, boilers, internal combustion engines and clean-out sumps (part of the dehydration or wastewater system permit unit), and “control” equipment such as heaters, flares, gas treatment equipment, internal combustion engines and boilers are required to have SCAQMD permits. In addition, SCAQMD Rule 222 - Filing Requirements For Specific Emission Sources Not Requiring A Written Permit Pursuant To Regulation II, includes oil production well groups, applies to no more than four well pumps located at a facility subject to Rule 1148.1 at which crude petroleum production and handling are conducted, as defined in the Standard Industrial Classification Manual as Industry No. 1311, Crude Petroleum and Natural Gas. To date, there are 473 oil and gas production facilities operating within SCAQMD’s jurisdiction that are either currently subject to Rule 1148.1 or registered via Rule 222.

In addition to Rule 1148.1, there are other SCAQMD rules that may apply to oil and gas production facilities. However, there are only four SCAQMD rules that specifically regulate oil and gas production activities at these facilities, as follows:

Rule 1148 - Thermally Enhanced Oil Recovery Wells

Rule 1148 was adopted in 1982 and has not been amended since its adoption. Rule 1148 applies to thermally enhanced oil recovery wells, and limits VOC emissions to 4.5 pounds per day or less per well, regardless of whether each well is connected to a vapor control system.

Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

Rule 1148.2 was adopted in 2013 to gather air-quality related information on oil and gas well pre-production activities, such as hydraulic fracturing and other well production stimulation operations. Rule 1148.2 contains reporting requirements for operators and chemical suppliers of onshore oil and gas wells undergoing rework or completion activities.

Rule 1173 - Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

Rule 1173 was adopted in 1989 and last amended in 2009. The purpose of the rule is to reduce VOC leaks from components such as valves, fittings, pumps, compressors, pressure relief devices, diaphragms, hatches, sight glasses and meters at refineries, chemical plants, lubricating

oil and grease re-refiners, marine terminals, oil and gas production fields, natural gas processing plants, and pipeline transfer stations.

Rule 1176 - Sumps and Wastewater Separators

Rule 1176 was adopted in November 1989 and last amended in September 1996. Rule 1176 applies to wastewater systems and associated control equipment located at petroleum refineries, onshore oil production fields, off-shore oil production platforms, chemical plants and industrial facilities. Sumps and wastewater separators are required to be covered with either a floating cover equipped with seals or a fixed cover, equipped with a closed vent system vented to an air pollution control system. Currently, Rule 1176 subparagraph (i)(5)(H) exempts well cellars used in emergencies at oil production fields provided that clean-up procedures are implemented within 24 hours after each emergency occurrence and completed within ten calendar days.

Since oil field production facilities are prevalent throughout the SCAQMD's jurisdiction and many are situated within close proximity to sensitive receptors, such as residential communities and schools with very little buffer zones between operations and receptors, SCAQMD staff has proceeded with rule amendment efforts to further protect the public from odors and nuisance from existing and future urban oil field production facilities beyond the existing regulatory setting. As part of the rule amendment efforts, SCAQMD staff assessed the current odor and complaint reporting system. The SCAQMD currently manages complaints via the 1-800-CUT-SMOG telephone hotline, via the on-line complaint system (<http://www.aqmd.gov/contact/complaints>), and through implementation of Rule 402 – Nuisance. Rule 402 prohibits any discharge of any material that may cause injury, detriment, nuisance, annoyance or discomfort to any considerable number of persons, with a large number of complaints typically associated with disagreeable odors. Currently, in order to pursue an enforcement action under Rule 402, an odor must be verified at the complainant location, that same odor traced upwind to the source, and the source identified as either the boundary of a facility or a device, equipment or unit. Once the odor is traced to either a facility or source, the complaint would become confirmed. Finally, multiple confirmed complaints called within the same timeframe would qualify for issuance of a Notice of Violation (NOV). For more frequent odor NOV's, conditions, through an Order of Abatement, may be issued to address ongoing odor issues resulting from a facility.

Figure 1-2 contains an overview of SCAQMD's complaint handling process where typically an NOV may be issued if there are six or more confirmed complaints. Where less than an NOV threshold is established or observed but odors can be traced to an activity or equipment, the inspector reviews all applicable rules and permit conditions to determine if the detected odors are attributable to potential non-compliance. In the event that a Rule 402 NOV is issued, the source would be subject to a more thorough and lengthy legal investigation and violation settlement.

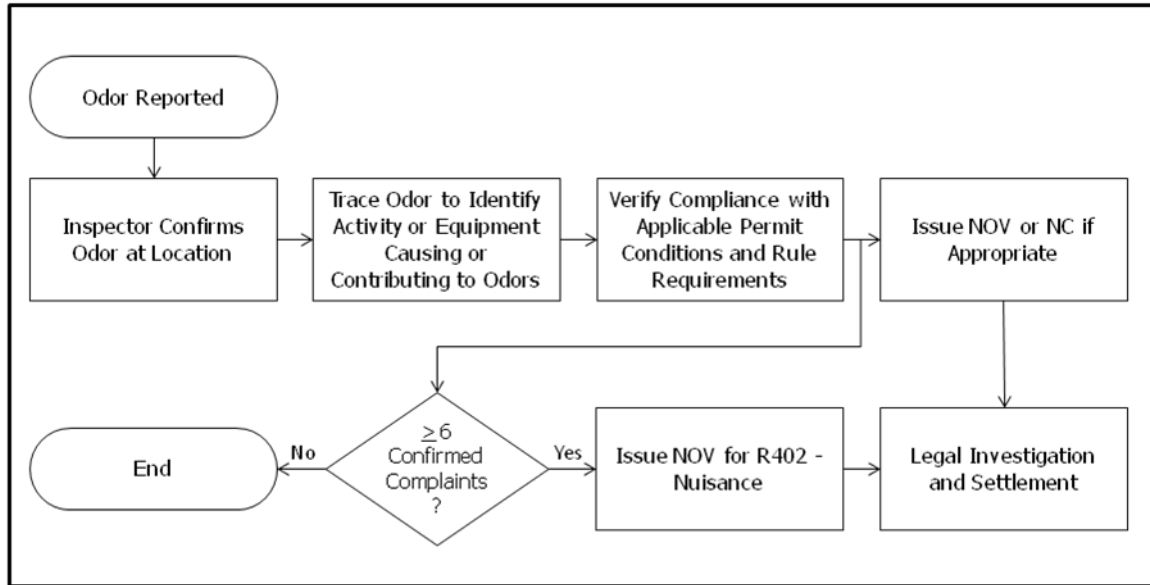


Figure 1-2: Typical SCAQMD Complaint Handling Process

It is not uncommon for complaints to be unconfirmed, or for an odor causing event to fall short of the multiple complaint threshold for issuance of a Rule 402 NOV. Odors may be caused by infrequent or brief activities and are fleeting. Although an inspector responding to a complaint typically communicates a summary of the initial field inspection, in some cases the complainant may have chosen to be anonymous, or the complaint call or email may have occurred after hours or late in the evening. In other cases, especially when the complaint or facility is not confirmed, the complainant may be left with the impression that no action has been or can be taken to address their complaint. Finally, even when an NOV is issued, the subsequent legal investigation process, as indicated in Figure 1-2, may not address the immediate informational needs of a complainant, who may continue to experience exposure to objectionable odors due to another facility that may also be causing a separate odor event. A facility that takes specific correction action to address the complaint driven odor causing activity or operation may similarly not be given credit for their actions should similar odors be detected from another facility or from a separate odor causing event.

TECHNOLOGY OVERVIEW

Oil and gas production involves bringing crude oil from the subsurface to the surface and preparing it for shipment to a refinery. The process of moving oil and gas from underground reservoirs to aboveground storage is described as a “pipeline process” since oil and gas in its natural state uses natural pressure or mechanical forces to move the oil and gas through miles of pipeline to the wellhead and is then transported by more piping to storage. In the life of an oil well, there are four main phases which dictate the type of equipment to be used and the work practices and maintenance procedures that will be implemented: 1) exploration; 2) well development; 3) production; and, 4) well abandonment. In addition, there are ancillary procedures and equipment that are used across all phases of oil and gas production, including overall facility and equipment maintenance and spill containment and spill response.

During production, sources of fugitive emissions from oil and gas operations are well cellars and wellheads, and separation and treatment activities. For example, fugitive emissions may occur at valves, flanges and threaded connections on the wellhead. Also, well cellars and wellheads are particularly susceptible to liquid leaks especially where maintenance is poor or when large valves are opened and then closed, which often produces a noticeable amount of liquids including hydrocarbons. If the liquid is allowed to stand over an extended period, VOC emissions and related odors may be released to the atmosphere, and may promote odor nuisance complaints from the local community. To reduce fugitive emissions, sources are required to have a routine program of inspection and equipment repair in order to detect and eliminate conditions that may result in a breakdown. Lastly, workover rigs used in maintenance activities rely on internal combustion engines that generate combustion emissions.

Oil and gas operations have been historically regulated and permitted by the California Division of Oil, Gas and Geothermal Resources (DOGGR). Rule 1148.1 applies principally to the production phase, whereas Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers, applies to the exploration, well development and well rework phases. DOGGR continues to regulate site abandonment activities. The emission-related aspects of ancillary activities such as maintenance and spill containment and spill response are regulated by Rule 1148.1. Figure 1-3 outlines the overall oil and gas well lifecycle and the associated regulatory applicability with respect to activities covered under Rule 1148.1 and Rule 1148.2.

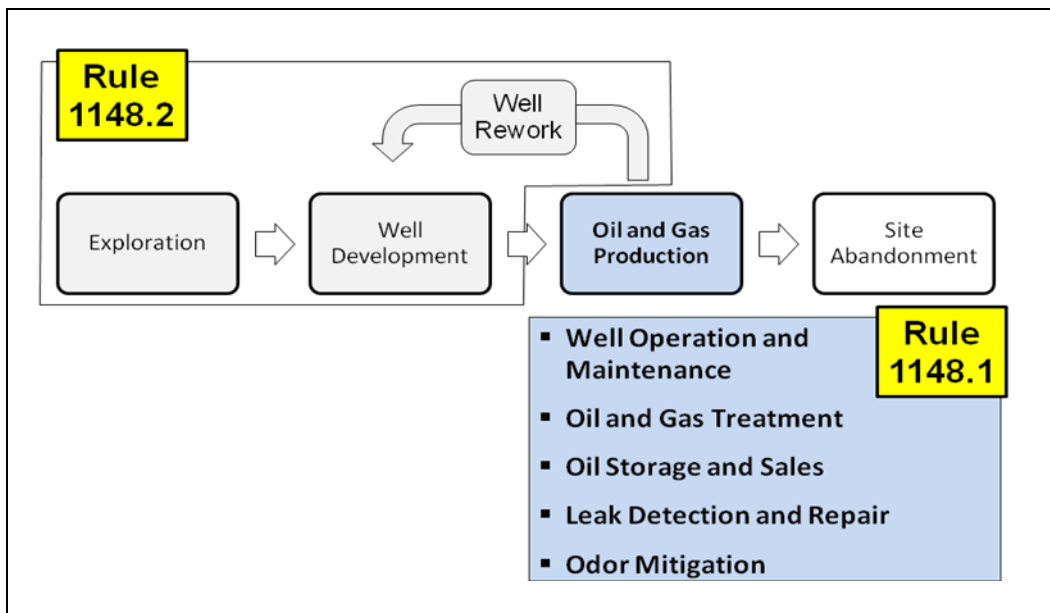


Figure 1-3: Typical Oil and Gas Production Facility Processes and SCAQMD Rule Applicability

Exploration

The drilling of exploratory wells is subject to Rule 1148.2. When oil deposits are discovered as part of drilling an exploratory well, a crude oil reservoir can contain a mixture of water, as well as oil and gas in the small pore spaces in the reservoir rock. Initially, the reservoir holds these fluids under considerable pressure, caused by the hydrostatic pressure of the groundwater. At this pressure, a large part of the gas is dissolved in the oil. These two fluids, the initial water and

the gas in solution, combine to provide the driving force for moving the oil into the well where it is pushed by the underlying pressure.

Exploratory wells are drilled into unknown geological formations in search of locating a new source of oil or natural gas. This type of well represents a risk for the company conducting the drilling due to the high cost and the uncertainty as to how much oil or natural gas the formation might contain. An exploratory well may turn out to be a profitable new source of fossil fuel, or it may contain noncommercial quantities of fuel that are not worth extracting. In the latter case, the exploratory well may be plugged and abandoned.

Well Development

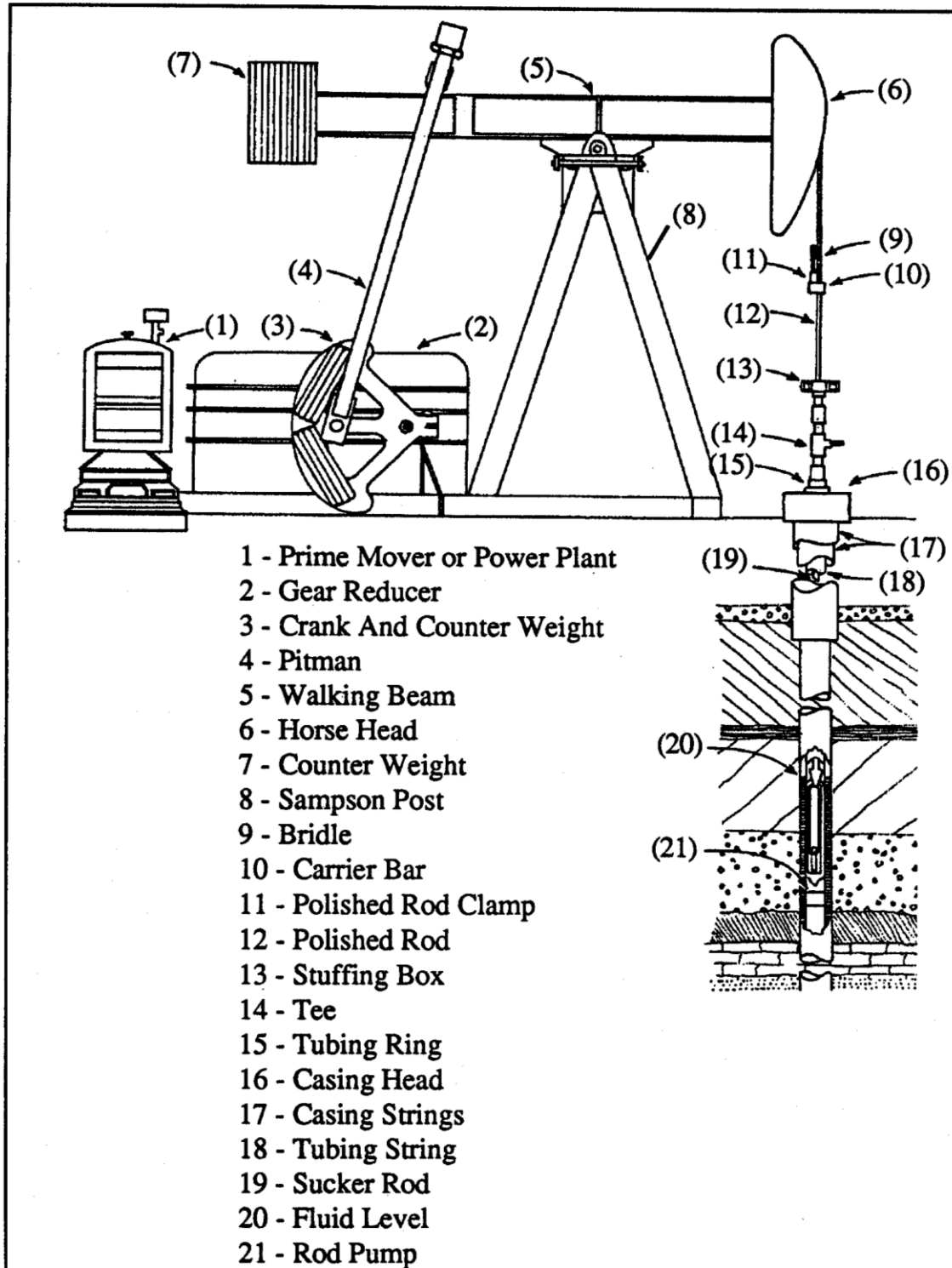
The drilling of development wells is also subject to Rule 1148.2. Development wells are typically drilled within an area that has already proven to be productive. Once oil or gas is discovered in a commercially viable quantity, development wells are drilled to continue to recover as much of the oil or gas as possible. There are also service wells which are drilled for injecting liquids or gases into an underground formation in order to increase the pressure and force the oil toward the producing wells. Service wells also include wells drilled for the underground disposal of salt water produced with the oil and gas. The drilling of service wells is considered to be part of the well development phase.

Production

After completion of the drilling phases, the process enters the production phase which is regulated by Rule 1148.1. The first step of the production phase is to construct an oil well which is essentially a pipeline that reaches from the top of the ground to the oil-producing formation underground. It is through this pipe that oil is brought to the surface. The pipeline is a series of joints of a special kind of pipe (casing) screwed together to form a continuous tube or string for the oil and gas to flow through (see Figure 1-4). Sometimes in drilling a well, more than one commercially productive formation is found. In such cases a separate tubing string is run inside the casing for each productive formation. Production from the separate formations is directed through the proper tubing strings and is isolated from the others by packing that seals the annular space between the tubing strings and casing. These are known as multiple completion wells.

The production stage is the most important stage of a well's life, when the oil and gas are produced. By this time, the rigs used to drill and complete the well have moved off of the wellbore, and the top is usually outfitted with a collection of valves called a “Christmas tree” or production tree. These valves regulate pressures, control flows, and allow access to the wellbore in case further completion work is needed. From the outlet valve of the production tree, the flow can be connected to a distribution network of pipelines and tanks to supply the product to refineries, natural gas compressor stations, or oil export terminals.

As long as the pressure in the reservoir remains high enough, the production tree is all that is required to produce the well. If the pressure depletes and it is considered economically viable, an artificial lift method can be employed to withdraw the remaining product from the reserve (see Figure 1-4). Currently there are four common methods of artificial lift used in the industry today: 1) beam pumping; 2) submersible pumping; 3) gas lift; and, 4) hydraulic pumping.



Source: Figure 301.4, Oil Field Production, Compliance Assistance Program, California Air Resources Board, Compliance Division, July 1992.

Figure 1-4: Artificial Lift Pumping Unit

The artificial lift method of beam pumping is when the pump is designed to be inserted inside the tubing of a well in order to gather fluids from beneath the surface and lift them to the surface. The most important components are the barrel, valves (traveling and fixed) and the piston. The pump is connected to the pumping unit at the surface by a string of sucker rods. Sucker rods are stroked up and down the tubing, activating the pump at the bottom. At the surface, a large mechanical device called the beam pumping unit is attached. Depending on the size of the pump, it generally produces from five to 40 liters of liquid per stroke. Often, the recovered liquid is an emulsion of crude oil and water. One of the advantages of beam pumping is high efficiency; however, it is limited to relatively low production volumes (e.g., less than 1,000 barrels per day (bpd)).

Submersible pumping is when an electrical motor is attached to a pump at the end of the tubing string. The electrical motor turns a centrifugal pump which forces oil from the bottom of the well, up through the inside of the tubing, and out at the surface. The electricity is supplied through an electric cable attached to the side of the tubing and connected to the electric motor. While submersible pumping has high volume and depth capacity and can produce over 1,000 bpd, it has poor ability to pump sand.

Another type of artificial lift is gas lift, which involve a series of devices called gas lift valves that are inserted into the sides of the tubing. The gas is injected into the well through the tubing casing annulus and enters the tubing through the gas lift mandrels and gas lift valves. The fluid in the tubing is made lighter by the gas, and as a result, the mixture is pushed to the surface by the reservoir pressure. The advantage of using gas lift equipment is that the process closely resembles the natural flow process and basically operates as an enhancement or extension of that process. The only major requirement for utilizing gas lift is the need for an available and economical supply of pressurized gas. The draw backs in using this system are high initial capital cost, high level of maintenance and complex operation.

The last artificial lift method, hydraulic pumping, is when high pressure oils are pumped into the well through the tubing string. At the bottom of the well, the pressurized oil enters a mechanical device, causing it to reciprocate. This mechanical device activates a pump which lifts the oil from the producing formation, together with expended powered oil to the surface. The system consists of a surface power fluid system, a prime mover, a surface pump, and a down hole jet or pump. Power fluid from the surface actuates the engine, which in turn drives the pump causing power fluid to return to the surface with the produced oil. The advantages of hydraulic pumping are that there are no moving parts and high volume capability. The downsides are the high initial capital cost and the difficulty of operation.

Site Abandonment

Site abandonment activities are regulated by DOGGR. Once an oil and gas reservoir at a production well is depleted, the well is abandoned and the site is cleaned up. As part of this process, the depleted reservoir hole is plugged with cement to protect all underground strata by preventing any flow or leakage at the surface and protecting the water zone, in accordance with California Code of Regulations (CCR), Subchapter 4 and section 1920.1. Any equipment that is salvageable is removed; pits used in the operation are filled in and the site is re-graded. Wherever practical, the ground is replanted with grass or other kinds of vegetation and sometimes home building sites are constructed.

Maintenance

Maintenance is necessary and required to ensure the smooth and safe operation of oil and gas operations and to minimize emissions during all phases of oil well operations. General maintenance includes the repair or replacement of pull rods or well casings using workover rigs, as well as the inspection and repair of pumps and other equipment used in production.

Spill Containment and Spill Response

Oil and gas production facilities utilize various forms of spill control and countermeasures to address the handling of hazardous materials. Primary containment consists of a permanent structure that holds the hazardous material (oil), such as tanks and piping. In many cases well cellars are used to provide secondary containment. On-shore oil and gas production facilities are also subject to federal requirements for spill control under 40 CFR part 112.

Well Cellars and Wellheads

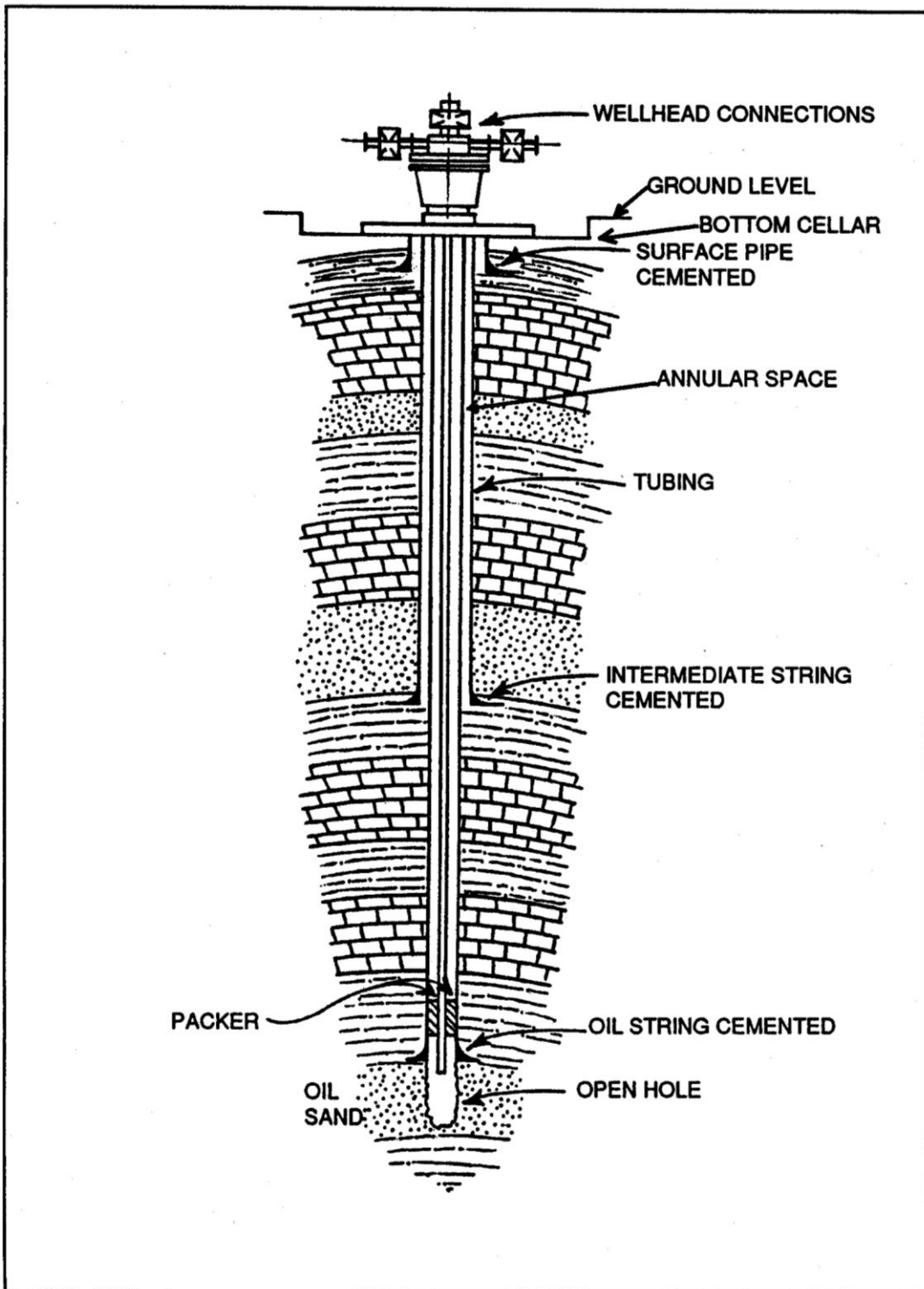
In most cases, the wellhead resides in or above the well cellar which is a small subsurface containment basin used to capture any leaking liquid from oil and gas extraction or maintenance and workover of the well or wellhead (see Figure 1-5).

Well cellars can be lined or unlined and there can be one or more wellheads allocated to a well cellar. On average, a well cellar has approximate dimensions of six feet by six feet with a depth of between five feet and eight feet. In the absence of containers used to catch discarded liquid (crude/water) produced during sampling and maintenance at the wellhead, there is an accumulation of crude oil that falls to the bottom of the well cellar. In order to provide access to wellheads for maintenance and sampling, well cellars are uncovered and become sources of VOC emissions and associated odors when crude oil is collected in this containment.

Separation and Treatment

After the well fluids and gas reach the wellhead they are transferred to a treatment plant. At the treatment plant the crude oil, natural gas, produced water and solid contaminants are separated and treated. A treatment plant may be simple or complex and can take many different forms depending on treatment needs. Typically, the treatment plant includes a well flow-line manifold in addition to separators, free water knockout vessels, heaters (if crude is heavy), heater-treaters, wash tanks, stock tanks, wastewater separators or oil/water separators, sumps, pits, ponds and a vapor recovery unit.

The well fluids (oil/water) and gas mixture flows to a well manifold that connects with each well in the field. From the manifold, the mixture is directed to either a test or a production separator, which separates and measures the three phases and is used to determine the production of each well. Under normal conditions, the mixture flows to a production separator or free water knockout where gas is separated from the mixture. From there, the oil/water stream flows to a free water knockout vessel, a heater treater, a wash tank and an oil/water separation vessel where water is removed from the oil. After it is determined that there is a sufficient reduction of water content, the oil flows to an oil storage or stock tank. Upon sale, the oil flows through Lease Automated Custody Transfer (LACT) units for metering.



Source: Figure 301.2, Oil Field Production, Compliance Assistance Program CARB Compliance Division, July 1992

Figure 1-5: A Typical Well

Gases removed from the oil during treatment may be treated and then either: 1) sold to a utility; 2) used as fuel by the operator; 3) re-injected into the reservoir for pressure maintenance; or, 4) vented to the atmosphere, a practice largely eliminated by the requirements of Rule 1148.1 which provides for the use of air pollution control devices in lieu of venting, except in the case of emergency upset conditions or certain smaller producing wells. Gas collected from separators and oil treaters, along with vapors from storage tanks, may be processed through a glycol dehydration unit to remove the water from the gas before it is put into a sales pipeline or used again in the dehydration process. A common practice to control production gas from small- and medium-sized operations is to use a gas-fired heater to burn the facility's gas and produce heat to reduce the viscosity of the crude oil product. Some facilities use the production gas to fuel micro-turbines for onsite power needs. Reducing the viscosity of crude oil facilitates the handling within the production operation or the transport via pipeline to the refineries.

The oily water collected from the separators and the oil treaters may flow directly to a sump or may flow to a water treatment facility prior to disposal. At the water treatment facility, the oil content of the water is reduced by skimming tanks, dissolved air flotation units, pits, filters or a combination of these. The water may be used on-site, discharged to the surface, or injected back into water injection wells or disposal wells. Vapor recovery is usually on all of the separation vessels and is piped back to the gas pipeline for dehydration.

Some of the separation and treatment equipment that require permits by the SCAQMD include American Petroleum Institute (API) separators, tanks, vessels, heaters, boilers, vapor recovery units, internal combustion engines and clean-out sumps, which are in most cases part of the wastewater system permit unit, oil dehydration unit or water injection facilities. Open ditches also require a permit, but there are no active permits currently in the South Coast Air Basin. Wastewater associated with the separation and treatment process is regulated by Rule 1176 – VOC Emissions from Wastewater Systems.

Workover Rig Operations

Workover rigs are mobile temporary derrick stands that allow the operator to access and replace worn out push rods and piping. These rods are between 32 feet and 46 feet long and are removed and stored vertically. The rods and the piping are pulled up through a casing which is filled with oil and other organic liquid. As a result of their removal, the rods and piping may be wet with hydrocarbon liquid and have the potential to cause odor nuisance complaints. While the amount of VOC emissions released to the atmosphere is minimal, the odor potential is great from these elevated piping, unless measures are taken to wipe excess material during removal.

Workover rigs are used primarily for maintenance on established production wells, and are typically powered by the internal combustion engine used for propulsion. Workover rigs are generally smaller units with lesser power demands than drilling rigs. However, there are occasions where extensive maintenance work would require a supplemental electrical generator to provide additional power. These generators and the portable or temporary internal combustion engines are a potential source of odors and combustion emissions.

PROJECT DESCRIPTION

To make the complaint process more effective for the complainant and to provide enhanced enforceable mechanisms to reduce odor nuisance potential while preventing public nuisance and possible detriment to public health caused by exposure to VOC, TAC, and TOC emissions from the operation and maintenance of oil and gas production facilities, PAR 1148.1 contains a proposal that would: 1) increase the minimum proximity distance to sensitive receptors (e.g., from 100 meters to 1,500 feet) that would trigger additional emission and odor preventative measures; 2) require the use of odor mitigation best practices for operation and maintenance of oil and gas production facilities; 3) require specific cause analysis and reporting for confirmed odor events and confirmed oil deposition events; 4) require Odor Mitigation Plans for facilities with continuing odor issues; and, 5) make administrative changes by removing obsolete rule language and making minor revisions to promote clarity, consistency, and enforceability throughout the rule. The following is a summary of the key components that comprise PAR 1148.1. A copy of the proposed amended rule can be found in Appendix A.

Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

Purpose - subdivision (a)

This subdivision proposes clarifications that include the reduction of TAC and TOC emissions as contaminants, in addition to VOCs, that will contribute to the overall emission reduction goal. In addition, rule language has been inserted to clarify that both operation and maintenance activities of wellheads are part of the purpose. This subdivision also proposes to enhance the purpose of the rule to prevent public nuisance and possible detriment to public health caused by exposure to VOC, TAC, and TOC emissions.

Applicability - subdivision (b)

This subdivision proposes clarifications to include operation and maintenance activities as part of the types of actions that may be applicable to the requirements in the rule. This subdivision also proposes a clarification that identifies other SCAQMD rules that also apply to facilities subject to Rule 1148.1 such as Rule 463 – Organic Liquid Storage, Rule 1173 - Control of Volatile Organic Compound Leaks and Releases From Components at Petroleum Facilities, and, Rule 1176 – VOC Emissions From Wastewater Systems.

Definitions - subdivision (c)

The following definitions are proposed for inclusion in PAR 1148.1: “central processing area,” “component,” “confirmed odor event,” “confirmed odor deposition event,” “heavy liquid,” “leak,” “light liquid,” “odor,” “organic liquid,” “responsible party,” “specific cause analysis,” “toxic air contaminant (TAC),” “wastewater,” and “water injection well,” and “workover rig.” In addition, the following existing definitions are proposed for modification in PAR 1148.1: “facility,” “sensitive receptor,” and “volatile organic compound.”

Requirements - subdivision (d)

Paragraph (d)(1) proposes a clarification that would specify that the TOC well cellar concentration limit should be measured in accordance with the test method referenced in paragraph (h)(1) (e.g., USEPA Reference Method 21).

Paragraphs (d)(2), (d)(~~87~~) and (d)(~~109~~) propose to delete each obsolete effective date.

New paragraph (d)(3) proposes to require the pump out or removal of organic liquid accumulated in a well cellar within the same day if the well cellar has been verified as a source of odors.

Paragraph (d)(~~43~~) proposes to clarify that drilling activities would also be subject to the pump out/organic liquid removal requirements for well cellars.

Paragraph (d)(~~54~~) proposes to clarify the type of activities that would be exempt from having to comply with the TOC limit.

Paragraph (d)(~~76~~) proposes to extend the proximity distance requirement for triggering additional emission and odor preventative measures for sensitive receptors from 100 meters to 1,500 feet.

New paragraph (d)(~~1140~~) proposes to require the installation of a rubber grommet as part of a maintenance or drill piping, production tubing or sucker rod replacement activity that involves the use of a workover rig.

New paragraph (d)(~~1244~~) proposes to require the operation and maintenance of a centrally located alarmed monitoring system.

New paragraph (d)(~~1342~~) proposes to require the oil and gas production facility to post instructions for the public related to odor complaints.

New paragraph (d)(14) proposes requirements to conduct and report a specific cause analysis for a confirmed oil deposition event.

Operator Inspection Requirements - subdivision (e)

Paragraphs (e)(1) and (e)(3) propose to delete each obsolete effective date.

Subparagraph (e)(1)(C) proposes to extend the proximity distance that would trigger the daily visual inspections requirement of stuffing boxes or produced gas handling and control equipment for sensitive receptors from 100 meters to 1,500 feet.

New paragraph (e)(5) proposes to require monthly TOC measurements on any component identified as a potential odor nuisance and if a qualifying leak is identified, to require the repair, replacement, or removal from service the leaking component.

Odor Mitigation Requirements - subdivision (f)

Paragraph (f)(1) proposes new requirements for conducting a Specific Cause Analysis and preparing a corresponding report for the occurrence of each confirmed odor event. Specifically, for facilities located within 1,500 feet of a sensitive receptor, upon determination by an SCAQMD inspector of a Confirmed Odor Event (confirmed odor from three or more independent complainants), a Specific Cause Analysis would be required and the affected facility would be required to complete and submit a Specific Cause Analysis report within 30 calendar days following receipt of written notification from the Executive Officer. The Specific Cause Analysis would include a review of the activities and equipment at the facility identified as

contributing or causing the odor in question, in order to determine the contributing factors and ultimately the corrective actions associated with the event. In addition, any applicable SCAQMD rule or permit condition would need to be identified and reviewed for compliance with the requirements. Furthermore, the specific cause analysis should assess proper implementation of internal procedures or preventative maintenance schedules to determine if the facility properly implemented them, if the procedures should be updated to address any performance gaps, or if the operators were adequately trained on the proper adherence to them.

Paragraph (f)(2) proposes new requirements for preparing and submitting a new or modified Odor Mitigation Plan. Specifically, for facilities located within 1,500 feet of a sensitive receptor, upon determination by an SCAQMD inspector of the occurrence of three or more Confirmed Odor Events within a six month period, or the issuance of a single odor related NOV under Rule 402 – Nuisance, an Odor Mitigation Plan would be required. The affected facility would be required to complete and submit an Odor Mitigation Plan (OMP) within 90 calendar days following receipt of written notification from the Executive Officer. In addition, for any facility with an existing approved OMP, an update to the plan would be required following the occurrence of an additional three or more Confirmed Odor Events over a subsequent six month period following the last plan approval, or following the issuance of an odor related NOV under Rule 402 – Nuisance following the last plan approval.

Subparagraph (f)(2)(B) proposes new requirements for Odor Mitigation Plan (OMP) Elements. Specifically, in the event when an OMP is required, an approved OMP would need to identify all the activities and equipment that may contribute or may have contributed to a confirmed odor event, and the OMP would need to identify the internal procedures and requirements used to manage the odors. For example, OMPs would need to identify oil and gas production and wastewater generation equipment and activities, including both normal and spill or release management control operations, with corresponding identification of potential or actual sources of emissions, odors, frequency of operator inspection and history of leaks. Also, the OMP would need to identify any activity involving drilling, well completion or rework, repair, or maintenance of a well, as well as note the sources of emissions, odors, odor mitigation measures for responding to odors and odor complaints. In addition, the OMP would need to specify the procedures used for odor monitoring at the site and fence line and to identify emission points and emission or leak monitoring method used for all wastewater tanks, holding, knockout, and oil/water separation vessels, including any pressure relief devices or vacuum devices attached to the vessels, and record the releases from such devices. Finally, any equipment or activity identified as part of any previously submitted Specific Cause Analysis report would also need to be included in the OMP.

Subparagraph (f)(2)(C) proposes new requirements for odor monitoring and mitigation that would need to be included in an OMP. These requirements are summarized in Table 1-1. In accordance with this subparagraph, the owner and operator of an oil and gas production facility would be required to comply with all provisions of an approved OMP and a violation of any of the terms of the plan would be considered a violation of Rule 1148.1.

**Table 1-1
Proposed Odor Monitoring and Mitigation Requirements**

PAR 1148.1 Odor Monitoring and Mitigation Requirement	Description
Odor Surveillance	<p>Continual odor surveillance downwind at the perimeter of the property at all times during drilling, well completion, or rework, repair, or maintenance of any well, including water injection wells, recorded hourly.</p> <p>Equivalent odor monitoring equipment may be used in lieu of odor surveillance, subject to approval.</p> <p>If odors are detected from odor surveillance or odor monitoring at the perimeter of the facility, all drilling, well completion, or rework, repair, or maintenance of any well will discontinue until the source or cause of odors are determined and mitigated in accordance with measures previously approved.</p>
Alternative Fuel or Electric Powered Workover Rig⁴	Any workover rig used to conduct any drilling, well completion, rework, repair or maintenance of any well, including any production or water injection well, shall be electric powered or natural gas (LNG or CNG), propane (LPG) fired only.
Well Piping and Rod Management	Any removed drill piping, <u>production tubing</u> , and <u>drill sucker rods</u> shall be managed through written procedures that ensures that potential odor producing emissions are minimized through means such as <u>use of a tarp or similar covering</u> or by storing within an enclosed area <u>or other equivalent method</u> .
Tighter Leak Detection and Repair (LDAR)	Reduce the required repair times for components subject to Rule 1173 LDAR to the lowest schedule of one calendar day with an extended repair period of three calendar days (rather than the seven day repair time allowance and seven day extended repair period).
Facility Specific Best Practice	Any corrective action identified in a Specific Cause Analysis report previously submitted by the facility.
Feasibility Assessment	For any odor mitigation or monitoring requirement identified above is determined by the facility to not represent an appropriate best practice for inclusion in the OMP, an evaluation and documentation that states the reason why such provision is not feasible to include, subject to approval by the Executive Officer, must be included in the OMP.

Recordkeeping - subdivision (g)

Paragraph (g)(2) proposes to require records of measurements, cleaning and any activities performed in accordance with the exemption criteria in paragraph (i)(2).

⁴ Subsequent to the release of the Draft EA for public review and comment, additional revisions were made to PAR 1148.1 that resulted in the removal of the requirement for the use of an alternative fuel or electric powered workover rig as part of an OMP.

Paragraph (g)(3) proposes to clarify the records maintenance requirements to include any referenced established written company safety manual or policy.

New paragraph (g)(4) proposes to require the operator to maintain, for either three years or five years for a Title V facility, all records and other applicable documents as part of an approved OMP.

Test Methods - subdivision (h)

Subdivision (h) proposes to include an introduction that will replace old paragraph (h)(4) to explain that the allowed test methods will be used to determine compliance and that other equivalent test methods, after review and approval, may also be used.

New paragraph (h)(3) proposes to specify test methods for determining VOC content.

New paragraph (h)(4) proposes to specify the test method for determining the flash point of heavy liquids.

Exemptions - subdivision (i)

Paragraph (i)(2) proposes to exempt portable enclosed storage vessel and associated air pollution control equipment undergoing maintenance and repair from the requirements in paragraphs (d)(4), (d)(6), (d)(7), and (d)(8) if the owner or operator can demonstrate that performing maintenance and repair, drilling or abandonment operation would cause the facility to operate in violation of state or federal regulations, applicable industry safety standards, or a written company safety manual or policy developed to comply with applicable industry safety standards provided that the activities minimize emissions to the atmosphere as much as possible.

Paragraph (i)(4) proposes to not allow the small production exemption for production wells that are located within 1,500 feet of a sensitive receptor.

CHAPTER 2

ENVIRONMENTAL CHECKLIST

Introduction

General Information

Potentially Significant Impact Areas

Determination

Environmental Checklist and Discussion

INTRODUCTION

The environmental checklist provides a standard evaluation tool to identify a project's adverse environmental impacts. This checklist identifies and evaluates potential adverse environmental impacts that may be created by implementing PAR 1148.1.

GENERAL INFORMATION

Project Title:	<u>Final Environmental Assessment for</u> Proposed Amended Rule 1148.1 – Oil and Gas Production Wells
Lead Agency Name:	South Coast Air Quality Management District
Lead Agency Address:	21865 Copley Drive, Diamond Bar, CA 91765
CEQA Contact Person:	Barbara Radlein, (909) 396-2716, bradlein@aqmd.gov
PAR 1148.1 Contact Person:	Dairo Moody, (909) 396-2333, dmoody@aqmd.gov
Project Sponsor's Name:	South Coast Air Quality Management District
Project Sponsor's Address:	21865 Copley Drive, Diamond Bar, CA 91765
General Plan Designation:	Not applicable
Zoning:	Not applicable
Description of Project:	PAR 1148.1 would: 1) increase the minimum proximity distance to sensitive receptors (e.g., from 100 meters to 1,500 feet) that would trigger additional emission and odor preventative measures; 2) require the use of odor mitigation best practices for operation and maintenance of oil and gas production facilities; 3) require specific cause analysis and reporting for confirmed odor events; 4) require Odor Mitigation Plans for facilities with continuing odor issues; and, 5) make administrative changes by removing obsolete rule language and making minor revisions to promote clarity, consistency, and enforceability throughout the rule. Analysis of the proposed project in the <u>Final Draft</u> -EA did not result in the identification of any environmental topic areas that would be significantly adversely affected by the proposed project.
Surrounding Land Uses and Setting:	Residential, commercial, industrial and/or institutional
Other Public Agencies Whose Approval is Required:	Not applicable

ENVIRONMENTAL IMPACT AREAS POTENTIALLY AFFECTED

The following environmental impact areas have been assessed to determine their potential to be affected by the proposed project. Any checked items represent areas that may be adversely affected by the proposed project, but after completing the analysis, were shown to have less than significant impacts. An explanation relative to the determination of impacts can be found following the checklist for each area.


<input checked="" type="checkbox"/> Aesthetics	<input type="checkbox"/> Geology and Soils	<input type="checkbox"/> Population and Housing
<input type="checkbox"/> Agriculture and Forestry Resources	<input type="checkbox"/> Hazards and Hazardous Materials	<input type="checkbox"/> Public Services
<input checked="" type="checkbox"/> Air Quality and Greenhouse Gas Emissions	<input type="checkbox"/> Hydrology and Water Quality	<input type="checkbox"/> Recreation
<input type="checkbox"/> Biological Resources	<input type="checkbox"/> Land Use and Planning	<input type="checkbox"/> Solid and Hazardous Waste
<input type="checkbox"/> Cultural Resources	<input type="checkbox"/> Mineral Resources	<input checked="" type="checkbox"/> Transportation and Traffic
<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Noise	<input checked="" type="checkbox"/> Mandatory Findings <u>of Significance</u>

DETERMINATION

On the basis of this initial evaluation:

- I find the proposed project, in accordance with those findings made pursuant to CEQA Guideline §15252, COULD NOT have a significant effect on the environment, and that an ENVIRONMENTAL ASSESSMENT with no significant impacts has been prepared.
- I find that although the proposed project could have a significant effect on the environment, there will NOT be significant effects in this case because revisions in the project have been made by or agreed to by the project proponent. An ENVIRONMENTAL ASSESSMENT with no significant impacts will be prepared.
- I find that the proposed project MAY have a significant effect(s) on the environment, and an ENVIRONMENTAL ASSESSMENT will be prepared.
- I find that the proposed project MAY have a "potentially significant impact" on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL ASSESSMENT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects: 1) have been analyzed adequately in an earlier ENVIRONMENTAL ASSESSMENT pursuant to applicable standards; and, 2) have been avoided or mitigated pursuant to that earlier ENVIRONMENTAL ASSESSMENT, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Date: April 28, 2015

Signature: 
Michael Krause
Program Supervisor, CEQA Section
Planning, Rules, and Area Sources

ENVIRONMENTAL CHECKLIST AND DISCUSSION

PAR 1148.1 is undergoing amendments in order to further prevent public nuisance and possible detriment to public health caused by exposure to VOC, TAC and TOC emissions from the operation and maintenance of oil and gas production facilities. PAR 1148.1 would: 1) increase the minimum proximity distance to sensitive receptors (e.g., from 100 meters to 1,500 feet) that would trigger additional emission and odor preventative measures; 2) require the use of odor mitigation best practices for operation and maintenance of oil and gas production facilities; 3) require specific cause analysis and reporting for confirmed odor events and confirmed oil deposition events; 4) require Odor Mitigation Plans for facilities with continuing odor issues; and, 5) make administrative changes by removing obsolete rule language and making minor revisions to promote clarity, consistency, and enforceability throughout the rule.

PAR 1148.1 has been evaluated relative to the environmental topics identified in the following environmental checklist (e.g., aesthetics, agricultural and forestry resources, biological resources, etc.). The primary effect of implementing PAR 1148.1 is to enhance compliance of operations at existing oil and gas facilities. Most of the requirements in PAR 1148.1 are procedural in nature and as such, would not be expected to cause any physical changes that that could have secondary adverse environmental effects. For example, while PAR 1148.1 contains new odor monitoring and mitigation requirements that would require any removed drill piping, production tubing and drill-sucker rods to be stored in a manner that would minimize emissions, facility operators would have the option of storing covering the drill piping, production tubing and drill-sucker rods ~~with a tarp, for example, or by storing~~ within an enclosed area, or by some other equivalent method (see clause (f)(2)(C)(iv)) to serve as a wind barrier, such as a covering or freestanding wind screen, for example. Because of the available compliance options for storing removed drill piping, production tubing, and drill-sucker rods, the analysis in this Final Draft-EA assumes that facility operators would not choose to construct new storage areas or modify existing storage areas when an equivalent method and lower cost option that can serve as an effective wind barrier, such as a covering or freestanding wind screen, tarp can be used instead. Thus, the proposed project would not promote the construction of new facilities or structures nor would it cause construction activities to occur at existing facilities. Therefore, potential adverse impacts that result from construction of new structures or modification of existing structures as well as changes in existing land uses are not anticipated to occur as a result of implementing PAR 1148.1.

Of the other enhanced compliance mechanisms that could be triggered by PAR 1148.1, only the requirement in an Odor Mitigation Plan for a workover rig to be powered with electricity, or fueled by natural gas, or propane/liquefied petroleum gas, instead of diesel fuel, could potentially cause a direct physical change to existing oil and gas operations that could have secondary environmental effects. However, at the time of publication of ~~the~~ Draft EA, there ~~were are~~ no known electric or alternative fuel (non-diesel) workover rigs available. In the future, it is possible that electric or alternative fuel workover rigs may become available. Thus, answers to the following checklist items are based on the worst-case assumption that any affected oil and gas facility that becomes subject to the requirements of an Odor Mitigation Plan will be required to utilize an alternative fueled workover rig in lieu of a diesel-fueled workover rig, if available and feasible.

Subsequent to the release of the Draft EA for public review and comment, additional revisions were made to PAR 1148.1 that resulted in the removal of the requirement for the use of an alternative fuel or electric powered workover rig as part of an OMP. While the use of an alternative fuel or electric powered workover rig is no longer a requirement, the analysis relative to the use of an alternative fuel or electric powered workover rig will remain as part of the responses to the environmental checklist to represent a worst-case analysis.

In addition, subsequent to release of the Draft EA, the following modifications were made to the proposed project: 1) new paragraph (d)(3) has been added to require the pump out or removal of organic liquid accumulated in a well cellar the same day in the event the well cellar has been verified as a source of odors; 2) new paragraph (d)(14) has been added to require a facility operator to conduct and report a specific cause analysis for a confirmed oil deposition event; 3) new paragraph (e)(5) has been added to require monthly TOC measurements on any component identified as a potential odor nuisance and if a qualifying leak is identified, to require the repair, replacement, or removal from service the leaking component; and, 4) clause (f)(2)(C)(iv) has been revised to no longer specify covering as part of the new odor monitoring and mitigation requirements that would require any removed drill piping, production tubing and sucker rods to be stored in a manner that would minimize emissions, either within an enclosed area, or by some other equivalent method.

Of these four changes to PAR 1148.1, industry has provided comments relative to item 1) such that requiring the pump out or removal of organic liquid accumulated in a well cellar to occur the same day when the well cellar has been verified as a source of odors may cause an additional vacuum truck trip to the affected facility. Thus, the Draft EA has been revised to include an analysis of what the potential adverse affects of additional vacuum truck trips may cause. These additional assumptions and calculations can be found in Appendix B. The three remaining changes to PAR 1148.1 subsequent to the release of the Draft EA for public review and comment (see items 2 through 4) were determined to be procedural in nature and as such, would not be expected to cause any physical changes that that could cause secondary adverse environmental effects.

Finally, the requirement in paragraph (d)(12) for an operator of an oil and gas production facility to operate and maintain an alarmed monitoring system has been clarified to be applicable to any central processing area that is located within 1,500 feet of a sensitive receptor. This requirement will go into effect within 180 days of July 10, 2015 if the SCAQMD's Governing Board approves the project. Some oil and gas production facilities currently utilize control centers that also allow for monitoring and controlling operating parameters to support efficiency or serve as an indicator for leak related emissions. Industry submitted comments explaining that while oil and gas production facilities currently operate existing monitoring systems to safeguard for fire prevention and emergency response in central processing areas, and that these systems are considered to be centrally located monitoring systems, there are some facilities that may not have monitoring systems for their central processing areas. The SCAQMD staff estimates, based on conversations with industry representatives, that approximately five percent of the 473 facilities (e.g., 24 facilities), currently may not have monitoring systems for their central process areas and would be required to install monitoring systems to comply with this requirement in PAR 1148.1. In order for 24 facilities to install monitoring systems over a 180 day window, this EA assumes that approximately five facilities will have overlapping construction activities on a peak day. Thus, the Draft EA has been revised to include an analysis of what the potential adverse affects

of installing additional monitoring systems may cause and these additional assumptions and calculations can also be found in Appendix B.

Staff has reviewed the modifications to the proposed project and concluded that none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the document pursuant to CEQA Guidelines §15073.5 and §15088.5.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
I. AESTHETICS. Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

The proposed project impacts on aesthetics will be considered significant if:

- The project will block views from a scenic highway or corridor.
- The project will adversely affect the visual continuity of the surrounding area.
- The impacts on light and glare will be considered significant if the project adds lighting which would add glare to residential areas or sensitive receptors.

Discussion

I. a), b) & c) No Impact. PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities. Instead, PAR 1148.1 would enhance monitoring and recordkeeping requirements for facilities subject to the rule. In the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a workover rig that is

either electrically powered or fueled by natural gas or propane, in lieu of diesel fuel, if available and feasible.

The oil and gas industry utilizes workover rigs to conduct drilling, well completion, rework, and repair and maintenance of wells. A workover rig is a mobile, self-propelled unit that is driven directly to the well site and is frequently moved from well to well throughout an oil and gas facility. The power from the rig's engine or engines propels the rig on the road. Currently, only diesel-fueled workover rigs are available.

The length of a workover rig with mast extension can reach up to 65 feet. In addition, the height of a workover rig when the mast is extended into a vertical position can range from 50 feet to 86 feet for single-mast workover rigs and from 96 feet to 124 feet for double-mast workover rigs. The required drilling depth is what determines the type and horsepower rating of a workover rig needed for a particular well. Nonetheless, the requirement to utilize an electric or alternative fuel workover rig to comply with an Odor Mitigation Plan would not affect the choice of whether a single- or double-mast rig would be utilized and as such, the height of any replacement workover rig is not expected to change from the existing setting as a result of implementing PAR 1148.1. Thus, the visual appearance between a diesel-fueled workover rig and an electric or alternative fuel workover rig would not be expected to have physical differences that would be discernable from outside of an oil and gas facility's property, regardless of where the workover rig is located within the property at the time of observation.

Typically, oil and gas production wells facilities are located throughout the District within predominantly industrial or commercial areas while some are located adjacent to residential neighborhoods. The visual character of the areas in which the various oil and gas production wells facilities are located can be quite varied, but would be expected to remain the same because PAR 1148.1 would not require modifications to existing structures or new construction of structures at the affected facilities. Further, in the event that an Odor Mitigation Plan is required and an electric or alternative fuel workover rig is employed at a given facility, scenic vistas, if any are located near an affected facility, would not be expected to change or be adversely affected since the height profile and overall footprint of any replacement workover rig is not expected to be discernably different from a diesel-fueled workover rig.

In addition, in response to industry's comment that an additional vacuum truck may be needed to pump out a well cellar on the same day that it has been verified as a source of odors, the analysis assumes that a peak day of three additional vacuum trucks may be needed. This assumption is based on past complaint data for Rule 1148.1 facilities which has shown that only three facilities experienced the potential equivalent of three or more confirmed odor events or received a Rule 402 NOV. Thus, in the event that three separate facilities would need to have one additional vacuum truck visit the premises to pump out a well cellar, the presence of these vacuum trucks will not be visibly different from the vacuum trucks that currently service well cellars and other equipment at the affected oil and gas facilities.

Finally, in response to industry's comment that some facilities may need to install monitoring equipment, the analysis assumes a total of 24 facilities may be affected and that five facilities on a peak day may undergo light construction activities for one day. The construction activities would involve a work crew of three to install the monitoring equipment and make the electrical connections and one delivery truck to deliver supplies for the workers. The presence of these

work crews will not be visibly different from the work crews currently employed on a day-today basis at the affected oil and gas facilities.

Thus, implementation of PAR 1148.1 would not result in any new construction of buildings or other structures or the modification to existing structures that would obstruct scenic vistas or scenic resources, or degrade the existing visual character of a site, including but not limited to, trees, rock outcroppings, or historic buildings.

I.d) No-Less Than Significant Impact. While facilities with oil and gas production wells typically operate 24 hours per day, there are no components in the proposed project that would specifically require new nighttime activities to occur beyond baseline conditions which already have existing permanent night lighting in place for safety and security reasons. Further, workover operations typically occur during daytime and PAR 1148.1 does not contain any provisions that would require facilities to conduct workover operations at night. Nonetheless, in the event that an Odor Mitigation Plan is required and an electric or alternative fuel workover rig is required and that facility operator chooses to operate the equipment at night, the nighttime lighting that would be needed to safely operate an electric or alternative fuel workover rig would not be expected to be any different from the nighttime lighting needs for operating a diesel-fueled workover rig.

However, in response to industry's comment that an additional vacuum truck may be needed to pump out a well cellar on the same day if it has been verified as a source of odors, it is possible that the operation of a vacuum truck may occur at night, depending on what time of day the odor source is verified and the lag time that may occur to get a vacuum truck to the site. In the event that a vacuum truck is needed to operate at night, the analysis assumes that temporary portable lighting equipment may be needed, if lighting does not already exist at or near the affected well cellar, to provide sufficient lighting to safely direct the vacuum hose to the affected location. If temporary portable lighting is required, then a diesel generator set may be needed to supply the power to the lighting equipment.

As discussed earlier in Sections a), b) and c) of this topic area, past complaint data for Rule 1148.1 facilities has shown that only three facilities experienced the potential equivalent of three or more confirmed odor events or received a Rule 402 NOV. Thus, in the event that three separate facilities would each need to have one additional vacuum truck visit the premises to pump out a well cellar, and if circumstances exist that these activities would occur at night, then three additional diesel generator sets to power three portable lighting units could be needed on a peak day. While these circumstances could create a potential for additional nighttime lighting, the lighting would only be needed for as long as each vacuum truck is operating. Vacuum trucks have pumps that can suction up to 4,000 cubic feet per minute of material, so depending on the volume of material needed to be pumped out, the vacuum truck and any needed lighting would likely be needed from five minutes to one hour. However, to be conservative, the analysis assumes that three vacuum trucks and three generator sets to support lighting equipment would each operate for two hours on a peak day.

In the event that nighttime operations of vacuum truck are needed, the nighttime lighting that would be needed to safely operate the vacuum truck would need to be directed downward towards the well cellar. Once the vacuum truck has completed its task, the lighting and associated generator would be shut off.

Finally, in response to industry’s comment that some facilities may need to install monitoring equipment, the analysis assumes a total of 24 facilities may be affected and that five facilities on a peak day may undergo light construction activities for one day per facility. The construction activities would involve a work crew of three to install the monitoring equipment and make the electrical connections and one delivery truck to deliver supplies for the workers and these activities are expected to occur during daylight hours. As such, no new nighttime lighting, either temporary or permanent would be needed to install or operate the monitoring equipment.

Thus, even if temporary lighting may be needed under limited circumstances, additional light or glare would not be created which would significantly adversely affect day or nighttime views in the area ~~since no new light generating equipment would be required to comply with the requirements in PAR 1148.1.~~

Based upon these considerations, significant adverse aesthetics impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant aesthetics impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
II. AGRICULTURE AND FORESTRY RESOURCES. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland mapping and Monitoring Program of the California Resources Agency, to non- agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code §12220(g)), timberland (as defined by Public Resources Code §4526), or timberland zoned Timberland Production (as defined by Government Code §51104 (g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Project-related impacts on agriculture and forest resources will be considered significant if any of the following conditions are met:

- The proposed project conflicts with existing zoning or agricultural use or Williamson Act contracts.
- The proposed project will convert prime farmland, unique farmland or farmland of statewide importance as shown on the maps prepared pursuant to the farmland mapping and monitoring program of the California Resources Agency, to non-agricultural use.
- The proposed project conflicts with existing zoning for, or causes rezoning of, forest land (as defined in Public Resources Code §12220 (g)), timberland (as defined in Public Resources Code §4526), or timberland zoned Timberland Production (as defined by Government Code § 51104 (g)).
- The proposed project would involve changes in the existing environment, which due to their location or nature, could result in conversion of farmland to non-agricultural use or conversion of forest land to non-forest use.

Discussion

II. a), b), c), & d) No Impact. Implementation of PAR 1148.1 would not result in any new construction or modification of buildings or other structures. Similarly, the proposed project would not require affected facility operators to acquire additional land. All compliance activities that would occur as a result of implementing the proposed project are expected to occur within the confines of each existing affected facility. The proposed project would be consistent with the zoning requirements for the existing facilities and there are no agriculture or forest resources or operations on or near the affected facilities. No agricultural resources including Williamson Act contracts are located within or would be impacted by operation activities at the affected facilities. Therefore, the proposed project would not result in any new construction of buildings or other structures that would convert farmland to non-agricultural use or conflict with zoning for agricultural use or a Williamson Act contract. Since the proposed project would not alter any facility or process, there are no provisions in the proposed project that would affect land use plans, policies, or regulations. Land use and other planning considerations are determined by local governments and no land use or planning requirements relative to agricultural resources will be altered by the proposed project. For these same reasons, PAR 1148.1 would not result in the loss of forest land or conversion of forest land to non-forest use.

Based upon these considerations, significant agricultural and forest resources impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant agriculture and forest resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
III. AIR QUALITY AND GREENHOUSE GAS EMISSIONS.				
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Diminish an existing air quality rule or future compliance requirement resulting in a significant increase in air pollutant(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Air Quality Significance Criteria

To determine whether or not air quality impacts from implementing PAR 1148.1 are significant, impacts will be evaluated and compared to the criteria in Table 2-1. The project will be considered to have significant adverse air quality impacts if any one of the thresholds in Table 2-1 are equaled or exceeded.

Table 2-1
SCAQMD Air Quality Significance Thresholds

Mass Daily Thresholds ^a		
Pollutant	Construction ^b	Operation ^c
NO_x	100 lbs/day	55 lbs/day
VOC	75 lbs/day	55 lbs/day
PM₁₀	150 lbs/day	150 lbs/day
PM_{2.5}	55 lbs/day	55 lbs/day
SO_x	150 lbs/day	150 lbs/day
CO	550 lbs/day	550 lbs/day
Lead	3 lbs/day	3 lbs/day
Toxic Air Contaminants (TACs), Odor, and GHG Thresholds		
TACs (including carcinogens and non-carcinogens)	Maximum Incremental Cancer Risk \geq 10 in 1 million Cancer Burden $>$ 0.5 excess cancer cases (in areas \geq 1 in 1 million) Chronic & Acute Hazard Index \geq 1.0 (project increment)	
Odor	Project creates an odor nuisance pursuant to SCAQMD Rule 402	
GHG	10,000 MT/yr CO ₂ eq for industrial facilities	
Ambient Air Quality Standards for Criteria Pollutants ^d		
NO₂ 1-hour average annual arithmetic mean	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal)	
PM₁₀ 24-hour average annual average	10.4 $\mu\text{g}/\text{m}^3$ (construction) ^e & 2.5 $\mu\text{g}/\text{m}^3$ (operation) 1.0 $\mu\text{g}/\text{m}^3$	
PM_{2.5} 24-hour average	10.4 $\mu\text{g}/\text{m}^3$ (construction) ^e & 2.5 $\mu\text{g}/\text{m}^3$ (operation)	
SO₂ 1-hour average 24-hour average	0.25 ppm (state) & 0.075 ppm (federal – 99 th percentile) 0.04 ppm (state)	
Sulfate 24-hour average	25 $\mu\text{g}/\text{m}^3$ (state)	
CO 1-hour average 8-hour average	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal)	
Lead 30-day Average Rolling 3-month average	1.5 $\mu\text{g}/\text{m}^3$ (state) 0.15 $\mu\text{g}/\text{m}^3$ (federal)	

^a Source: SCAQMD CEQA Handbook (SCAQMD, 1993)

^b Construction thresholds apply to both the South Coast Air Basin and Coachella Valley (Salton Sea and Mojave Desert Air Basins).

^c For Coachella Valley, the mass daily thresholds for operation are the same as the construction thresholds.

^d Ambient air quality thresholds for criteria pollutants based on SCAQMD Rule 1303, Table A-2 unless otherwise stated.

^e Ambient air quality threshold based on SCAQMD Rule 403.

KEY: lbs/day = pounds per day ppm = parts per million $\mu\text{g}/\text{m}^3$ = microgram per cubic meter \geq = greater than or equal to
MT/yr CO₂eq = metric tons per year of CO₂ equivalents $>$ = greater than

Discussion

III. a) No Impact. Rule 1148.1 was adopted in 2004 to implement portions of the 2003 AQMP Control Measure FUG-05 – Emission Reductions from Fugitive Emission Sources, to reduce VOC emissions from well cellars and sources of untreated process gas located at oil and gas production facilities. PAR 1148.1 would not change any of the current VOC reduction aspects in the rule but instead would improve upon compliance activities in order to minimize the potential for nuisance and odor impacts to local residents and sensitive receptors that are often located nearby from ongoing operations that do not include drilling. As with Rule 1148.1, the proposed project will continue to assist the SCAQMD’s progress in attaining and maintaining the ambient air quality standards for ozone. Further, because the 2012 AQMP demonstrates that the effects of all existing rules, in combination with implementing all AQMP control measures (including “black box” measures not specifically described in the 2012 AQMP) would bring the district into attainment with all applicable national and state ambient air quality standards, implementing PAR 1148.1 is not expected to conflict with or obstruct implementation of the applicable air quality control plan. Since no significant impacts were identified for this issue, no mitigation measures are necessary or required.

III. b) Less Than Significant Impact. For a discussion of these items, refer to the following analysis.

PAR 1148.1 neither requires the construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities. Instead, PAR 1148.1 would enhance compliance activities by making monitoring and recordkeeping requirements more stringent for facilities subject to the rule. Thus, since there would be no construction activities that would utilize construction equipment or would require worker trips, equipment delivery trips and other haul trips, no construction emissions would be generated. Thus, there would be no significant construction air quality and GHG impacts from implementing PAR 1148.1.

However, in the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a workover rig that is either electrically powered or fueled by natural gas or propane, in lieu of diesel fuel, if available and feasible. At the time of publication of this ~~Final Draft~~-EA, there are no known electric or alternative fuel workover rigs in existence but it is possible that electric or alternative fuel workover rigs may be developed and become available in the future. Even though CEQA does not require speculation of the unknown, CEQA Guidelines §15144 recognizes that some degree of forecasting is needed in order to prepare a CEQA document. While foreseeing the unforeseeable is not possible, SCAQMD staff is required to use its best efforts to find out and disclose all that it reasonably can. For this reason, this ~~Final Draft~~-EA examines the possibility that electric or alternative fuel workover rigs may become available in the future and makes some assumptions in order to attempt to disclose any potential secondary adverse air quality impacts that may be associated with the reliance on the future use of electricity and/or alternative fuels for implementing an Odor Mitigation Plan.

As explained in Chapter 1, workover rigs are regularly utilized at oil and gas production facilities to conduct well maintenance such as the repair or replacement of pull rods or well casings on an oil or gas well. Workover rigs are equipped with diesel engines that range from 150 horsepower

(hp) to 1,000 hp but on average, workover rigs are rated at 475 hp. In addition, workover rigs have a drilling/casing access capability that can range from 8,000 to 30,000 feet in depth. Fuel usage is dependent on the type and rating of the workover rig and the depth to which the workover rig can access the well casings.

According to the California Air Resources Board (CARB), in 2000, there were 256 workover rigs operating throughout California and these rigs consumed 3,222,000 gallons of diesel fuel⁵. Of this amount, the amount of diesel fuel consumed by workover rigs in Los Angeles, Orange, Riverside and San Bernardino counties combined was 387,748 gallons⁶. On average, each workover rig consumed approximately 12,600 gallons of diesel per year. CARB's CEIDARS database estimates that one workover rig will typically operate up to 3,000 hours per year which translates to consuming an average of approximately 4.2 gallons of diesel fuel per hour per workover rig.

CARB's off-road simulation model projected from the 2010 population of workover rigs in California to be approximately 638⁷, with approximately 68 projected to operate in Los Angeles, Orange, Riverside and San Bernardino counties in 2015⁸. If all 68 workover rigs operate for 3,000 hours in 2015, the estimated diesel fuel consumption would be approximately 856,800 gallons in 2015. By applying diesel emission factors, the projected baseline emissions from diesel fuel consumption from 68 workover rigs operating in 2015 in Los Angeles, Orange, Riverside and San Bernardino counties can be calculated. Similarly, based on the amount of fuel consumption, the baseline amount of diesel fuel trucks utilized and the associated emissions can also be calculated. Table 2-2 contains a summary of the baseline emissions of diesel fuel consumption from the operation of workover rigs and the fuel truck deliveries.

Table 2-2
Baseline Emissions from Diesel-Fueled Workover Rigs Operated
in Los Angeles, Orange, Riverside, and San Bernardino Counties

Activity	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO ₂ eq ¹ (MT/yr)
Operation of 68 Workover Rigs (Baseline)	25.47	273.35	1,029.10	16.24	18.43	16.95	4,033.08
Transport emissions from Delivering Diesel Fuel (387,748 gallons = Baseline)	0.36	1.53	4.25	0.01	0.21	0.18	4.36
TOTAL	25.83	271.82	1,033.35	16.25	18.64	17.13	4,037.44

¹ 1 metric ton = 2,205 pounds

⁵ CARB, Central California Ozone Study II, Emission Inventory Project, Attachment L, January 15, 2003. http://www.arb.ca.gov/ei/areasrc/ccosmeth/att_1_fuel_combustion_for_petroleum_production.doc&sa=U&ei=mHUoVeGYJo7aoATo3YD4CA&ved=0CAUQFjAC&client=internal-uds-cse&usq=AFQjCNHh2Bt0d7LDdY4Y3s8JrTVwWud-Hg

⁶ CARB, Central California Ozone Study II, Emission Inventory Project, Attachment L spreadsheet calculations, December 10, 2002. <http://www.arb.ca.gov/ei/areasrc/ccosmethods.htm>

⁷ CARB, Staff Report: Initial Statement of Reasons for Proposed Rulemaking, Proposed Amendments to the Regulation for In-Use Off-Road Diesel-Fueled Fleets and the Off-Road Large Spark-Ignition Fleet Requirements, Appendix D, Table D-5, page D-7, October 2010.

⁸ CARB's Almanac Emission Projection Data by EIC (published in 2009).

PAR 1148.1 contains a requirement for an owner/operator of a facility that is located within 1,500 feet of a sensitive receptor to prepare and submit for approval an Odor Mitigation Plan in the event that the facility either receives one Rule 402 NOV or three confirmed odor events within six consecutive months. An element of the Odor Mitigation Plan requires the use of a workover rig that is either powered by electricity or by an alternative fuel (e.g., natural gas or propane). Past compliance complaint data for Rule 1148.1 facilities has shown that only three facilities experienced the potential equivalent of more than three or more confirmed odor events or received a Rule 402 NOV. Thus, if PAR 1148.1 is implemented, it is possible that there could be as many as three Odor Mitigation Plans that would require the use of three electric or alternative fuel workover rigs in lieu of diesel-fueled workover rigs. By applying this potential reduction in use of three diesel workover rigs, the 2015 baseline for diesel-fueled workover rigs would be slightly reduced. Thus, a small reduction in diesel-based combustion emissions would be expected from the replacement of three diesel-fueled workover rigs with non-diesel workover rigs at the three facilities that would be subject to an Odor Mitigation Plan. Further, the baseline amount of diesel fuel needed to operate the remaining workover rigs would be reduced by 37,800 gallons per year. Tanker trucks carrying diesel fuel typically carry about 8,500 gallons per load. Thus, an annual reduction of diesel fuel used for workover rigs of 37,800 gallons would mean that there would be five less trucks per year delivering diesel fuel in the region which in turn would reduce the amount of diesel fuel to operate the truck and the associated combustion emissions. However, depending on the source of fuel obtained for the alternative fuel workover rigs, these reductions in delivery trips and the associated combustion emissions could be offset by delivery trips of alternative fuels to supply the non-diesel workover rigs. Table 2-3 contains a summary of what the adjusted baseline emissions could be after PAR 1148.1 is implemented (e.g., three less diesel-fueled workover rigs) and Table 2-4 contains a summary of the net emissions reductions between the current baseline and the adjusted baseline after PAR 1148.1 is implemented. Appendix B contains the spreadsheets for the proposed project with the results based on the assumptions used by the SCAQMD staff for this analysis.

Table 2-3
Emissions from Diesel-Fueled Workover Rigs Operated in Los Angeles, Orange, Riverside, and San Bernardino Counties After Implementing PAR 1148.1

Activity	VOC (lbs/day)	CO (lbs/day)	NOx (lbs/day)	SOx (lbs/day)	PM10 (lbs/day)	PM2.5 (lbs/day)	CO2eq ¹ (MT/yr)
Operation of 65 Workover Rigs (Reduction due to PAR 1148.1)	24.35	261.29	983.70	15.52	17.61	16.21	3,855.15
Transport emissions from Reduced Deliveries of Diesel Fuel (349,948 gallons due to PAR 1148.1)	0.36	1.53	4.25	0.01	0.21	0.18	3.93
TOTAL	24.71	262.82	987.95	15.53	17.82	16.39	3,859.08

¹ 1 metric ton = 2,205 pounds

Table 2-4
Net Difference Between Baseline and PAR 1148.1 Emissions from Diesel-Fueled Workover Rigs Operated in Los Angeles, Orange, Riverside, and San Bernardino Counties

Activity	VOC (lbs/day)	CO (lbs/day)	NO _x (lbs/day)	SO _x (lbs/day)	PM10 (lbs/day)	PM2.5 (lbs/day)	CO ₂ eq ¹ (MT/yr)
Baseline	25.83	271.82	1,033.35	16.25	18.64	17.13	4,037.44
PAR 1148.1	24.71	262.82	987.95	15.53	17.82	16.39	3,859.08
NET DIFFERENCE²	(1.12)	(9.00)	(45.40)	(0.72)	(0.82)	(0.74)	(178.36)
SIGNIFICANCE THRESHOLD	55	550	55	150	150	55	10,000
SIGNIFICANT?	NO	NO	NO	NO	NO	NO	NO

¹ 1 metric ton = 2,205 pounds

² () means a reduction

While there currently are no known electrically powered or alternative fuel workover rigs available at the time of publication of this document, if they become available, additional infrastructure to support electric and alternative fuel workover rigs may be needed for any facility that becomes subject to an Odor Mitigation Plan. Secondary impacts to air quality could occur from increased electricity usage for electric workover rigs and from increased production and use of alternative fuels (e.g., source of natural gas or propane) for non-diesel workover rigs.

For example, an increase in the use of electric workover rigs would require the generation of additional electricity at each affected oil and gas facility or at the grid. Many oil and gas facilities produce their own electricity using generators, fuel cells, cogeneration units, or combined heat and power units by burning their own source of fuel onsite (e.g., field gas or treated natural gas). If an electric workover rig is developed and becomes commercially available, some facilities may be able to tie into their existing electricity supply to provide power to an electric workover rig. However, since workover rigs move around within an oil and gas facility from well to well, electricity may not be available near every well location, so it may not be practical or feasible to employ an electric workover rig in all cases since the availability of electricity generated by an oil and gas facility and its proximity from wells will vary from facility to facility. For this reason, facility operators will need to determine on a case-by-case basis whether an electric workover rig could be tied-in to existing electricity supplies.

If existing electricity supplies are insufficient, then facility operators could choose to install electricity generating equipment in order to support the operation of an electric workover rig. However, electricity generation within the district is subject to applicable SCAQMD rules and permitting requirements such as Rule 1134 – Emissions of Oxides of Nitrogen from Stationary Gas Turbines, Rule 1135 – Emissions of Oxides of Nitrogen from Stationary Gas Turbines, and Regulation XX – RECLAIM. These rules and regulations focus on regulating NO_x emissions (the primary pollutant of concern from natural gas combustion to generate electricity) from existing power generating equipment. Although emissions from electric utilities in the district are capped under the RECLAIM program (and under Rule 1135), any new power generating facilities in the district to accommodate increased electricity demand would be subject to SCAQMD Regulation XIII – New Source Review, or Rule 2005 which requires installation of BACT, air quality modeling would be required to demonstrate that new emissions would not result in significant ambient air quality impacts (so there would be no localized impacts), and emission offsets (through either emission reduction credits or RECLAIM trading credits) before

permits could be issued. Emission offsets for NO_x emissions, for example, would be at a ratio of 1.2 to 1.0, or 1.2 pounds of emission reduction credits required for every new pound of NO_x emitted from the power generating source (or a ratio of 1.0 to 1.0 for RECLAIM sources). A separate CEQA evaluation would be required to evaluate the effects of any proposal to install new electricity generating equipment. Further, emissions from the combustion of diesel fuel are generally the emissions that would be reduced when electrification is proposed and replaced with emissions from the combustion of natural gas (as would generally occur from electricity generating equipment and facilities in the district). Emissions from diesel combustion are an order of magnitude higher than emissions from the combustion of natural gas. So overall, criteria pollutant and GHG emissions would be expected to decrease.

While there could be an increase in emissions from generators that may be used to charge batteries in remote locations within an oil and gas facility where no grounded power source is available, generators are also regulated sources in the district. Existing SCAQMD regulations that apply to generators and emergency generators would apply to generators used to charge batteries. New generators would be subject to Regulation XIII or Rule 2005. Existing generators are subject to SCAQMD Rule 1110.2 – Emissions from Gaseous and Liquid Fueled Internal Combustion Engines. Rule 1110.2 does not establish a facility emission cap, but establishes a stringent NO_x emission rate. Truly portable equipment may also be regulated under the state registration program, which establishes emission limitations on NO_x, VOCs, and CO.

The SCAQMD does not regulate electricity generating facilities outside of the district so the rules and regulations discussed above do not apply to electricity generating facilities outside of the district. In 2010, about 71 percent of the electricity used in California was generated in-state and about 29 percent was imported (see Section 3.2.3). While these electricity generating facilities would not be subject to SCAQMD rules and regulations, they would be subject to the rules and regulations of the state or local air pollution control district in which they are located and the U.S. EPA. These agencies also have established New Source Review regulations for new and modified facilities that generally require compliance with BACT or lowest achievable emission reduction technology. Most in-state electricity generating plants use natural gas, which provides a relatively clean source of fuel (as compared to coal- or diesel-fueled plants). The emissions from these power plants would also be controlled by local, state, and federal rules and regulations, minimizing overall air emissions.

Power plants in California provided approximately 71 percent of the total in-state electricity demand in 2010 of which 15 percent came from renewable sources such as biomass, geothermal, small hydro, solar, and wind, which are clean sources of energy. These sources of electricity generate little, if any, air emissions. Increased use of these and other clean technologies will continue to minimize emissions from the generation of electricity. State law requires increasing the use of renewable energy to 20 percent by 2017 and to 33 percent by 2020.

One gallon of diesel is equivalent to 0.027 kWh of electricity, so utilizing 12,600 gallons of diesel to operate one 1,000 hp workover rig for 3,000 hours per year would be equivalent to using approximately 340 kilowatt-hours (kWh) of electricity⁹ in one electric workover rig. Thus, if three diesel-fueled workover rigs are replaced with three electric workover rigs, the total

⁹ California Energy Commission, Energy Almanac, Gasoline Gallon Equivalents (GGE) for Alternative Fuels, accessed April 24, 2015. <http://www.energyalmanac.ca.gov/transportation/gge.html>

electricity demand would be approximately 1,021 kWh. Electricity impacts from energy demand are analyzed and found in the energy section of this chapter.

Although the secondary air quality impacts from construction of infrastructure projects cannot be quantified at this time due to speculation, construction to install an electrical distribution network within an oil and gas facility could potentially require an intensive effort and substantial expense that may also incur short-term significant air quality impacts depending on the extent of construction and the location(s) where the electric workover rigs would be needed. If this ends up being the case, an affected facility operator may explore utilizing alternative fuel workover rigs in lieu of an electric workover rig if it is more economical and convenient. As such, this incremental increase in electricity demand is not expected to create significant adverse air quality impacts compared to emission reductions that would occur from utilizing non-diesel workover rigs.

If an electric tie-in is not feasible, then facility operators may explore utilizing alternative fuel workover rigs, if available. To estimate what the fuel use may be for one alternative fueled workover rig, one gallon of diesel fuel is equivalent to using approximately 0.558 gallons of liquefied natural gas (LNG), 0.729 therm of compressed natural gas (CNG), and 0.653 gallons of liquefied petroleum gas/propane (LPG)⁸. Thus, replacing one diesel workover rig with an alternative fuel workover rig, would utilize approximately 7,031 gallons per year of LNG, or 9,185 therms per year of CNG, or 8,228 gallons per year of LPG. Similarly, if three diesel-fueled workover rigs are replaced with three alternative fuel workover rigs, the total demand would be approximately 21,092 gallons per year of LNG, or 27,556 therms per year of CNG, or 24,683 gallons per year of LPG.

To understand what the air quality and GHG impacts would be from burning these alternative fuels in workover rigs, the peak daily emissions from operating three workover rigs for each alternative fuel was estimated, the alternative fuel with the highest values were compared to the reduction in peak daily emissions due to reducing diesel fuel use. These values are summarized in Table 2-5.

Table 2-5
Estimated Emissions from Alternative Fuel Workover Rigs
Based on Diesel Fuel Usage Equivalency

Activity	VOC (lbs/day)	CO (lbs/day)	NO _x (lbs/day)	SO _x (lbs/day)	PM10 (lbs/day)	PM2.5 (lbs/day)	CO ₂ eq ¹ (MT/yr)
Operation of 3 LNG Workover Rigs	0.44	N/A	1.38	N/A	0.07	0.06	0.15
Operation of 3 CNG Workover Rigs	4.25	N/A	13.45	N/A	0.67	0.62	1.5
Operation of 3 LPG Workover Rigs	0.51	N/A	1.61	N/A	0.08	0.07	0.18
PEAK DAILY INCREASE FROM ALTERNATIVE FUEL (CNG)	4.25	N/A	13.45	N/A	0.67	0.62	1.5
PEAK DAILY DECREASE FROM REDUCING DIESEL FUEL²	(1.12)	(9.00)	(45.40)	(0.72)	(0.82)	(0.74)	(178.36)
NET DIFFERENCE²	3.13	(9.00)	(31.95)	(0.72)	(0.15)	(0.12)	(176.86)
SIGNIFICANCE THRESHOLD	55	550	55	150	150	55	10,000
SIGNIFICANT?	NO	NO	NO	NO	NO	NO	NO

N/A = Not calculated due to lack of available emission factors

¹ 1 metric ton = 2,205 pounds

² () means a reduction

Subsequent to the release of the Draft EA, industry commented that an additional vacuum truck may be needed to pump out a well cellar on the same day if it has been verified as a source of odors. In addition, if the operation of a vacuum truck occurs at night, temporary portable lighting equipment may be needed, if lighting does not already exist at or near the affected well cellar, to provide sufficient lighting to safely direct the vacuum hose to the affected location. If temporary portable lighting is required, then a diesel generator set may be needed to supply the power to the lighting equipment.

As explained in Section I - Aesthetics, past complaint data for Rule 1148.1 facilities has shown that only three facilities experienced the potential equivalent of three or more confirmed odor events or received a Rule 402 NOV. Thus, in the event that three separate facilities would each need to have one additional vacuum truck visit the premises to pump out a well cellar, and if circumstances exist that these activities would occur at night, then three additional diesel generator sets to power three portable lighting units could be needed on a peak day. While these circumstances could create a potential for additional nighttime lighting, the lighting would only be needed for as long as each vacuum truck is operating. Vacuum trucks have pumps that can suction up to 4,000 cubic feet per minute of material, so depending on the volume of material needed to be pumped out of a well cellar, the vacuum truck and any needed lighting would likely be needed from five minutes to one hour. However, to be conservative, the analysis assumes that three vacuum trucks and three generator sets to support lighting equipment would each operate for two hours on a peak day.

Table 2-6 contains a summary of what the emissions could be in the event three vacuum trucks and three generator sets operate on a peak day. Appendix B contains the spreadsheets for the proposed project with the results based on the assumptions used by the SCAQMD staff for this analysis.

Table 2-6
Estimated Emissions from Vacuum Trucks and Generator Sets

<u>Activity</u>	<u>VOC (lbs/day)</u>	<u>CO (lbs/day)</u>	<u>NO_x (lbs/day)</u>	<u>SO_x (lbs/day)</u>	<u>PM10 (lbs/day)</u>	<u>PM2.5 (lbs/day)</u>	<u>CO₂eq¹ (MT/yr)</u>
<u>Operation of 3 Vacuum Trucks</u>	<u>0.27</u>	<u>1.15</u>	<u>3.18</u>	<u>0.01</u>	<u>0.16</u>	<u>0.13</u>	<u>0.29</u>
<u>Operation of 3 Generator Sets</u>	<u>0.01</u>	<u>0.05</u>	<u>0.13</u>	<u>0.00</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
<u>PEAK DAILY INCREASE</u>	<u>0.28</u>	<u>1.20</u>	<u>3.31</u>	<u>0.01</u>	<u>0.17</u>	<u>0.14</u>	<u>0.30</u>
<u>SIGNIFICANCE THRESHOLD</u>	<u>55</u>	<u>550</u>	<u>55</u>	<u>150</u>	<u>150</u>	<u>55</u>	<u>10,000</u>
<u>SIGNIFICANT?</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>

¹ 1 metric ton = 2,205 pounds

Finally, in response to industry's comment that some facilities may need to install monitoring equipment, the analysis assumes a total of 24 facilities may be affected and that five facilities on a peak day may undergo light construction activities for one day per facility. For each affected facility, the construction activities would be expected to involve a work crew of three to install the monitoring equipment and make the electrical connections and one delivery truck to deliver supplies for the workers. Table 2-7 contains a summary of what the construction emissions would be in the event that five facilities install five monitoring systems on a peak day. Table 2-8 contains a summary of what the GHG construction emissions would be in the event that all 24 facilities have 24 monitoring systems installed. Appendix B contains the spreadsheets for the proposed project with the results based on the assumptions used by the SCAQMD staff for this analysis.

Table 2-7
Estimated Construction Emissions from Installing Monitoring Systems on a Peak Day

<u>Activity</u>	<u>VOC (lbs/day)</u>	<u>CO (lbs/day)</u>	<u>NO_x (lbs/day)</u>	<u>SO_x (lbs/day)</u>	<u>PM10 (lbs/day)</u>	<u>PM2.5 (lbs/day)</u>
<u>5 facilities each with 3 Construction Worker Vehicles</u>	<u>0.30</u>	<u>2.75</u>	<u>0.25</u>	<u>0.00</u>	<u>0.04</u>	<u>0.03</u>
<u>5 facilities each with 1 delivery truck</u>	<u>0.45</u>	<u>2.90</u>	<u>3.20</u>	<u>0.00</u>	<u>0.13</u>	<u>0.10</u>
<u>PEAK DAILY INCREASE</u>	<u>0.75</u>	<u>5.65</u>	<u>3.45</u>	<u>0.00</u>	<u>0.17</u>	<u>0.13</u>
<u>SIGNIFICANCE THRESHOLD</u>	<u>75</u>	<u>550</u>	<u>100</u>	<u>150</u>	<u>150</u>	<u>55</u>
<u>SIGNIFICANT?</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>	<u>NO</u>

¹ 1 metric ton = 2,205 pounds

Table 2-8
Estimated GHG Construction Emissions from Installing Monitoring Systems
at 24 Facilities

<u>Activity</u>	<u>CO₂eq^{1,2}</u> <u>(MT/yr)</u>
<u>24 facilities each with 3 Construction Worker Vehicles</u>	<u>0.04</u>
<u>24 facilities each with 1 delivery truck</u>	<u>0.05</u>
<u>TOTAL PROJECT INCREASE</u>	<u>0.09</u>
<u>SIGNIFICANCE THRESHOLD</u>	<u>10,000</u>
<u>SIGNIFICANT?</u>	<u>NO</u>

1 1 metric ton = 2,205 pounds

2 GHGs from temporary construction activities are amortized over 30 years

In conclusion, less than significant adverse operational impacts to air quality and GHGs are expected from a slight increased demand for electricity to operate three electric workover rigs or from a slight increased demand in the use of alternative fuels to operate three alternative fuel workover rigs. In addition, less than significant adverse operational impacts to air quality and GHGs are also expected from operating vacuum trucks and generator sets on a peak day. Finally, less than significant adverse construction impacts to air quality and GHGs are also expected from constructing five monitoring systems on a peak day. Further, since no significant impacts were identified for this issue, no mitigation measures are necessary or required.

III. c) Less Than Significant Impact. As the Lead Agency under CEQA, the SCAQMD uses the same significance thresholds for project-specific and cumulative impacts for all environmental topics analyzed. Projects that exceed the project-specific significance thresholds are considered by the SCAQMD to be cumulatively considerable; conversely, projects that do not exceed the project-specific thresholds are generally not considered to be cumulatively significant¹⁰.

With respect to air quality, no cumulative impacts are anticipated from the proposed project. Emissions resulting with implementation of the proposed project will be below the SCAQMD’s thresholds for all criteria air pollutants. Although the proposed project may contribute additional air pollutants to an existing nonattainment area, these increases are below the SCAQMD air quality significance criteria. Therefore, the proposed project will not cause a significant environmental effect, nor result in an unavoidable cumulatively considerable contribution to an air quality impact¹¹.

Emissions relative to GHG emissions from the proposed project will also be below the SCAQMD’s cumulatively considerable significance threshold for GHGs. Thus, no significant adverse impacts are expected, either individually or cumulatively.

¹⁰ SCAQMD Cumulative Impacts Working Group White Paper on Potential Control Strategies to Address Cumulative Impacts From Air Pollution, August 2003, Appendix D, Cumulative Impact Analysis Requirements Pursuant to CEQA, at D-3. <http://www.aqmd.gov/hb/2003/030929a.html>

¹¹ Refer also to *Citizens for Responsible Equitable Environmental Development v. City of Chula Vista* (2011) 197 Cal. App. 4th 327, 334 and *Rialto Citizens for Responsible Growth v. City of Rialto* (2102) 208 Cal. App. 4th 899 pertaining to the determination of significant impacts and whether a project is considered to be cumulatively considerable.

Consistent with CEQA Guidelines §15064.7, a “lead agency may rely on a threshold of significance standard to determine whether a project will cause a significant environmental effect.” Further, CEQA Guidelines §15064 (h)(1) requires that a “lead agency consider whether the cumulative impact is significant and whether the effects of the project are cumulatively considerable.” Where a lead agency is examining a project with an incremental effect that is not cumulatively considerable, a lead agency need not consider the effect significant, but must briefly describe the basis for concluding that the incremental effect is not cumulatively considerable. As stated above, projects that exceed the project-specific significance thresholds are considered by the SCAQMD to be cumulatively considerable; projects that do not exceed the project-specific significance thresholds are not considered to be cumulatively considerable. Therefore the proposed project’s contribution to air quality and GHGs are not cumulatively considerable, and thus not significant. This conclusion is consistent with CEQA Guidelines §15064 (h)(4), which states, “The mere existence of cumulative impacts caused by other projects alone shall not constitute substantial evidence that the proposed project’s incremental effects are cumulatively considerable.”

III. d) No-Less Than Significant Impact. Affected facilities are not expected to increase exposure to sensitive receptors with substantial pollutant concentrations from the implementation of PAR 1148.1 for the following reasons: 1) PAR 1148.1 would not change any of the VOC/TOC/TAC reduction aspects ~~in~~ currently in the rule but instead would improve upon compliance activities in order to minimize the potential for nuisance and odor impacts to local residents and sensitive receptors that are often located nearby from ongoing operations that do not include drilling; 2) the use of non-diesel workover rigs will be required for any facility that is located within 1,500 feet of a sensitive receptor and that is required to prepare and submit for approval an Odor Mitigation Plan in the event that the facility either receives one Rule 402 NOV or three confirmed odor events within six consecutive months; and, 3) the use of non-diesel workover rigs would actually reduce the amount of emissions of criteria pollutants, diesel PM (a TAC) and GHGs for facilities located the closest to sensitive receptors when compared to current baseline emissions from workover rig activities (see Table 2-4). In addition, while the potential increase in the use of vacuum trucks and generator sets rely on diesel fuel for operation, the emission calculations for a peak day as summarized in Table 2-6 show less than significant increases in operational emissions. Similarly, while there may be a need for some facilities to install monitoring equipment, the emission calculations as summarized in Tables 2-7 and 2-8 show less than significant increases in construction emissions.

Therefore, no significant adverse air quality impacts to sensitive receptors are expected from implementing PAR 1148.1. Since no significant impacts were identified for this issue, no mitigation measures are necessary or required.

III. e) No Impact. Historically, the SCAQMD has enforced odor nuisance complaints through SCAQMD Rule 402 - Nuisance. Sulfur compounds such as hydrogen sulfide (H₂S) and mercaptans are the primary sources of odors from existing oil and gas operations. PAR 1148.1 would further assist in minimizing emissions to the atmosphere by improving upon compliance and monitoring requirements to minimize the potential for odors. For example, the use of non-diesel workover rigs will be required for any facility that is located within 1,500 feet of a sensitive receptor and that is required to prepare and submit for approval an Odor Mitigation Plan in the event that the facility either receives one Rule 402 NOV or three confirmed odor events within six consecutive months. Currently, workover rigs operate with diesel fuel which is

required to have a low sulfur content (e.g., 15 ppm by weight or less) in accordance with SCAQMD Rule 431.2 – Sulfur Content of Liquid Fuels. Because the operation of workover rigs, vacuum trucks, and generator sets will occur within the confines of existing affected facilities, sufficient dispersion of diesel emissions over distance generally occurs such that odors associated with diesel emissions may be discernable to offsite receptors, depending on the location of the equipment workover rig and its distance relative to the nearest offsite receptor. Further, the use of construction worker vehicles and delivery trucks as part of construction activities associated with installing monitoring equipment will not be idling at the affected facilities once onsite, so odors from these vehicles would not be expected. However, in the event that an Odor Mitigation Plan is required, implementation of PAR 1148.1 may cause a limited replacement of diesel workover rigs with non-diesel workover rigs, when they become available, such that odors associated with diesel combustion will be reduced from baseline conditions whenever and wherever a non-diesel workover rig is employed. Further, the operation of non-diesel workover rigs is not expected to be a substantial source of odors because non-diesel workover rigs would either rely on electricity or be directly fueled by cleaner, less odorous fuels such as natural gas or propane, when compared to diesel. Finally, in the event that a vacuum truck is required to pump out a well cellar and even if these operations require nighttime lighting necessitating the use of a generator set at an affected facility, an overall improvement in odors would be expected because the need for the pumping out of a well cellar would be triggered because it has been verified as a source of odors. Thus, the proposed project is not expected to create significant adverse objectionable odors. Since no significant impacts were identified for this issue, no mitigation measures are necessary or required.

III. f) No Impact. Upon implementation, the proposed project would be required to comply with all applicable SCAQMD, CARB, and USEPA rules and regulations. Thus, the proposed project would not be expected to diminish an existing air quality rule or future compliance requirements. Further, by amending Rule 1148.1 as proposed, the proposed project would enhance existing air pollution control rules that assist the SCAQMD in its efforts to attain and maintain with a margin of safety the state and federal ambient air quality standards for ozone and PM_{2.5} because VOCs are considered to be precursor pollutants that contribute to the formation of ozone and PM_{2.5}. Accordingly, the proposed project would not diminish any air quality rules or regulations. Since no significant impacts were identified for this issue, no mitigation measures are necessary or required.

III. g) & h) Less Than Significant Impact. Changes in global climate patterns have been associated with global warming, an average increase in the temperature of the atmosphere near the Earth's surface, recently attributed to accumulation of GHG emissions in the atmosphere. GHGs trap heat in the atmosphere, which in turn heats the surface of the Earth. Some GHGs occur naturally and are emitted to the atmosphere through natural processes, while others are created and emitted solely through human activities. The emission of GHGs through the combustion of fossil fuels (i.e., fuels containing carbon) in conjunction with other human activities, appears to be closely associated with global warming¹². State law defines GHG to include the following: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆) (HSC

¹² Solomon, S., D. Qin, M. Manning, Z. Chen, M. Marquis, K.B. Averyt, M. Tignor and H.L. Miller (eds.). 2007. Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007. Cambridge University Press. http://www.ipcc.ch/publications_and_data/ar4/wg1/en/contents.html

§38505(g)). The most common GHG that results from human activity is CO₂, followed by CH₄ and N₂O.

GHGs and other global warming pollutants are perceived as solely global in their impacts in that that increasing emissions anywhere in the world contributes to climate change anywhere in the world. However, this perception may not be completely correct. A study conducted on the health impacts of CO₂ “domes” that form over urban areas concluded that they cause increases in local temperatures and local criteria pollutants, which have adverse health effects¹³.

The analysis of GHGs is a different analysis than the analysis of criteria pollutants for the following reasons. For criteria pollutants, the significance thresholds are based on daily emissions because attainment or non-attainment is primarily based on daily exceedances of applicable ambient air quality standards. Further, several ambient air quality standards are based on relatively short-term exposure effects on human health (e.g., one-hour and eight-hour standards). Since the half-life of CO₂ is approximately 100 years, for example, the effects of GHGs occur over a longer term which means they affect the global climate over a relatively long time frame. As a result, the SCAQMD’s current position is to evaluate the effects of GHGs over a longer timeframe than a single day (e.g., annual emissions). GHG emissions are typically considered to be cumulative impacts because they contribute to global climate effects. GHG emission impacts from implementing the proposed project were calculated at the project-specific level. For example, installation and subsequent operation of compressor and steam ejector technology has the potential to increase the electricity, fuel, and water use which will in turn increase CO₂ emissions.

On December 5, 2008, the SCAQMD adopted an interim CEQA GHG Significance Threshold for projects where SCAQMD is the lead agency (SCAQMD, 2008). This interim threshold is set at 10,000 metric tons (MT) of CO₂ equivalent emissions (CO₂eq) per year. Projects with incremental increases below this threshold will not be cumulatively considerable.

As discussed earlier in Sections b) and c) of this topic area, the analysis shows that there may be a slight reduction in GHG emissions from the combustion of diesel fuel in workover rig engines in the event that an Odor Mitigation Plan requiring the use of a non-diesel workover rig occurs. However, the combustion of natural gas or propane in workover rigs will generate GHG emissions but the GHG emissions generated will be lower because the CO₂eq emission factors for natural gas and propane are much lower than the CO₂eq emission factors for diesel. Nonetheless, with a reduction in diesel-fueled workover rigs, a slight, overall reduction in GHG emissions would be expected at any facility that would be required to have an Odor Mitigation Plan and to utilize a non-diesel workover rig as part of plan implementation.

Specifically, as summarized in Table 2-4, the utilization of up to three non-diesel workover rigs would reduce GHGs generated from diesel combustion by approximately 178 MT/yr of CO₂eq emissions when compared to the existing setting. As shown in Table 2-5, this decrease would be offset by slight increases in GHGs from utilizing alternative fuels in three workover rigs by the following amounts: 0.15 MT/yr CO₂eq for LNG fuel; 0.50 MT/yr CO₂eq for CNG fuel; and, 0.18 MT/yr CO₂eq for LPG fuel. Thus, despite these slight increases, overall a net reduction in

¹³ Jacobsen, Mark Z. “Enhancement of Local Air Pollution by Urban CO₂ Domes,” Environmental Science and Technology, as describe in Stanford University press release on March 16, 2010 available at: <http://news.stanford.edu/news/2010/march/urban-carbon-domes-031610.html>.

GHG emissions would be expected from utilizing alternative fuel workover rigs in lieu of diesel fuel workover rigs.

The analysis mainly focuses on directly emitted CO₂ because this is the primary GHG pollutant emitted during the combustion process and is the GHG pollutant for which emission factors are most readily available. CO₂eq data derived from CO₂ emissions reported specific to workover rigs was provided by CARB. In addition, CH₄ and N₂O emissions were also estimated and included in the overall GHG calculations. No other GHGs are expected to be emitted because the proposed project does not affect equipment or operations that have the potential to emit other non-fuel combustion generated GHGs such as SF₆, HFCs or PFCs. Appendix B contains the spreadsheets for the proposed project with the results based on the assumptions used by the SCAQMD staff for this analysis.

While implementing the proposed project could potentially achieve a reduction in GHG emissions for any facility that becomes subject to an Odor Mitigation Plan, in the event that more than three non-diesel workover rigs are employed due to multiple Odor Mitigation Plans, there potentially could be more GHG reductions. In the event that vacuum trucks and generator sets are needed to pump out well cellars that have been verified as a source of odors, the GHG emission calculations during operation, as summarized in Table 2-6, show a very slight, less than significant increase of 0.30 MT/year of GHGs. Further, as summarized in Table 2-8, if 24 facilities have monitoring systems installed, the amortized GHG emission calculations for construction show a less than significant increase of 0.09 MT/year of GHGs. Lastly, PAR 1148.1 is not subject to a GHG reduction plan. Thus, implementation of PAR 1148.1 would not conflict with an applicable plan, policy or regulation adopted for the purpose of reducing GHG emissions.

Thus, as shown in Tables 2-5, 2-6, and 2-8 the SCAQMD's GHG significance threshold for industrial sources will not be exceeded. For this reason, implementing the proposed project is not expected to generate significant adverse cumulative GHG air quality impacts.

Conclusion

Based upon these considerations, significant air quality and GHG emissions impacts are not expected from implementing PAR 1148.1. Since no significant air quality and GHG emissions impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
IV. BIOLOGICAL RESOURCES.				
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by §404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflicting with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on biological resources will be considered significant if any of the following criteria apply:

- The project results in a loss of plant communities or animal habitat considered to be rare, threatened or endangered by federal, state or local agencies.
- The project interferes substantially with the movement of any resident or migratory wildlife species.
- The project adversely affects aquatic communities through construction or operation of the project.

Discussion

IV. a), b), c), & d) No Impact. PAR 1148.1 would only affect compliance activities at existing oil and gas production facilities which have already been greatly disturbed. In general, these areas currently do not typically support riparian habitat, federally protected wetlands, or migratory corridors. Additionally, special status plants, animals, or natural communities are not expected to be found in close proximity to the affected facilities. Areas immediately around the oil and gas production wells subject to PAR 1148.1 are expected to be devoid of all biological activity for safety and fire prevention reasons. Therefore, the proposed project would have no direct or indirect impacts that could adversely affect plant or animal species or the habitats on which they rely in the SCAQMD's jurisdiction. The current and expected future land use development to accommodate population growth is primarily due to economic considerations or local government planning decisions. A conclusion in the Program Environmental Impact Report (EIR) for the 2012 AQMP was that population growth in the region would have greater adverse effects on plant species and wildlife dispersal or migration corridors in the basin than SCAQMD regulatory activities, (e.g., air quality control measures or regulations). The current and expected future land use development to accommodate population growth is primarily due to economic considerations or local government planning decisions.

IV. e) & f) No Impact. The proposed project is not envisioned to conflict with local policies or ordinances protecting biological resources or local, regional, or state conservation plans. Land use and other planning considerations are determined by local governments and no land use or planning requirements would be altered by the proposed project. Additionally, the proposed project would not conflict with any adopted Habitat Conservation Plan, Natural Community Conservation Plan, or any other relevant habitat conservation plan, and would not create divisions in any existing communities because all activities associated with complying with the proposed project would occur at existing facilities in previously disturbed areas which are not typically subject to Habitat or Natural Community Conservation Plans.

The SCAQMD, as the Lead Agency for the proposed project, has found that, when considering the record as a whole, there is no evidence that the proposed project would have potential for any new adverse effects on wildlife resources or the habitat upon which wildlife depends. Accordingly, based upon the preceding information, the SCAQMD has, on the basis of substantial evidence, rebutted the presumption of adverse effect contained in §753.5 (d), Title 14 of the California Code of Regulations.

Based upon these considerations, significant biological resource impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant biological resource impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
V. CULTURAL RESOURCES. Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource, site, or feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to cultural resources will be considered significant if:

- The project results in the disturbance of a significant prehistoric or historic archaeological site or a property of historic or cultural significance to a community or ethnic or social group.
- Unique paleontological resources are present that could be disturbed by construction of the proposed project.
- The project would disturb human remains.

Discussion

V. a) No Impact. There are existing laws in place that are designed to protect and mitigate potential impacts to cultural resources. For example, CEQA Guidelines state that generally, a resource shall be considered "historically significant" if the resource meets the criteria for listing in the California Register of Historical Resources, which include the following:

- Is associated with events that have made a significant contribution to the broad patterns of California’s history and cultural heritage;
- Is associated with the lives of persons important in our past;
- Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values;

- Has yielded or may be likely to yield information important in prehistory or history (CEQA Guidelines §15064.5).

Buildings, structures, and other potential culturally significant resources that are less than 50 years old are generally excluded from listing in the National Register of Historic Places, unless they are shown to be exceptionally important. Even if there are any oil and gas wells that are older than 50 years, they would not be considered historically significant since they would not have any of the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values. Further, since PAR 1148.1 is focused mainly on improving compliance to minimize odors at oil and gas production facilities, the proposed project would not require any facility modifications that would adversely impact any existing structures that would be considered historically significant, that have contributed to California history, or that pose high artistic values. Therefore, the proposed project is not expected to cause any impacts to significant historic cultural resources.

V. b), c), & d) No Impact. PAR 1148.1 would only affect compliance activities at existing oil and gas production facilities which have already been greatly disturbed due to existing oil and gas drilling activities at each affected facility. As such, PAR 1148.1 would not require the construction of new buildings or structures, increasing the floor space of existing buildings or structures, or any other construction activities that would require disturbing soil that may contain cultural resources. Further, because the compliance activities are expected to be confined within the existing footprint of these affected facilities, the proposed project is not expected to require physical changes to the environment which may disturb paleontological or archaeological resources. Furthermore, it is envisioned that these areas are already either devoid of significant cultural resources or whose cultural resources have been previously disturbed. Therefore, the proposed project has no potential to cause a substantial adverse change to a historical or archaeological resource, directly or indirectly destroy a unique paleontological resource or site or unique geologic feature, or disturb any human remains, including those interred outside a formal cemeteries. The proposed project is, therefore, not anticipated to result in any activities or promote any programs that could have a significant adverse impact on cultural resources in the district.

Based upon these considerations, significant adverse cultural resources impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant cultural resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VI. ENERGY. Would the project:				
a) Conflict with adopted energy conservation plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
b) Result in the need for new or substantially altered power or natural gas utility systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Create any significant effects on local or regional energy supplies and on requirements for additional energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create any significant effects on peak and base period demands for electricity and other forms of energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Comply with existing energy standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to energy ~~and mineral~~ resources will be considered significant if any of the following criteria are met:

- The project conflicts with adopted energy conservation plans or standards.
- The project results in substantial depletion of existing energy resource supplies.
- An increase in demand for utilities impacts the current capacities of the electric and natural gas utilities.
- The project uses non-renewable resources in a wasteful and/or inefficient manner.

Discussion

VI. a) & e) No Impact. The proposed project is not subject to any existing energy conservation plans. For any facility that is subject to PAR 1148.1 and is also subject to an energy conservation plan, it is not expected that the proposed project would affect in any way or interfere with a facility’s ability to comply with its energy conservation plan or energy standards. In addition, energy information, as it relates to the replacement of diesel workover rigs with non-diesel workover rigs operating at any facility that would be required to have an Odor Mitigation Plan, was derived as part of the air quality analysis in this chapter and is summarized in the following discussion in sections b), c) and d). The following sections conclude that the amount of energy that may be needed to accommodate non-diesel workover rig operations as part of an Odor Mitigation Plan, to operate vacuum trucks and generator sets, and to install monitoring systems at affected facilities would be less than significant. Further, since non-diesel workover rig technology does not currently exist, it is expected that when this technology is developed and becomes commercially available, the technology would be designed to comply with all applicable existing energy standards. Thus, the proposed project would not utilize non-renewable energy resources in a wasteful or inefficient manner.

VI. b), c) & d) Less Than Significant Impact. As previously explained in Section III. b) & c), in the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a workover rig that is either electrically powered or fueled by LNG, CNG or LPG, in lieu of diesel fuel, if available and feasible. According to CARB's database, each workover rig consumes approximately 12,600 gallons of diesel per year for 3,000 hours of operation. Thus, if three diesel-fueled workover rigs are replaced with three non-diesel workover rigs at the three facilities that would be subject to an Odor Mitigation Plan, then a small reduction in the amount of diesel fuel needed (e.g., approximately 37,800 gallons per year) to operate these workover rigs would be expected. In addition, a slight reduction in the demand for diesel fuel will reduce the number of trucks per year delivering diesel fuel by five truck trips. Five diesel delivery trucks per year would utilize approximately 1,087 gallons of diesel fuel. Thus, the total amount of diesel fuel that would no longer be utilized if three diesel workover rigs are replaced with non-diesel workover rigs is approximately 38,897 gallons per year. Since there would be no increase in the amount of diesel fuel consumed, a reduction in the amount of diesel fuel would not be considered a significant adverse energy impact. In addition, if three electric workover rigs replace three diesel-fueled workover rigs, a slight increase in electricity would be needed but the increase would not exceed the significance threshold of one percent of electricity supply. Table 2-96 summarizes the estimated electricity usage in the event that three electric workover rigs replace three diesel-fueled workover rigs.

Table 2-96
Electricity Usage Summary

No. of Electric Workover Rigs	Instantaneous Electricity Usage (MW)	Significance Threshold: 1% of supply (MW)	Percent Increase (%)	Significant?
3	0.0003	8,362	0%	NO

The decrease in the amount of diesel fuel demand would be offset by an increase in the use of LNG, CNG or LPG depending on the type of non-diesel workover rig employed. As previously analyzed in Section III b) and c), if three diesel-fueled workover rigs are replaced with three alternative fuel workover rigs, the total demand would be approximately 21,092 gallons per year of LNG, or 27,556 therms per year of CNG, or 24,683 gallons per year of LPG as compared to a reduction in the use of diesel fuel by 37,600 gallons. In order to determine peak impacts for a worst-case analysis, Table 2-107 summarizes the estimated alternative fuel usage in the event that three diesel workover rigs are replaced by three workover rigs fueled by 100 percent of either LNG, CNG or LPG. None of the increased use of alternative fuels individually or cumulatively would exceed the significance threshold of one percent of supply. The energy calculations are shown in Appendix B of this [Final Draft EA](#).

Table 2-107
Total Projected Alternative Fuel Use

Fuel Type	Total Energy Usage per Type of Alternative Fuel		
	LNG	CNG	LPG
Projected Annual Use	21,092 gallons = 0.003 MMcf ^a	27,556 therms = 2.76 MMcf ^b	24,683 gallons
Threshold Fuel Supply	9,330 MMcf ^c	9,330 MMcf ^c	25 MMgallons ^d
% of Fuel Supply	0 %	0.03%	0.1%
Significant (Yes/No) ^e	NO	NO	NO

- ^a 1 cubic foot (cf) = 0.000001 million cubic feet (MMcf) = 7.481 gallons
- ^b 1 therm = 100 cubic feet (cf) = 0.0001 million cubic feet (MMcf)
- ^c Natural Gas Infrastructure Draft Staff Paper, California Energy Commission, May 2009 (CEC-200-2009-004-SD). <http://www.energy.ca.gov/2009publications/CEC-200-2009-004/CEC-200-2009-004-SD.PDF>
- ^d Retail Fuel Report and Data for California, California Energy Commission, August 2014. http://energyalmanac.ca.gov/gasoline/piira_retail_survey.html
- ^e SCAQMD's Energy Threshold for both Fuel Use is 1% of Supply.

In the event that vacuum trucks and generator sets are needed to pump out well cellars that have been verified as a source of odors, the additional diesel fuel needed to operate this equipment is approximately 47 gallons per year. Further, if affected facilities install monitoring systems, approximately 200 gallons of diesel fuel and 108 gallons of gasoline would be needed to operate delivery haul trucks and construction worker vehicles during construction. Table 2-11 summarizes the estimated increase in diesel fuel and gasoline usage from these activities.

Table 2-11
Total Projected Fuel Use From Vacuum Trucks, Generator Sets, Delivery Trucks, and Construction Worker Vehicles

Fuel Type	Diesel	Gasoline
<u>Projected Use</u>	<u>47 gallons/year plus 200 gallons/project</u>	<u>108 gallons/project</u>
<u>Threshold Fuel Supply^a</u>	<u>1,587,000,000 gallons</u>	<u>6,579,000,000 gallons</u>
<u>% of Fuel Supply</u>	<u>0 %</u>	<u>0 %</u>
<u>Significant (Yes/No)^b</u>	<u>NO</u>	<u>NO</u>

- ^a [2012 California Retail Sales by County; California Energy Commission](http://energyalmanac.ca.gov/gasoline/retail_fuel_outlet_survey/retail_diesel_sales_by_county.html)
http://energyalmanac.ca.gov/gasoline/retail_fuel_outlet_survey/retail_gasoline_sales_by_county.html
- ^b SCAQMD's Energy Threshold for both Fuel Use is 1% of Supply.

As shown in Table 2-11, the increased use of diesel fuel and gasoline would not exceed the significance threshold of one percent of supply. Since the proposed project would not exceed the SCAQMD's energy threshold of one percent of supply for electricity, ~~and~~ alternative fuel, diesel fuel and gasoline usage, implementation of PAR 1148.1 is expected to have less than significant energy impacts.

Based upon these considerations, significant energy impacts are not expected from implementing PAR 1148.1. Since no significant energy impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VII. GEOLOGY AND SOILS. Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on the geological environment will be considered significant if any of the following criteria apply:

- Topographic alterations would result in significant changes, disruptions, displacement, excavation, compaction or over covering of large amounts of soil.
- Unique geological resources (paleontological resources or unique outcrops) are present that could be disturbed by the construction of the proposed project.
- Exposure of people or structures to major geologic hazards such as earthquake surface rupture, ground shaking, liquefaction or landslides.
- Secondary seismic effects could occur which could damage facility structures, e.g., liquefaction.
- Other geological hazards exist which could adversely affect the facility, e.g., landslides, mudslides.

Discussion

VII. a) No Impact. Other than the possible replacement of three diesel-fueled workover rigs with three non-diesel workover rigs, the use of vacuum trucks and generator sets for well cellar clean out, or the operation of construction worker vehicles and delivery trucks during monitoring equipment installation, no substantial physical modifications to buildings or structures are expected to occur as a result of implementing PAR 1148.1. Since workover rigs, vacuum trucks, construction worker vehicles, and delivery trucks are mobile sources that can be driven on-road and generator sets are off-road equipment, any replacement of diesel-fueled workover rigs with non-diesel workover rigs, the use of vacuum trucks and generator sets, the use of construction worker vehicles and delivery trucks would be a matter of logistics to either schedule the switch out, use the equipment, or schedule the installation of monitoring equipment at an affected facility. Thus, no heavy-duty diesel-fueled construction equipment would be required and no soils would be disturbed. Therefore, the replacement of diesel-fueled workover rigs with non-diesel workover rigs, the use of vacuum trucks and generator sets, or the use of construction worker vehicles and delivery trucks is not expected to affect geology or soils, or existing geophysical conditions at the affected facilities.

Southern California is an area of known seismic activity. Structures must be designed to comply with the Uniform Building Code Zone 4 requirements if they are located in a seismically active area. The local city or county is responsible for assuring that the existing affected facilities comply with the Uniform Building Code as part of the issuance of the building permits and can conduct inspections to ensure compliance. The Uniform Building Code is considered to be a standard safeguard against major structural failures and loss of life. The goal of the code is to provide structures that will: 1) resist minor earthquakes without damage; 2) resist moderate earthquakes without structural damage but with some non-structural damage; and, 3) resist major earthquakes without collapse but with some structural and non-structural damage.

The Uniform Building Code is considered to be a standard safeguard against major structural failures and loss of life. The Uniform Building Code bases seismic design on minimum lateral seismic forces (“ground shaking”). The Uniform Building Code requirements operate on the

principle that providing appropriate foundations, among other aspects, helps to protect buildings from failure during earthquakes. The basic formulas used for the Uniform Building Code seismic design require determination of the seismic zone and site coefficient, which represent the foundation conditions at the site. The Uniform Building Code requirements also consider liquefaction potential and establish stringent requirements for building foundations in areas potentially subject to liquefaction.

Accordingly, existing buildings and equipment at existing affected facilities are likely to conform to the Uniform Building Code and all other applicable state codes in effect at the time they were constructed. Further, as with the current use of diesel workover rigs, the use of non-diesel workover rigs at existing affected facilities to comply with the proposed project would also be expected to conform to the Uniform Building Code and all other applicable state and local building codes.

Thus, since implementation of PAR 1148.1 would be expected to affect operations at existing facilities and would not involve any additional drilling, digging or construction, the proposed project would not alter the exposure of people or property to geological hazards such as earthquakes, landslides, mudslides, ground failure, or other natural hazards. As a result, substantial exposure of people or structures to the risk of loss, injury, or death involving the rupture of an earthquake fault, seismic ground shaking, ground failure or landslides is not anticipated and will not be further analyzed.

VII. b) No Impact. Other than the possible replacement of three diesel-fueled workover rigs with three-non-diesel workover rigs, the use of vacuum trucks and generator sets, or the use of construction worker vehicles and delivery trucks as part of installing monitoring equipment, no physical modifications to buildings or structures are expected to occur as a result of implementing PAR 1148.1. Since workover rigs, vacuum trucks, construction worker vehicles, and delivery trucks are mobile sources that can be driven on-road and generator sets are off-road equipment, any replacement of diesel-fueled workover rigs with non-diesel workover rigs would be a matter of logistics to schedule the switch out, the use of vacuum trucks and generator sets during well cellar pump out, or the installation of monitoring equipment at an affected facility. Since the existing facilities are generally flat and have previously been graded and paved, no excavating or grading activities would be needed and no temporary erosion would be expected as part of implementing PAR 1148.1.

Further, wind erosion is not expected to occur to any appreciable extent, because operators of the affected facilities would be required to comply with the best available control measure (BACM) requirements of SCAQMD Rule 403 – Fugitive Dust. In general, operators must control fugitive dust through a number of soil stabilizing measures such as watering the site, using chemical soil stabilizers, revegetating inactive sites, et cetera. The proposed project would not change how operators currently comply with these requirements. Thus, since implementation of PAR 1148.1 would be expected to affect operations at existing facilities and would not involve any additional drilling, digging or construction, no unstable earth conditions or changes in geologic substructures are expected to result from implementing the proposed project.

VII. c) No Impact. As explained in Section VII. b), since no excavation, grading, or filling activities would occur at affected facilities, PAR 1148.1 would not be expected to affect the soil types present at the affected facilities in a way that would cause them to be further susceptible to

expansion or liquefaction. For the same reasons, subsidence is also not anticipated to be a problem. Further, the proposed project would not cause any new drilling or the removal of underground products (e.g., water, crude oil, et cetera) that could produce subsidence effects. While the affected facilities engage in drilling, the proposed project (e.g., amending Rule 1148.1) will not increase drilling. Additionally, the affected areas are not envisioned to be prone to landslides or have unique geologic features since the affected industrial facilities are located in areas that have been previously disturbed and where such features have already been altered or removed.

Finally, since implementation of PAR 1148.1 would be expected to affect operations at existing facilities and would not involve any additional drilling, digging or construction, the proposed project would not be expected to alter or make worse any existing potential for subsidence, liquefaction, et cetera.

VII. d) & e) No Impact. Since the proposed project would affect compliance activities at existing oil and gas facilities, it is expected that people or property would not be exposed to new impacts related to expansive soils or soils incapable of supporting water disposal. Further, typically each affected facility has some degree of existing wastewater treatment systems that would continue to be used and would be expected to be unaffected by the proposed project. Sewer systems are available to handle wastewater produced and treated by each affected facility. Each existing facility affected by the proposed project would not require installation of septic tanks or alternative wastewater disposal systems. As a result, the proposed project would not require facility operators to utilize or install new or modify existing septic systems or alternative wastewater disposal systems. Thus, since implementation of PAR 1148.1 would be expected to affect operations at existing facilities and would not involve any additional drilling, digging or construction, implementation of the proposed project would not adversely affect soils associated with a septic system or alternative wastewater disposal system.

Based upon these considerations, significant geology and soils impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant geology and soils impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VIII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, and disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions, or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public use airport or a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Significantly increased fire hazard in areas with flammable materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Significance Criteria

Impacts associated with hazards will be considered significant if any of the following occur:

- Non-compliance with any applicable design code or regulation.

- Non-conformance to National Fire Protection Association standards.
- Non-conformance to regulations or generally accepted industry practices related to operating policy and procedures concerning the design, construction, security, leak detection, spill containment or fire protection.
- Exposure to hazardous chemicals in concentrations equal to or greater than the Emergency Response Planning Guideline (ERPG) 2 levels.

Discussion

VIII. a), & b) Less Than Significant Impact. PAR 1148.1 would not introduce, require, or change the amount of hazardous materials: 1) routinely transported to or from the oil and gas facilities; 2) processed by the oil and gas facilities; and, 3) disposed of as hazardous waste by the oil and gas facilities. However, PAR 1148.1 may have the effect of reducing odorous emissions vented to the atmosphere, which include HAPs such as H₂S, via the enhanced compliance requirements. While the reduction of H₂S vented to the atmosphere would be beneficial for air quality and odor, because H₂S is also explosive, a reduction in H₂S emissions would lessen the current explosion hazards associated with operation activities at oil and gas facilities.

VIII. c) & e) No Impact. Compliance activities from implementing the proposed project are expected to occur within the existing confines of the affected facilities. However, some of these facilities may be located within one-quarter mile of a sensitive receptor (e.g., a school) or in close proximity to a public/private airport and are located within an airport land use plan. Nonetheless, the replacement of diesel-fueled workover rigs with non-diesel workover rigs at facilities that would be subject to an Odor Mitigation Plan, would not cause the height of the required workover rig to change since the height of the workover rig is dependent on the depth of the oil or gas well to be serviced. Similarly, oil and gas facilities currently use vacuum trucks and generator sets with low heights, so the slight increase in use of these equipment, would not alter the height profiles of these equipment. Further, the height of construction worker vehicles and delivery trucks needed for the purpose of installing monitoring equipment at affected facilities is not expected to be any taller than vehicles currently in use throughout the district. Thus, implementation of PAR 1148.1 would not interfere with plane flight paths consistent with Federal Aviation Regulation, Part 77. Such codes are designed to protect the public from hazards associated with normal operation.

Further, operation of workover rigs, vacuum trucks and generator sets at oil and gas facilities would be required to comply with all appropriate building, land use and fire codes. Finally, the implementation of PAR 1148.1 is not expected to generate significant adverse new hazardous emissions in general (see the discussions under Section III) or increase the manufacture or use of hazardous materials (see discussion VIII. a) & b) above).

Since PAR 1148.1 would not create any new hazards or increase existing hazards above the existing baseline, no significant impacts from use and potential accidental release of acutely hazardous materials, substances and wastes near sensitive receptors and public/private airports are expected to occur. Therefore, the proposed project would not be expected to result in a safety hazard for people residing or working in the area of the affected facilities even within the vicinity of a sensitive receptor or airport. Thus, PAR 1148.1 is not expected to increase or create

any new safety hazards to people working or residing in the vicinity of public/private airports or within one-quarter mile of an existing or proposed school.

VIII. d) No Impact. Government Code §65962.5 typically refers to a list of facilities that may be subject to Resource Conservation and Recovery Act (RCRA) permits. Since PAR 1148.1 would improve compliance activities applies to oil and gas activities, PAR 1148.1 is not expected to have direct impacts on facilities affected by Government Code §65962.5. However, if affected facilities are subject to Government Code §65962.5, they would still need to comply with any regulations relating to that code section. The replacement of diesel-fueled worker rigs with non-diesel workover rigs is not expected to generate increased hazardous waste above the existing baseline or interfere with existing hazardous waste management programs. Further, because the use of additional vacuum trucks and generator sets would merely expedite the removal of odorous materials from any well cellar identified as a verified odor source, no increases in the amount of hazardous waste collected and disposed of would be expected to occur. Accordingly, PAR 1148.1 is not expected to result in a new significant impact to the public or environment from sites on lists compiled pursuant to Government Code §65962.5.

Lastly, if any of the affected facilities are designated pursuant to Government Code §65962.5 as a large quantity generator of hazardous waste, complying with PAR 1148.1 would not alter in any way how the affected facilities manage their hazardous wastes. Further, they would be expected to continue to manage any and all hazardous materials and hazardous waste in accordance with all applicable federal, state, and local rules and regulations.

VIII. f) No Impact. Health and Safety Code §25506 specifically requires all businesses handling hazardous materials to submit a business emergency response plan to assist local administering agencies in the emergency release or threatened release of a hazardous material. Business emergency response plans generally require the following:

- Identification of individuals who are responsible for various actions, including reporting, assisting emergency response personnel and establishing an emergency response team;
- Procedures to notify the administering agency, the appropriate local emergency rescue personnel, and the California Office of Emergency Services;
- Procedures to mitigate a release or threatened release to minimize any potential harm or damage to persons, property or the environment;
- Procedures to notify the necessary persons who can respond to an emergency within the facility;
- Details of evacuation plans and procedures;
- Descriptions of the emergency equipment available in the facility;
- Identification of local emergency medical assistance; and,
- Training (initial and refresher) programs for employees in:
 1. The safe handling of hazardous materials used by the business;
 2. Methods of working with the local public emergency response agencies;

3. The use of emergency response resources under control of the handler;
4. Other procedures and resources that will increase public safety and prevent or mitigate a release of hazardous materials.

In general, every county or city and all facilities using a minimum amount of hazardous materials are required to formulate detailed contingency plans to eliminate, or at least minimize, the possibility and effect of fires, explosion, or spills. In conjunction with the California Office of Emergency Services, local jurisdictions have enacted ordinances that set standards for area and business emergency response plans. These requirements include immediate notification, mitigation of an actual or threatened release of a hazardous material, and evacuation of the emergency area.

Emergency response plans are typically prepared in coordination with the local city or county emergency plans to ensure the safety of not only the public (surrounding local communities), but the facility employees as well. The proposed project would not impair implementation of, or physically interfere with any adopted emergency response plan or emergency evacuation plan. The existing facilities affected by the proposed project would typically already have their own emergency response plans in place and implementation of PAR 1148.1 would not be expected to require an update to any affected facility's emergency response plan. Thus, the proposed project is not expected to impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. As such, this impact issue will not be further analyzed.

VIII. g) No Impact. The proposed project is not expected to increase the existing risk of fire hazards in areas with flammable brush, grass, or trees since the affected oil and gas facilities are located at on existing industrial sites in urban areas where wildlands are not prevalent. In addition, no substantial or native vegetation typically exists on or near the affected facilities (specifically because they could be a fire hazard) so the proposed project is not expected to expose people or structures to wild fires. Thus, risk of loss or injury associated with wildland fires is not expected.

VIII. h) Less Than Significant Impact. The Uniform Fire Code and California Building Code set standards intended to minimize risks from flammable or otherwise hazardous materials. Local jurisdictions are required to adopt the uniform codes or comparable regulations. Local fire agencies require permits for the use or storage of hazardous materials and permit modifications for proposed increases in their use. Permit conditions depend on the type and quantity of the hazardous materials at the facility. Permit conditions may include, but are not limited to, specifications for sprinkler systems, electrical systems, ventilation, and containment. The fire departments make annual business inspections to ensure compliance with permit conditions and other appropriate regulations.

Further, because businesses are required to report increases in the storage or use of flammable and otherwise hazardous materials, including any increased storage of alternative fuels such as LNG, CNG or LPG as part of utilizing alternative fuel workover rigs, to local fire departments. Local fire departments ensure that adequate permit conditions are in place to protect against potential risk of upset. Also, because the projected increase in diesel fuel needed to supply the vacuum trucks, generator sets, and delivery trucks is so small (e.g., 47 gallons per year for the vacuum trucks plus 200 gallons per project for the delivery trucks), increased on-site storage of

diesel fuel will not be needed as existing storage capacities should be sufficient. Similarly, because the projected increase in gasoline that will be needed to operate construction worker vehicles as part of installing monitoring equipment at affected facilities is also small (e.g., 108 gallons per project), increased on-site storage of gasoline will not be needed as this supply can be provided by existing gasoline fueling facilities.

As mentioned in the earlier discussion for section VIII a) & b), PAR 1148.1 may have the effect of reducing the amount of H2S vented to the atmosphere. Because H2S is explosive, a reduction in H2S emissions would lessen the current explosion hazards associated with the operation activities at oil and gas facilities. Thus, PAR 1148.1 may improve the existing fire risk of existing oil and gas operations.

Based upon the above considerations, significant hazards and hazardous materials impacts are not expected from implementing PAR 1148.1. Since no significant hazards and hazardous materials impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
IX. HYDROLOGY AND WATER QUALITY. Would the project:				
a) Violate any water quality standards, waste discharge requirements, exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board, or otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g. the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Substantially alter the existing drainage pattern of the site or area, including through alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in substantial erosion or siltation on- or off-site or flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Place housing or other structures within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam, or inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Require or result in the construction of new water or wastewater treatment facilities or new storm water drainage facilities, or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
i) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project’s projected demand in addition to the provider’s existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Potential impacts on water resources will be considered significant if any of the following criteria apply:

Water Demand:

- The existing water supply does not have the capacity to meet the increased demands of the project, or the project would use more than 262,820 gallons per day of potable water.
- The project increases demand for total water by more than five million gallons per day.

Water Quality:

- The project will cause degradation or depletion of ground water resources substantially affecting current or future uses.
- The project will cause the degradation of surface water substantially affecting current or future uses.
- The project will result in a violation of National Pollutant Discharge Elimination System (NPDES) permit requirements.
- The capacities of existing or proposed wastewater treatment facilities and the sanitary sewer system are not sufficient to meet the needs of the project.
- The project results in substantial increases in the area of impervious surfaces, such that interference with groundwater recharge efforts occurs.
- The project results in alterations to the course or flow of floodwaters.

Discussion

IX. a), b), c), d), g), h) & i) No Impact. PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities that would require water for dust mitigation. Instead, PAR 1148.1 would enhance monitoring and recordkeeping requirements for facilities subject to the rule. In the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a non-diesel workover rig, in lieu of a diesel-fueled

workover rig, if available and feasible. In addition, in the event of a well cellar that has been identified as a verified odor source that requires same day pump out, the facility operator would also be required to utilize a vacuum truck and if pump out is required during nighttime, a generator set to supply electricity to lights, if existing lighting is insufficient.

Since diesel-fueled workover rigs do not utilize water, non-diesel workover rigs would also be expected to not need water for their operation. Similarly, vacuum trucks and generator sets also do not need water for their operation. Thus, swapping out a diesel-fueled workover rig with a non-diesel workover rig at an affected facility subject to an Odor Mitigation Plan or utilizing a vacuum truck and generator set would not create an additional water demand and would not generate wastewater from simply complying with PAR 1148.1. Because PAR 1148.1 has no provision that would increase demand for water or increase the generation of wastewater, the proposed project would not require the construction of additional water resource facilities, increase the need for new or expanded water entitlements, or alter existing drainage patterns. For these same reasons the proposed project would not substantially deplete groundwater supplies. Consequently, the proposed project is not expected to interfere substantially with groundwater recharge. Therefore, no water demand impacts are expected as the result of implementing PAR 1148.1.

Further, PAR 1148.1 would not create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Since compliance with PAR 1148.1 does not involve water that would generate wastewater processes, there would be no change in the composition or volume of existing wastewater streams from the affected facilities. Thus, PAR 1148.1 is not expected to require additional wastewater disposal capacity, violate any water quality standard or wastewater discharge requirements, or otherwise substantially degrade water quality.

Since PAR 1148.1 project is not expected to generate significant adverse water quality impacts, no changes to existing wastewater treatment permits, for those facilities that have them, are expected to be necessary. As a result, it is expected that operators of affected facilities would continue to comply with existing wastewater treatment requirements of the applicable Regional Water Quality Control Boards or sanitation districts.

IX. e) No Impact. Once implemented, PAR 1148.1 is not expected to require additional workers at affected facilities. Further, the proposed project is not expected to involve construction activities and does not include the construction of any new housing so it would not place new housing in 100-year flood areas as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood delineation map. It is likely that most affected facilities are not located within a 100-year flood hazard area. Any affected facilities that may be located in a 100-year flood area could impede or redirect 100-year flood flows, but this would be considered part of the existing setting and not an effect of the proposed project. Since the proposed project would not require locating new facilities within a flood zone, it is not expected that implementation of the proposed project would expose people or property to any new known water-related flood hazards. As a result, PAR 1148.1 is not expected to expose people or structures to significant flooding risks. Accordingly, this impact issue will not be further evaluated in this Final Draft EA.

IX. f) No Impact. The proposed project does not require construction of new facilities in areas that could be affected by tsunamis. Of the oil and gas facilities affected by the proposed project, some are located near the Ports of Long Beach, Los Angeles, and San Pedro. The port areas are protected from tsunamis by the construction of breakwaters. Construction of breakwaters combined with the distance of each facility from the water is expected to minimize the potential impacts of a tsunami or seiche so that no significant impacts are expected. The proposed project does not require construction of facilities in areas that are susceptible to mudflows (e.g., hillside or slope areas). Existing affected facilities that are currently located on hillsides or slope areas may be susceptible to mudflow, but this would be considered part of the existing setting. As a result, the proposed project is not expected to generate significant adverse mudflow impacts. Finally, PAR 1148.1 will not affect in any way any potential flood hazards inundation by seiche, tsunami, or mud flow that may already exist relative to existing facilities. Accordingly, this impact issue will not be further evaluated in this ~~Final Draft~~ EA.

Based upon the aforementioned considerations, significant hydrology and water quality impacts are not expected from implementing PAR 1148.1. Since no significant hydrology and water quality impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
X. LAND USE AND PLANNING.				
Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Land use and planning impacts will be considered significant if the project conflicts with the land use and zoning designations established by local jurisdictions.

Discussion

X. a) No Impact. The proposed project would not require the construction of new facilities at new locations, but any physical effects (e.g., the swapping of some diesel-fueled workover rigs with non-diesel workover rigs) that will result from the proposed project, would occur at existing oil and gas facilities and would not be expected to go beyond existing boundaries. Thus,

implementing the proposed project would not result in physically dividing any established communities.

X. b) No Impact. There are no provisions in the proposed project that would affect land use plans, policies, or regulations. Land use and other planning considerations are determined by local governments and no land use or planning requirements will be altered by the proposed project. Further, the proposed project would be consistent with the typical industrial setting of the affected facilities. The swapping of some diesel-fueled workover rigs with non-diesel workover rigs and the use of vacuum trucks and generator sets are expected to occur within the confines of the existing facilities. Further, the use of construction worker vehicles and delivery trucks will occur on established roadways. The proposed project would not affect in any way habitat conservation or natural community conservation plans, agricultural resources or operations, and would not create divisions in any existing communities. Further, no new development or alterations to existing land designations will occur as a result of the implementation of the proposed project. Therefore, present or planned land uses in the region will not be affected as a result of implementing the proposed project.

Based upon these considerations, significant land use and planning impacts are not expected from implementing PAR 1148.1. Since no significant land use and planning impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XI. MINERAL RESOURCES. Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Project-related impacts on mineral resources will be considered significant if any of the following conditions are met:

- The project would result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state.
- The proposed project results in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

Discussion

XI. a) & b) No Impact. There are no provisions in PAR 1148.1 that would result in the loss of availability of a known mineral resource of value to the region and the residents of the state such as aggregate, coal, clay, shale, et cetera, or of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

Based upon these considerations, significant mineral resource impacts are not expected from implementing PAR 1148.1 and, thus, will not be further analyzed. Since no significant mineral resource impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XII. NOISE. Would the project result in:				
a) Exposure of persons to or generation of permanent noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public use airport or private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Noise impact will be considered significant if:

- Construction noise levels exceed the local noise ordinances or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three decibels (dBA) at the site boundary. Construction noise levels will be considered significant if they exceed federal Occupational Safety and Health Administration (OSHA) noise standards for workers.

- The proposed project operational noise levels exceed any of the local noise ordinances at the site boundary or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three dBA at the site boundary.

Discussion

XII. a), b), c), & d) No Impact. The proposed project would not require the construction of new facilities at new locations, but any physical effects (e.g., the swapping of some diesel-fueled workover rigs with non-diesel workover rigs or the increased use of vacuum trucks and generator sets) that will result from the proposed project, would occur at existing oil and gas facilities and would not be expected to go beyond existing boundaries. The existing noise environment at each of the affected oil and gas facilities is typically dominated by noise from existing equipment onsite, vehicular traffic around the facilities, and trucks entering and exiting facility premises.

Operation of workover rigs generates some noise, but the noise profile would not be expected to be substantially different for diesel-fueled workover rigs than for non-diesel fueled workover rigs. Similarly, since the operation of vacuum trucks and generator sets at oil and gas facilities is part of current day-to-day activities that generate some noise, the noise profile of these equipment, will not change as a result of implementing the proposed project. Thus, noise from the proposed project is not expected to produce noise in excess of current operations at each of the existing facilities. In addition, any operator of an oil and gas facility that becomes subject to the requirements in an Odor Mitigation Plan and is subsequently required to utilize a non-diesel workover rig in lieu of a diesel-fired workover rig in accordance with PAR 1148.1 or is required to utilize a vacuum truck and generator set to pump out materials collected in a well cellar on an expedited basis would be expected to continue to comply with all existing noise control laws or ordinances. In particular, Occupational Safety and Health Administration (OSHA) and California-OSHA (Cal/OSHA) have established noise standards to protect worker health when noise levels exceed specified noise levels (see for example 29 CFR Part 1910). In addition, noise generating activities are required to be within the allowable noise levels established by the local noise ordinances, and thus are expected to be less than significant.

Even if some of the facilities affected by the proposed project are located at sites within an airport land use plan or within two miles of a public airport, the operation of non-diesel workover rigs in lieu of diesel-fueled workover rigs would not expose people residing or working in the project area to any increased excessive noise levels associated with airplanes.

Based upon these considerations, significant noise impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant noise impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XIII. POPULATION AND HOUSING.				
Would the project:				
a) Induce substantial growth in an area either directly (for example, by proposing new homes and businesses) or indirectly (e.g. through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of people or existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts of the proposed project on population and housing will be considered significant if the following criteria are exceeded:

- The demand for temporary or permanent housing exceeds the existing supply.
- The proposed project produces additional population, housing or employment inconsistent with adopted plans either in terms of overall amount or location.

Discussion

XIII. a) & b) No Impact. PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities. Instead, PAR 1148.1 would enhance monitoring and recordkeeping requirements for facilities subject to the rule. In the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a non-diesel workover rig, in lieu of a diesel-fueled workover rig, if available and feasible. The act of swapping a workover rig (from diesel to non-diesel) would not change the number of employees needed to operate the workover rig. Similarly, in the event that a vacuum truck and generator set is needed to pump out materials collected in a well cellar on an expedited basis, no additional employees would be needed to operate the equipment. However, in order to install monitoring equipment at the affected facilities, three temporary workers per facility may be needed to handle the install process but these workers are expected to be available from the local labor force. Thus, any compliance actions taken by an operator of an affected facility would not be expected to involve the relocation of individuals, require new housing or commercial facilities, or change the distribution of the population. Human population within the jurisdiction of the SCAQMD is anticipated to grow regardless of implementing the proposed project. As a result, the proposed project is not anticipated to generate any significant adverse effects, either direct or indirect, on population growth in the district or population distribution.

Further, the proposed project is not expected to result in the creation of any industry that would affect population growth, directly or indirectly induce the construction of single- or multiple-family units, or require the displacement of people or housing elsewhere in the district.

Based upon these considerations, significant population and housing impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant population and housing impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XIV. PUBLIC SERVICES. Would the proposal result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:				
a) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on public services will be considered significant if the project results in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response time or other performance objectives.

Discussion

XIV. a) & b) No Impact. PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction. Instead, PAR 1148.1 would enhance monitoring and recordkeeping requirements for facilities subject to the rule. In the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a non-diesel workover rig, in lieu of a diesel-fueled workover rig, if available and feasible. The act of swapping a workover rig (from

diesel to non-diesel), the increased use of vacuum trucks and generator sets, or the temporary use of construction worker vehicles and delivery trucks would not be expected to alter or increase the need or demand for additional public services (e.g., fire and police departments and related emergency services, et cetera) above current levels, so no impact to these existing services is anticipated.

XIV. c) & d) No Impact. As noted in the previous “Population and Housing” discussion, the proposed project is not expected to induce population growth in any way because the local labor pool (e.g., workforce) is expected to be sufficient to accommodate any swaps of diesel workover rigs for non-diesel workover rigs, the increased use of vacuum trucks and generator sets and operation of these equipment non-diesel workover rigs is not expected to require additional employees. However, as previously explained in Section XIII – Population and Housing, in order to install monitoring equipment at the affected facilities, three temporary workers per facility may be needed to handle the install process but these workers are expected to be available from the local labor pool. Therefore, there would be no increase in local population and thus, no impacts would be expected to local schools or other public facilities.

The proposed project could result in some facilities becoming subject to an Odor Mitigation Plan in the event of compliance problems. Besides SCAQMD’s review and approval process associated with an Odor Mitigation Plan, there would be no need for other types of government services. Further, the proposed project would not result in the need for new or physically altered government facilities in order to maintain acceptable service ratios, response times, or other performance objectives. There would be no increase in population and, therefore, there would be no need for physically altered government facilities.

Based upon these considerations, significant public services impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant public services impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XV. RECREATION.				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment or recreational services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to recreation will be considered significant if:

- The project results in an increased demand for neighborhood or regional parks or other recreational facilities.
- The project adversely affects existing recreational opportunities.

Discussion

XV. a) & b) No Impact. As discussed earlier under the topic of “Land Use and Planning,” there are no provisions in the PAR 1148.1 that would affect land use plans, policies, or regulations. Land use and other planning considerations are determined by local governments and no land use or planning requirements will be altered by the proposed requirements in PAR 1148.1. The proposed project would not increase the demand for or use of existing neighborhood and regional parks or other recreational facilities or require the construction of new or expansion of existing recreational facilities that might have an adverse physical effect on the environment because it would not directly or indirectly increase or redistribute population.

Based upon these considerations, significant recreation impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant recreation impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVI. SOLID AND HAZARDOUS WASTE. Would the project:				
a) Be served by a landfill with sufficient permitted capacity to accommodate the project’s solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Comply with federal, state, and local statutes and regulations related to solid and hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

The proposed project impacts on solid and hazardous waste will be considered significant if the following occurs:

- The generation and disposal of hazardous and non-hazardous waste exceeds the capacity of designated landfills.

Discussion

XVI. a) & b) No Impact. PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction. Instead, PAR

1148.1 would enhance monitoring and recordkeeping requirements for facilities subject to the rule. In the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a non-diesel workover rig, in lieu of a diesel-fueled workover rig, if available and feasible. The act of swapping a workover rig (from diesel to non-diesel) would not be expected to alter or increase existing waste or generate new waste, either solid or hazardous. Similarly, because the use of additional vacuum trucks and generator sets would merely expedite the removal of odorous materials from any well cellar identified as a verified odor source, no increases in the amount or type of hazardous waste collected and disposed of would be expected to occur.

Operators of affected facilities subject to PAR 1148.1 would be expected to handle their existing waste in the same manner as the currently do, which depends on the classification of the waste and the type of landfill (e.g., Class II landfill for industrial waste or Class III landfill for municipal waste). A Class II landfill can handle wastes that exhibit a level of contamination not considered hazardous, but that are required by the State of California to be managed for disposal to a permitted Class II landfill. For this reason, Class II landfills are specially designed with liners to reduce the risks of groundwater contamination from industrial wastes, also known as California-regulated waste. Similarly, a Class III landfill can handle non-hazardous or municipal waste. Municipal waste is typically generated through day-to-day activities and does not present the hazardous characteristics of hazardous, industrial, or radioactive wastes. There are 32 active Class III landfills within the SCAQMD's jurisdiction, many of which have liners that can handle both Class II and Class III wastes. According to the Final Program EIR for the 2012 AQMP (SCAQMD, 2012), total Class III landfill waste disposal capacity in the district is approximately 116,796 tons per day.

Thus, implementation of PAR 1148.1 is not expected to require additional waste disposal capacity or interfere or undermine an oil and gas facility's ability to comply with existing federal, state, and local regulations for solid and hazardous waste handling and disposal.

Based upon these considerations, significant solid and hazardous waste impacts are not expected from implementing PAR 1148.1, and thus, this topic will not be further analyzed. Since no significant solid and hazardous waste impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVII. TRANSPORTATION AND TRAFFIC.				
Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on transportation and traffic will be considered significant if any of the following criteria apply:

- Peak period levels on major arterials are disrupted to a point where level of service (LOS) is reduced to D, E or F for more than one month.
- An intersection's volume to capacity ratio increase by 0.02 (two percent) or more when the LOS is already D, E or F.
- A major roadway is closed to all through traffic, and no alternate route is available.
- The project conflicts with applicable policies, plans or programs establishing measures of effectiveness, thereby decreasing the performance or safety of any mode of transportation.
- There is an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system.
- The demand for parking facilities is substantially increased.
- Water borne, rail car or air traffic is substantially altered.
- Traffic hazards to motor vehicles, bicyclists or pedestrians are substantially increased.
- The need for more than 350 employees
- An increase in heavy-duty transport truck traffic to and/or from the facility by more than 350 truck round trips per day
- Increase customer traffic by more than 700 visits per day.

Discussion

XVII. a) & b) Less Than Significant Impact. PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction. Instead, PAR 1148.1 would enhance monitoring and recordkeeping requirements for facilities subject to the rule. In the event that a facility is required to prepare and obtain approval of an Odor Mitigation Plan, the facility operator would be required to utilize a non-diesel workover rig, in lieu of a diesel-fueled workover rig, if available and feasible. As explained in the following paragraphs, the act of swapping three diesel workover rigs to three non-diesel workover rigs would not be expected to cause a significant increase in traffic relative to the existing traffic load and capacity of the street systems surrounding the affected facilities. Similarly, a peak daily operational increase of three vacuum trucks would not be expected to cause a significant increase in traffic relative to the existing traffic load and capacity of the street systems surrounding the affected facilities. Further, a temporary increase of three construction worker vehicles and one delivery trip as part of installing monitoring systems at five facilities on a peak day or at 24 facilities within one six-month period would also not be expected to cause a significant increase in traffic relative to the existing traffic load and capacity of the street systems surrounding the affected facilities. Also, the proposed project is not expected to exceed, either individually or cumulatively, the current LOS of the areas surrounding the affected facilities as explained in the following paragraphs.

For a worst-case analysis, three non-diesel workover rigs with three drivers were assumed to replace three diesel workover rigs with three drivers. Even if it is assumed that all six workover rigs are being moved on the same day (which represents an average vehicle ridership equal to 1.0) not all of the workers would be driving to/from the same facility. In addition, if three additional vacuum trucks drive to and from three separate facilities on the same day and another three construction worker vehicles with one delivery truck drives to and from five separate facilities on the same (which also represents an average vehicle ridership equal to 1.0) not all of the workers would be driving to/from the same facility. For these reasons, it is unlikely that these vehicle trips would substantially affect the LOS at any intersection because the trips would be dispersed over a large area and the workers would not all arrive at the site at the exact same time. Therefore, the construction work force at each affected facility is not expected to significantly increase as a result of the proposed project.

Further, since new, permanent additional employees would not be needed to operate and maintain the replacement workover rigs, drive the vacuum trucks, construction worker vehicles, or delivery trucks, the work force at each affected facility is not expected to significantly increase as a result of implementing PAR 1148.1. As a result, no significant increases in traffic are expected.

XVII. c) No Impact. Workover rigs, vacuum trucks and generator sets are all currently in use by the oil and gas industry. As explained in Section I., the height profile and overall footprint of any non-diesel workover rig is not expected to be discernably different from a diesel-fueled workover rig because the height of the workover rig is dependent on the depth of the oil or gas well to be serviced. Similarly, oil and gas facilities currently use vacuum trucks and generator sets with low heights, so the slight increase in use of these equipment, would not alter the height profiles of these equipment. In addition, as explained in Section VIII c), the height of workover rigs, vacuum trucks and generator sets currently in operation does not interfere with plane flight paths consistent with Federal Aviation Regulation, Part 77. Thus, even if some facilities are located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, actions that would be taken to comply with the proposed project (e.g., the act of swapping a workover rig from diesel to non-diesel unit or using a vacuum truck and generator set) would not be expected to significantly influence or affect air traffic patterns or navigable air space. Thus, the proposed project would not result in a change in air traffic patterns including an increase in air traffic levels or a change in location that results in substantial safety risks. As such, this specific topic will not be further evaluated in the Final Draft-EA.

XVII. d) & e) No Impact. The siting of each affected facility is consistent with surrounding land uses and traffic/circulation in the surrounding areas of the affected facilities. Thus, the proposed project is not expected to substantially increase traffic hazards, create incompatible uses at or adjacent to the affected facilities. Further, PAR 1148.1 is not expected to require a modification to circulation, thus, no long-term impacts on the traffic circulation system are expected to occur. The proposed project is not expected to involve the construction of any roadways, so there would be no increase in roadway design feature that could increase traffic hazards. Emergency access at each affected facility is not expected to be impacted by the proposed project because each affected facility is expected to continue to maintain their existing emergency access gates. Thus, these impacts will not be evaluated further in this Final Draft-EA.

XVII. f) No Impact. Because the compliance activities that may occur in response to an Odor Mitigation Plan or the identification of a well cellar as a verified odor source will occur at existing industrial facilities, implementation of the proposed project (e.g., requiring the use of non-diesel workover rigs or requiring the expedited pump out of a well cellar) is not expected to conflict with policies supporting alternative transportation since the proposed project does not involve or affect alternative transportation modes (e.g., bicycles or buses).

Based upon these considerations, significant transportation and traffic impacts are not expected from implementing PAR 1148.1. Since no significant transportation and traffic impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion

XVIII. a) No Impact. As discussed in the “Biological Resources” section, PAR 1148.1 is not expected to adversely affect plant or animal species or the habitat on which they rely because the workover rigs are operated at existing oil and gas facilities on industrial sites which have already been greatly disturbed and that currently do not support such habitats. Furthermore, the oil and gas facilities are located on industrial sites that are already either devoid of significant biological resources or whose biological resources have been previously disturbed. Lastly, special status plants, animals, or natural communities are not expected to be found within oil and gas facilities that would be subject to PAR 1148.1 because the affected sites are generally devoid of plants and natural communities that could support animals for fire safety reasons.

Further, as explained in Section X, the proposed project would not require the acquisition of land to comply with the provisions of PAR 1148.1. Also, while implementation of PAR 1148.1 may require some facilities to comply with an Odor Mitigation Plan and utilize a non-diesel workover rig in lieu of a diesel workover rig, the placement and movement of workover rigs are expected to occur entirely within the boundaries of existing oil and gas facilities. In addition, implementation of PAR 1148.1 may require some facilities to expedite the pump out of any well cellar identified as a verified odor source but this work will also occur entirely within the boundaries of existing oil and gas facilities. Similarly, implementing PAR 1148.1 would not require compliance activities to occur in areas where special status plants, animals, or natural communities and important examples of the major periods of California history or prehistory exist. As a result, implementing PAR 1148.1 is not expected to adversely affect in any way habitats that support riparian habitat, are federally protected wetlands, or are migratory corridors. Therefore, these areas would not be expected to be adversely affected by the proposed project.

XVIII. b) Less Than Significant Impact. As the Lead Agency under CEQA, the SCAQMD uses the same significance thresholds for project-specific and cumulative impacts for all environmental topics analyzed. Projects that exceed the project-specific significance thresholds are considered by the SCAQMD to be cumulatively considerable; conversely, projects that do not exceed the project-specific thresholds are generally not considered to be cumulatively significant¹⁴.

Based on the preceding analyses in discussion topics I. through XVII., PAR 1148.1 is not expected to generate any project-specific significant adverse environmental impacts for the following reasons. None of the 17 environmental topics analyzed were checked as areas potentially affected by the proposed project (e.g., aesthetics, agriculture and forestry resources, air quality and GHG emissions, biological resources, cultural resources, energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, solid and hazardous waste, and, transportation and traffic). All 17 environmental topic areas were found to have ‘No Impact’ or ‘Less Than Significant Impact’ and would not be expected to make any contribution to potential cumulative impacts whatsoever. For the environmental topics checked as areas having a ‘Less Than Significant Impact,’ the analysis indicated that the proposed project impacts

¹⁴ SCAQMD Cumulative Impacts Working Group White Paper on Potential Control Strategies to Address Cumulative Impacts From Air Pollution, August 2003, Appendix D, Cumulative Impact Analysis Requirements Pursuant to CEQA, at D-3. <http://www.aqmd.gov/hb/2003/030929a.html>

would be less than significant because they would not exceed any project-specific significance thresholds.

With respect to air quality, no cumulative impacts are anticipated from the proposed project. Emissions resulting with implementation of the proposed project will be below the SCAQMD's thresholds for all criteria air pollutants. Although the proposed project may contribute additional air pollutants to an existing nonattainment area, these increases are below the SCAQMD air quality significance criteria. Therefore, the proposed project will not cause a significant environmental effect, nor result in an unavoidable cumulatively considerable contribution to an air quality impact¹⁵.

Emissions relative to GHG emissions from the proposed project will also be below the SCAQMD's cumulatively considerable significance threshold for GHGs. Thus, no significant adverse impacts are expected, either individually or cumulatively.

With respect to energy, no cumulative energy impacts are expected because the potential increase in electricity demand and alternative fuels from the proposed project is well within available supplies. Therefore, the amount of electricity, diesel fuel, gasoline, and alternative fuel demand will not cause a significant adverse impact to existing energy generation and supplies. Therefore, no significant increase in energy is expected at the affected sites, and no cumulative energy impacts are expected.

Consistent with CEQA Guidelines §15064.7, a “lead agency may rely on a threshold of significance standard to determine whether a project will cause a significant environmental effect.” Further, CEQA Guidelines §15064 (h)(1) requires that a “lead agency consider whether the cumulative impact is significant and whether the effects of the project are cumulatively considerable.” Where a lead agency is examining a project with an incremental effect that is not cumulatively considerable, a lead agency need not consider the effect significant, but must briefly describe the basis for concluding that the incremental effect is not cumulatively considerable. As stated above, projects that exceed the project-specific significance thresholds are considered by the SCAQMD to be cumulatively considerable; projects that do not exceed the project-specific significance thresholds are not considered to be cumulatively considerable. Therefore the proposed project's contribution to air quality and GHGs are not cumulatively considerable, and thus not significant. This conclusion is consistent with CEQA Guidelines §15064 (h)(4), which states, “The mere existence of cumulative impacts caused by other projects alone shall not constitute substantial evidence that the proposed project's incremental effects are cumulatively considerable.”

Based on these conclusions, incremental effects of the proposed project would be minor and, therefore, are not considered to be cumulatively considerable as defined by CEQA Guidelines §15064 (h)(1). Since impacts from the proposed project are not considered to be cumulatively considerable, the proposed project has no potential for generating significant adverse cumulative impacts.

¹⁵ Refer also to *Citizens for Responsible Equitable Environmental Development c. City of Chula Vista* (2011) 197 Cal. App. 4th 327, 334 and *Rialto Citizens for Responsible Growth v. City of Rialto* (2102) 208 Cal. App. 4th 899 pertaining to the determination of significant impacts and whether a project is considered to be cumulatively considerable.

XVIII. c) Less Than Significant Impact. Based on the preceding analyses, PAR 1148.1 is not expected to cause adverse effects on human beings, either directly or indirectly. For the environmental topics of aesthetics, air quality and GHG emissions, energy, and, transportation and traffic, less than significant impacts from implementing PAR 1148.1 were identified.

The net effect of implementing PAR 1148.1 is to further prevent public nuisance and possible detriment to public health caused by exposure to VOC, TAC and TOC emissions from the operation and maintenance of oil and gas production facilities by enhancing compliance at these facilities. While the potential air quality benefits of enhancing compliance of oil and gas facilities in accordance with PAR 1148.1 cannot be quantified, for every diesel workover rig that is replaced with a non-diesel workover rig, the analysis in Table 2-5 demonstrates that an overall direct air quality and GHG benefit would be expected. In the event that a vacuum truck and generator set is needed to pump out materials collected in a well cellar on an expedited basis, Table 2-6 shows that while there may be slight increases in criteria pollutant and GHG emissions, the potential increases are well below the significance thresholds. Similarly, while there may be a need for some facilities to install monitoring equipment, the emission calculations as summarized in Tables 2-7 and 2-8 show less than significant increases in construction emissions. Further, the prevention of future releases of VOC, TAC and TOC emissions via the enhanced compliance requirements in PAR 1148.1, less VOC, TAC and TOC emission release will not only reduce odors but assist the SCAQMD's progress in attaining and maintaining the ambient air quality standards for ozone.

Based on the discussion in items I through XVIII, the proposed project is not expected to have the potential to cause significant adverse environmental effects to any environmental topic.

APPENDIX A

**PROPOSED AMENDED RULE 1148.1 – OIL AND GAS
PRODUCTION WELLS**

In order to save space and avoid repetition, please refer to the latest version of Proposed Amended Rule 1148.1 located elsewhere in the Governing Board Package. The version of Proposed Amended Rule 1148.1 that was circulated with the Draft EA and released on April 29, 2015 for a 30-day public review and comment period ending May 28, 2015 was identified as “par1148-1-pw.docx.”

Original hard copies of the Draft EA, which include the draft version of the proposed amended rule listed above, can be obtained through the SCAQMD Public Information Center at the Diamond Bar headquarters or by calling (909) 396-2039.

APPENDIX B

ASSUMPTIONS AND CALCULATIONS

Appendix B

Worksheet B-1: Diesel Fuel Use

Emission Factors for Diesel Fuel Consumed (lb/thousand gallons except for CO2eq)

Diesel Burned (gal/hr)	Operating Schedule per Rig (hr/yr)	NOx (lb/1,000 gallons)	VOC (lb/1,000 gallons)	CO (lb/1,000 gallons)	SOx* (lb/1,000 gallons)	PM10 (lb/1,000 gallons)	CO2eq^ (metric tons/yr/rig)
4.2	3,000	438.4	10.8504	116.45	6.9185	7.8501	59.31

* Corrected for 0.05% sulfur.

^CARB, 2007 Oil and Gas Industry Survey Results, Final Report (Revised), Table 7-3, October 2013.

No. of Workover Rigs in LA, OR, RV, & SB Counties in 2015	Workover Rig Emissions	NOx (lb/day)	VOC (lb/day)	CO (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5# (lb/day)	CO2eq (metric tons/yr)
68	for 68 rigs	1,029.10	25.47	273.35	16.24	18.43	16.95	4,033.08
	for 1 rig	15.13	0.37	4.02	0.24	0.27	0.25	59.31
	for 3 rigs	45.40	1.12	12.06	0.72	0.81	0.75	177.93
	for 65 rigs (after 3 rigs are replaced with electric or alt fuel (lb/day)	983.70	24.35	261.29	15.52	17.61	16.21	3,855.15

SCAQMD, Final –Methodology to Calculate Particulate Matter (PM) 2.5and PM 2.5 Significance Thresholds, October 2006.

Table A, PM2.5 Fraction of PM10 for off-road diesel-fueled equipment.

Appendix B

Worksheet B-2: Diesel Delivery Trips

Baseline Diesel Fuel Deliveries to Los Angeles, Orange, Riverside and San Bernardino Counties for fueling 68 rigs 387,748 gallons per year 8,500 gallons hauled per truck 46 trucks/year

On-Road Equipment Type	Fuel	Number Needed per year	Number Needed per day	Round- trip Distance (miles/ delivery)	Mileage Rate (miles/ gallon)	2015 Mobile Source Emission Factors							
						VOC (lb/mile)	CO (lb/mile)	NOx (lb/mile)	SOx (lb/mile)	PM10 (lb/mile)	PM2.5 (lb/mile)	CO2 (lb/mile)	CH4 (lb/mile)
Offsite (Heavy-Heavy Duty Fuel Delivery Truck)	diesel	46	4	50	4.89	0.0018	0.0077	0.0212	0.00004	0.0010	0.0009	4.2090	0.0001

Baseline Combustion Emissions from Diesel Fuel Delivery Trucks	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/yr)	CH4 (lb/yr)	CO2eq* (lb/yr)	CO2eq* (MT/yr)
Offsite (Heavy-Heavy Duty Fuel Delivery Truck)	0.36	1.53	4.25	0.01	0.21	0.18	9,600	0.19	9,604	4.36
TOTAL	0	2	4	0	0	0	9,600	0	9,604	4

Equation: No. of Vehicles x Emission Factor (lb/mile) x No. of Round-Trips/Day x Round-Trip length (mile) = Offsite Construction Emissions (lb/day)

*1 metric ton (MT) = 2,205 pounds

Diesel Fuel to operate Fuel Delivery Trucks (Baseline)	Equipment Type	Total Miles Driven (miles/year)	Mileage Rate (miles/gal)	Total Diesel Fuel Usage (gal/year)
Offsite (Heavy-Heavy Duty Fuel Delivery Truck)	Fuel Delivery Truck (HHD)	2,281	4.89	11,153
TOTAL Diesel Fuel needed to operate 46 Diesel Tanker Trucks				11,153

Appendix B

Worksheet B-2: Diesel Delivery Trips

Reduction in Diesel Fuel Deliveries 349,948 gallons per year 8,500 gallons hauled per truck 41 trucks/year
 to Los Angeles, Orange, Riverside and San Bernardino Counties
 for fueling 65 rigs
 (Reduction of 37,800 gallons per year - 5 trucks per year less)

Construction On-Road Equipment Type	Fuel	Number Needed per year	Number Needed per day	Round- trip Distance (miles/ delivery)	Mileage Rate (miles/ gallon)	2015 Mobile Source Emission Factors							
						VOC (lb/mile)	CO (lb/mile)	NOx (lb/mile)	SOx (lb/mile)	PM10 (lb/mile)	PM2.5 (lb/mile)	CO2 (lb/mile)	CH4 (lb/mile)
Offsite (Heavy-Heavy Duty Fuel Delivery Truck)	diesel	41	4	50	4.89	0.0018	0.0077	0.0212	0.00004	0.0010	0.0009	4.2090	0.0001

PAR 1148.1 Combustion Emissions from Diesel Fuel Delivery Trucks	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/yr)	CH4 (lb/yr)	CO2eq* (lb/yr)	CO2eq* (MT/yr)
Offsite (Heavy-Heavy Duty Fuel Delivery Truck)	0.36	1.53	4.25	0.01	0.21	0.18	8,664	0.17	8,668	3.93
TOTAL	0	2	4	0	0	0	8,664	0	8,668	4

Equation: No. of Vehicles x Emission Factor (lb/mile) x No. of Round-Trips/Day x Round-Trip length (mile) = Offsite Construction Emissions (lb/day)
 *1 metric ton (MT) = 2,205 pounds

Diesel Fuel to operate Fuel Delivery Trucks (after PAR 1148.1)	Equipment Type	Total Miles Driven (miles/year)	Mileage Rate (miles/gal)	Total Diesel Fuel Usage (gal/year)
Workers' Vehicles - Offsite Delivery/Haul	Fuel Delivery Truck (HHD)	2,059	4.89	10,066
TOTAL Diesel Fuel needed to operate 41 Diesel Tanker Trucks				10,066

Sources:

On-Road Mobile Emission Factors (EMFAC 2007 v2.3), Scenario Year 2015

http://www.aqmd.gov/ceqa/handbook/onroad/onroad.html/onroadEF07_26.xls

http://www.aqmd.gov/ceqa/handbook/onroad/onroad.html/onroadEFHHD07_26.xls

Net Difference Between Baseline and PAR 1148.1 Combustion Emissions from Diesel Fuel Delivery Trucks - Peak Day	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)
Baseline - 4 trucks/day peak	0.36	1.53	4.25	0.01	0.21	0.18
PAR 1148.1 - 4 trucks per day peak	0.36	1.53	4.25	0.01	0.21	0.18
NET DIFFERENCE	0	0	0	0	0	0

Appendix B

Worksheet B-2: Diesel Delivery Trips

Net Difference Between Baseline and PAR 1148.1 Combustion Emissions from Diesel Fuel Delivery Trucks - Annual	VOC (lb/yr)	CO (lb/yr)	NOx (lb/yr)	SOx (lb/yr)	PM10 (lb/yr)	PM2.5 (lb/yr)	CO2 (lb/yr)	CH4 (lb/yr)	CO2eq* (lb/yr)	CO2eq* (MT/yr)
Baseline - 46 trucks per year	4.07	17.49	48.42	0.09	2.39	2.01	9,600.24	0.19	9,604.24	4.36
PAR 1148.1 - 41 trucks per year	3.68	15.79	43.70	0.08	2.16	1.81	8,664.35	0.17	8,667.96	3.93
NET DIFFERENCE	0.40	1.71	4.72	0.01	0.23	0.20	935.89	0.02	936.28	0.42

Net Difference Between Baseline and PAR 1148.1 Diesel Fuel Needed to Operate Delivery Trucks - Annual	Total Miles Driven (miles/year)	Total Diesel Fuel Usage (gal/year)
TOTAL Diesel Fuel needed to operate 46 Diesel Tanker Trucks	2,281	11,153
TOTAL Diesel Fuel needed to operate 41 Diesel Tanker Trucks	2,059	10,066
NET DIFFERENCE	222	1,087

Electricity demand if 3 diesel workover rigs are replaced with 3 electric workover rigs

Number of Electric Workover Rigs	Max Rating (hp)	Max Rating (kw)	Load Factor	Peak Daily Operating Schedule (hr/day)	Peak Annual Operating Schedule (hr/yr)	Diesel Use (gal/yr)^	Electricity Use (kWh/yr)	CO2eq (MT/yr)	Peak Electricity Use (kWh/day)	Electricity Use (MWh/day)	Instantaneous Electricity Peak Day (MW)
1	1,000	746	0.75	24	3,000	12,600	340.2	0.17	3	0.0027	0.0001
3	1,000	746	0.75	24	3,000	37,800	1020.6	0.51	8	0.0082	0.0003

Note: Instantaneous Electricity Equation: 40 MWh/day x 1 work day/24 hr = 1.68 MW

^CARB, 2007 Oil and Gas Industry Survey Results, Final Report (Revised), Table 7-3, October 2013.

1 gallon diesel - 0.027 kwh electricity

California Energy Commission, Energy Almanac, Gasoline Gallon Equivalents (GGE) for Alternative Fuels, accessed April 24, 2015

<http://www.energyalmanac.ca.gov/transportation/gge.html>

GHG Emission Factors:

1 metric ton (MT) = 2,205 pounds

1,110 lb CO2eq/MWh for electricity when source of power is not identified

(CEC, September 6, 2007 - Reporting and Verification of Greenhouse Gas Emissions in the Electricity Sector)

Alternate Fuel Demand: If 3 diesel workover rigs are replaced with 3 alternate fuel workover rigs

Number of Workover Rigs	Max Rating (hp)	Max Rating (kw)	Load Factor	Peak Daily Operating Schedule (hr/day)	Peak Annual Operating Schedule (hr/yr)	Diesel Use (gal/yr)^	LNG Use (gal/yr)	CNG Use (therm/yr)	CNG Use (gal/yr)	LPG Use (gal/yr)
1	1,000	746	0.75	24	3,000	12,600	7,031	9,185	68,716	8,228
3	1,000	746	0.75	24	3,000	37,800	21,092	27,556	206,148	24,683

1 therm = 7.481 gallons = 1 cf

1 gallon diesel = 0.558 gallons LNG = 0.729 therms CNG = 0.653 gallons LPG

California Energy Commission, Energy Almanac, Gasoline Gallon Equivalents (GGE) for Alternative Fuels, accessed April 24, 2015

<http://www.energyalmanac.ca.gov/transportation/gge.html>

Emission Factors for Alternative Fuel Consumed (g/gal except for CO₂, N₂O, CH₄ & CO₂eq)*

Type of Alternative Fuel Burned	Amount of Alternative Fuel Burned per day per rig (gallons)	NO _x (g/gal)	VOC (g/gal)	PM ₁₀ (g/gal)	CO ₂ (lb/MMscf)	CH ₄ (lb/MMscf)	N ₂ O (lb/MMscf)	CO ₂ eq (lb/MMscf)
LNG	56.25	3.7	1.17	0.185	120,000	2.3	0.64	120246.7
CNG	549.73	3.7	1.17	0.185	120,000	2.3	0.64	120246.7
LPG	65.82	3.7	1.17	0.185	120,000	2.3	0.64	120246.7

*Carl Moyer Guidance, Emission Factors for Alternative Fuel Heavy-Duty Engines, Appendix D, Table D-2, July 2014.

<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

GHG Emission Factors:

120,000 lb CO₂/MMscf fuel burned

0.64 lb N₂O/MMscf fuel burned

2.3 lb CH₄/MMscf fuel burned

CO₂eq = CO₂ + 21*CH₄ + 310*N₂O

LNG Workover Rig Emissions	NOx (lb/day)	VOC (lb/day)	PM10 (lb/day)	PM2.5# (lb/day)	CO2eq (MT/yr)
for 1 rig	0.46	0.15	0.02	0.02	0.05
for 3 rigs	1.38	0.44	0.07	0.06	0.15

1 g = 453.6 lb

1 metric ton (MT) = 2,205 pounds

CNG Workover Rig Emissions	NOx (lb/day)	VOC (lb/day)	PM10 (lb/day)	PM2.5# (lb/day)	CO2eq (MT/yr)
for 1 rig	4.48	1.42	0.22	0.21	0.50
for 3 rigs	13.45	4.25	0.67	0.62	1.50

LPG Workover Rig Emissions	NOx (lb/day)	VOC (lb/day)	PM10 (lb/day)	PM2.5# (lb/day)	CO2eq (MT/yr)
for 1 rig	0.54	0.17	0.03	0.02	0.06
for 3 rigs	1.61	0.51	0.08	0.07	0.18

SCAQMD, Final –Methodology to Calculate Particulate Matter (PM) 2.5 and PM 2.5 Significance Thresholds, October 2006.

Table A, PM2.5 Fraction of PM10 for off-road diesel-fueled equipment.

Appendix B

Worksheet B-5: Vacuum Trucks and Temporary Lighting

Additional vacuum trucks needed **3 trucks/year** **Peak Day: 3 trucks/day**
to conduct same day well cellar pump out
if verified odor source

On-Road Equipment Type	Fuel	Number Needed per year	Number Needed per peak day	Round-trip Distance (miles/delivery)	Mileage Rate (miles/gallon)	2015 Mobile Source Emission Factors							
						VOC (lb/mile)	CO (lb/mile)	NOx (lb/mile)	SOx (lb/mile)	PM10 (lb/mile)	PM2.5 (lb/mile)	CO2 (lb/mile)	CH4 (lb/mile)
Offsite (Heavy-Heavy Duty Vacuum Truck)	diesel	3	3	50	4.89	0.0018	0.0077	0.0212	0.00004	0.0010	0.0009	4.2090	0.0001

Peak Combustion Emissions from Additional Vacuum Trucks	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/vr)	CH4 (lb/vr)	CO2eq* (lb/vr)	CO2eq* (MT/vr)
Offsite (Heavy-Heavy Duty Vacuum Truck)	0.27	1.15	3.18	0.01	0.16	0.13	631	0.01	632	0.29
TOTAL	0	1	3	0	0	0	631	0	632	0

Equation: No. of Vehicles x Emission Factor (lb/mile) x No. of Round-Trips/Day x Round-Trip length (mile) = Offsite Construction Emissions (lb/day)

*1 metric ton (MT) = 2,205 pounds

	Equipment Type	Total Miles Driven (miles/day)	Total Miles Driven (miles/year)	Mileage Rate (miles/gal)	Total Diesel Fuel Usage (gal/day)	Total Diesel Fuel Usage (gal/year)
Offsite (Heavy-Heavy Duty Fuel Delivery Truck)	Vacuum Truck (HHD)	150	150	4.89	30.67	30.67
TOTAL Diesel Fuel needed to operate 3 additional vacuum trucks					31	31

Additional temporary lighting for potential nighttime operations of vacuum trucks

Off-Road Equipment Type	Fuel	Number Needed per year	Number Needed per peak day	Operating Schedule (hours/day)	2015 Mobile Source Emission Factors							
					VOC (lb/hr)	CO (lb/hr)	NOx (lb/hr)	SOx (lb/hr)	PM10 (lb/hr)	PM2.5 (lb/hr)	CO2 (lb/hr)	CH4 (lb/hr)
Generator Set to support portable lighting equipment (composite)	diesel	3	3	2	0.0018	0.0077	0.0212	0.00004	0.0010	0.0009	4.2090	0.0001

Peak Combustion Emissions from Operating generator sets	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/vr)	CH4 (lb/vr)	CO2eq* (lb/vr)	CO2eq* (MT/vr)
Generator Set to support portable lighting equipment (composite)	0.0107	0.0460	0.1274	0.0002	0.0063	0.0053	25.2541	0.0005	25.2647	0.0115
TOTAL	0.01	0.05	0.13	0.00	0.01	0.01	25.25	0.00	25.26	0.01

Equation: No. of Vehicles x Emission Factor (lb/mile) x No. of Round-Trips/Day x Round-Trip length (mile) = Offsite Construction Emissions (lb/day)

*1 metric ton (MT) = 2,205 pounds

Incremental Increase in Diesel Fuel Usage From Operating Generator Sets to support portable lighting equipment	Total Operating Hours/day (peak)	Total Operating Hours/year	Diesel Fuel Usage (gal/hr)	Total Diesel Fuel Usage - Peak Day (gal/day)	Total Diesel Fuel Usage (gal/vr)
Operation of Generator Sets	6	6	2.68	16.08	16.08
TOTAL Diesel Fuel needed to operate 3 additional generator sets				16	16

Appendix B

Worksheet B-6: Installation of Monitoring Equipment

Monitoring System Installation in last six months of Year 2015

Activity	No. of Facilities affected	No. of Facilities under construction on a peak day	Days of construction per system installation	Total Days of Construction per facility	Crew Size per installation
Construction	24	5	1.0	1.00	3
Total			1.00		

Construction On-Road Equipment Type	Fuel	Number Needed	Round-trip Distance (miles/day)	Mileage Rate (miles/gallon)	2015 Mobile Source Emission Factors							
					VOC (lb/mile)	CO (lb/mile)	NOx (lb/mile)	SOx (lb/mile)	PM10 (lb/mile)	PM2.5 (lb/mile)	CO2 (lb/mile)	CH4 (lb/mile)
Offsite (Construction Worker Vehicle)	gasoline	3	30	20	0.0007	0.0061	0.0006	0.00001	0.0001	0.0001	1.1019	0.0001
Offsite (Delivery Truck - Medium Duty)	diesel	1	50	6	0.0017	0.0117	0.0129	0.00003	0.0005	0.0004	2.8125	0.0001

Incremental Increase in Combustion Emissions from On-Road Construction Vehicles	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/day)	CH4 (lb/day)	CO2eq* (lb/day)	CO2eq* (MT/project)
Offsite (Construction Worker Vehicle)	0.06	0.55	0.05	0.0010	0.0083	0.0054	99.17	0.01	99.29	0.0015
Offsite (Delivery Truck)	0.09	0.58	0.64	0.0014	0.0252	0.0206	140.62	0.00	140.71	0.0021
SUBTOTAL	0.15	1.14	0.70	0.0023	0.0335	0.0260	239.80	0.01	239.99	0.0036

Equation: No. of Vehicles x Emission Factor (lb/mile) x No. of Round-Trips/Day x Round-Trip length (mile) = Offsite Construction Emissions (lb/day)

*SCAQMD Regulation XXVII - Climate Change, Rule 2700 - General, Table 1 - Global Warming Potentials, CO2 = 1 and CH4 = 21

*1 metric ton (MT) = 2,205 pounds; GHGs from temporary construction activities are amortized over 30 years

Construction Emissions Summary	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/day)	CH4 (lb/day)	CO2eq (lb/day)	CO2eq (MT/project*)
Combustion Emissions from On-Road Construction Vehicles	0.15	1.14	0.70	0.00	0.0335	0.0260	239.80	0.01	239.99	0.0036
TOTAL for 1 Facility	0	1	1	0	0	0	240	0	240	0
Significance Threshold	75	550	100	150	150	55	n/a	n/a	n/a	n/a
Exceed Significance?	NO	NO	NO	NO	NO	NO	n/a	n/a	n/a	n/a

*1 metric ton (MT) = 2,205 pounds; GHGs from temporary construction activities are amortized over 30 years

	VOC (lb/day)	CO (lb/day)	NOx (lb/day)	SOx (lb/day)	PM10 (lb/day)	PM2.5 (lb/day)	CO2 (lb/day)	CH4 (lb/day)	CO2eq (lb/day)	CO2eq (MT/project*)	CO2eq (MT/for 24 facilities*)
TOTAL for 5 Facilities Overlapping Construction in 2015 on a peak day	0.73	5.69	3.48	0.01	0.17	0.13	1198.99	0.05	1199.97	0.02	0.09
Significance Threshold	75	550	100	150	150	55	n/a	n/a	n/a	n/a	10.000
Exceed Significance?	NO	NO	NO	NO	NO	NO	n/a	n/a	n/a	n/a	NO

*1 metric ton (MT) = 2,205 pounds; GHGs from temporary construction activities are amortized over 30 years

Appendix B

Worksheet B-6: Installation of Monitoring Equipment

Incremental Increase in Fuel Usage From Construction Equipment and Workers' Vehicles	Total Construction Hours for Project	Equipment Type	Total Diesel Fuel Usage (gal/day)	Total Gasoline Fuel Usage (gal/day)
Workers' Vehicles - Commuting	N/A	Light-Duty Vehicles	N/A	4.50
Workers' Vehicles - Offsite Delivery/Haul	N/A	Delivery Truck	8.33	N/A
TOTAL for 1 Facility			8	5
TOTAL for 5 Facilities Overlapping Construction in 2015			42	23

	Total Diesel Fuel Usage (gal/project)	Total Gasoline Fuel Usage (gal/project)
TOTAL for all 24 Facilities	200	108

Source:

On-Road Mobile Emission Factors (EMFAC 2011), Scenario Year 2015

[http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/emfac-2007-\(v2-3\)-emission-factors-\(on-road\)](http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/emfac-2007-(v2-3)-emission-factors-(on-road))

APPENDIX C

**COMMENT LETTERS RECEIVED ON THE DRAFT EA AND
RESPONSES TO COMMENTS**

INTRODUCTION

The Draft EA was released for a 30-day public review and comment period from April 29, 2015 to May 28, 2015 which identified the topics of air quality and greenhouse gases, and energy as environmental topic areas that may be adversely affected by the proposed project, but after completing the analysis, were shown to have less than significant impacts. The SCAQMD received two comment letters from the public regarding the analysis in the Draft EA during the public comment period.

The comment letters have been numbered (see Table C-1 below) and individual comments within each letter have been bracketed and numbered. Following each comment letter is SCAQMD's responses to the individual comments.

Table C-1
List of Comment Letters Received Relative to the Draft EA

Comment Letter	Commentator
#1	Western States Petroleum Association
#2	Joyce Dillard



Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Sandra Burkhart
Senior Coastal Coordinator

Comment Letter 1

May 28, 2015

Ms. Barbara Radlein
c/o Office of Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Subject: Notice of Completion of a Draft Environmental Assessment –
Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

Dear Ms. Radlein:

Western States Petroleum Association (WSPA) appreciates the opportunity to comment on the abovementioned Draft EA. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and four other western states. 1-1

Overall, WSPA is concerned that the amended regulation does nothing to improve air quality in the South Coast Air Basin. Further, the regulation adds voluminous requirements, paperwork, notification and compliance testing while there has been no determination of an odor nuisance from this source category and there are already odor nuisance regulations in place should the need arise. The regulation is duplicative and does not further the agency’s mission of attaining Ambient Air Quality Standards in any way. 1-2

Draft EA Specific Comments

The comments below highlight specific concerns about the amendment and the associated Draft EA. 1-3

The document states that “By statute, the SCAQMD is required to adopt an air quality management plan (AQMP) demonstrating compliance will all federal and state ambient air quality standards for the district. Furthermore, the SCAQMD must adopt rules and regulations that carry out the AQMP.” WSPA agrees with this assertion but is unclear how this amendment carries out the AQMP or the agency’s mission in any way. *There are no emission reductions associated with the amendment.* 1-4

The introduction presents background information about the health effects of VOCs including “coughing, sneezing, headaches...” *Again, it is unclear what the relevance of this information is as there are no emission reductions associated with this amendment.* 1-5

The Draft EA states that the regulation is being revisited “*due to an increased awareness of oil and gas production wells by the community...*” Please clarify what this means and how it has any relevance to the necessity of a regulation amendment. There is no evidence to suggest that this industry has had a problem in the past or created a significant odor nuisance.

1-6

“*To prevent public odor nuisance and possible detriment to public health caused by exposure to VOC, TAC, and total organic compound emissions (TOC) from the operation and maintenance of oil and gas production facilities...*” (page 1-1) Again, there appears to be no emission inventory presented to suggest that there are any emission reductions associated this amendment so this statement is misleading and erroneous.

1-7

The California Environmental Quality Act (CEQA) defines a “Project” as the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. WSPA requests clarification as to what the physical change on the environment is as a result of the project. SCAQMD staff indicated at the Stationary Source Committee that the proposed amendments result in emission reductions; however, there is no inventory provided to allow for an adequate analysis.

1-8

The document states that “To date, there are 473 oil and gas production facilities operating within SCAQMD’s jurisdiction that are either currently subject to Rule 1148.1 or registered via Rule 222.” Of these facilities, District staff indicated that more than 1,000 wells were drilled throughout the last twelve months. It is further WSPA’s understanding that there were no violations issued to this industry throughout the last twelve months. Therefore, the necessity of this amendment is unclear.

1-9

Please clarify that in addition to the list of regulations subject to this industry, oil and gas production facilities are also subject to Rule 402 – Nuisance. This regulation is already being complied with by this industry making the rule amendment duplicative and unnecessary.

1-10

“*This subdivision proposes clarifications that include the reduction of TAC and TOC emissions as contaminants, in addition to VOCs, that will contribute to the overall emission reduction goal.*” (page 1-14).

Page 2-4 states, “*PAR 1148.1 is undergoing amendments in order to further prevent public nuisance and possible detriment to public health caused by exposure to VOC, TAC and TOC emissions from the operation and maintenance of oil and gas production facilities.*”

1-11

Again, if there are emission reductions associated with the proposed amendments, they should be quantified and included herein. If there are no emission reductions associated with the amendment, statements such as the abovementioned need to be corrected as they are misleading in nature.

WSPA is unclear about the installation of a rubber grommet as part of a maintenance or drill piping replacement activity and its relevance to a potential odor nuisance.

1-12

Please clarify what instrumentation is being used to determine the occurrence of each confirmed odor event.

1-13

Table 1-1 – Proposed Odor Monitoring and Mitigation Requirements, lists the requirement of an alternative fuel or electric powered workover rig. This table’s title is misleading as there are allegedly no mitigation measures associated with this Draft EA nor are there any significant adverse environmental impacts.

1-14

Appendix B in the Draft EA highlights emission reductions that appear to be exclusive to the requirement related to the electric workover rig. It is WSPA’s understanding that this requirement has been removed from

1-15

the proposed amended regulation. If this is the case, potential emission reductions associated with this proposed amendment were the premise for the entire analysis. WSPA respectfully requests that a new emission inventory be developed and that this document be recirculated so that the public has sufficient time to review this significant new information presented therein.

1-15
cont.

Table 1-1 also lists leak detection and repair (LDAR) requirements. The document accurately states that LDAR requirements are contained in Rule 1173. However, this rule is not the subject of this analysis nor is it being amended at this time. It is unclear why it is being referenced and why a change to Rule 1173 would be reflected in Rule 1148.1.

1-16

Air Quality

There are two methods of piping controls listed as Mitigation Plan Improvement Measures in the Staff Report as well as the Draft EA. It is unclear how enclosures or tarping has anything to do with reducing odor. Further, if enclosure is a compliance option, why is the analysis of enclosure completely missing from the Draft EA? The Draft EA states that *“Because of the available compliance options for storing removed drill piping and drill rods, the analysis in this Draft EA assumes that facility operators would not choose to construct new storage areas or modify existing storage areas when a tarp can be used instead. Thus, the proposed project would not promote the construction of new facilities or structures nor would it cause construction activities to occur at existing facilities.”* (page 2-4)

1-17

The rule specifically lists an enclosed structure as a potential compliance option but no environmental analysis is provided. CEQA requires that all indirect environmental impacts be evaluated that result from the proposed project. WSPA is further unclear what measures were taken to determine *“that facility operators would not choose to construct new storage areas...”* Which facilities were surveyed or questioned relative to their compliance determination under this clause? The analysis should have conservatively assumed that even a portion of the facilities would choose this option and the indirect impacts should have been evaluated. This analysis would have demonstrated that the proposed amendments have potential adverse environmental impacts associated with the construction of storage units to house piping.

1-18

The Staff Report indicates that covering drill rods and piping with plastic tarping will be the preferred option; again it unclear how this determination was made. However, the staff report further indicates that *“each potentially affected facility would use up to six tarps, twice a year for six wells.”* (Staff Report page 21) Using this estimate provided, it appears that 473 facilities would each need six tarps twice a year. This would result in the delivery and installation of 5,676 tarps per year throughout the Basin. Since drilling schedules and facilities vary greatly, it would have to be assumed that these tarps may be delivered individually as needed. Therefore, it is again unclear why there is no analysis of the secondary air quality impacts associated with these tarp deliveries. This analysis would indicate that there are adverse environmental impacts associated with the project and no air quality benefits.

1-19

WSPA takes exception to several unsubstantiated statements in this section. First, that the rule amendment seeks to *“minimize the potential for odor and nuisance and odor impacts to local residents and sensitive receptors that are often located nearby from ongoing operations that do not include drilling.”* Again, there is no history of nuisance impacts from this sector nor has any substantiation been provided in the Staff Report. WSPA is also requesting substantiation as to how SCAQMD knows that these facilities are often located nearby sensitive receptors. These statements are misleading particularly when there is no evidence that any sensitive receptors have even found this source category to be a nuisance.

1-20

Another sentence that requires revision or clarification states that “...*the proposed project will continue to assist the SCAQMD’s progress in attaining and maintaining the ambient air quality standards for ozone.*” This statement is completely false and needs to be removed from the Draft EA. 1-21

Another statement that is concerning to WSPA says, “*PAR 1148.1 neither requires the construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities.*” The proposed amended regulation specifically requires an enclosure for used rods. CEQA requires an analysis of this mandatory component and we request that emissions from the construction of these structures being included in the Final EA. 1-22

The utilization of an electric workover rig assumed in the analysis has been removed from the regulation. The Final EA needs to reflect that Appendix B and Tables 2-2, 2-3 2-4 and 2-5 are no longer valid and there are no emission reductions associated with this amendment. As such, there are now no environmental benefits associated with the amendment yet there are several potential adverse environmental impacts that have yet to be adequately addressed. 1-23

The air quality analysis indicates that “*past compliance data for Rule 1148.1 facilities has shown that only three facilities experienced more than three confirmed odor events....*” There are no dates indicated to determine when these confirmed odor incidents occurred but WSPA knows of no odor incidents within the last year at its more than 473 facilities. This begs the question as to the necessity of this amendment. One of the mandatory findings under California Health and Safety Code Section 40727 is a finding of Necessity. WSPA is unclear how this finding can possibly be made when there is no evidence to suggest there is a nuisance problem that needs to be addressed. 1-24

Although it is WSPA’s understanding that the electric workover rig component of the amendment has been removed, the statement that “*facility operators could choose to install electricity generating equipment in order to support the operation of an electric workover rig*” is concerning. The SCAQMD finds it more environmentally beneficial to generate more power in order to reduce potential odor impacts that have not occurred nor have they occurred in the past. If a new power generating source is required as a result of this regulation, it should have been evaluated under this CEQA analysis. It is part of this rule amendment and not including it is considered “piece meal” under CEQA and prohibited. 1-25

Any reference to an electric work over rig or clean fuel work over should be removed if this component has been taken out of the amendment. If this component remains in the amendment, this analysis is flawed and must evaluate all secondary impacts associated with this change including the installation or creation of new power generating facilities. 1-26

The Air Quality Section includes a statement that “*PAR 1148.1 would not change any of the VOC/TOC/TAC reduction aspects in [SIC] currently in the rule....*” WSPA agrees with this statement and requests that a clarification be made throughout the document to indicate that there are no emission reductions associated with the rule. Any references to furthering the goals of the AQMP or attaining ozone standards are misleading, false and should be removed. 1-27

Energy

If the electric work over rig component remains in the rule amendment, then the Energy analysis needs revisions and recirculation under CEQA. There is an estimate of approximately 68 workover rigs that may need to be converted to electric. If so, there is a potential for an increase in the demand for utilities that exceed current capacities. WSPA is unclear why the analysis assumes only three workover rigs that may need 1-28

conversion since the rule amendment applies to the entire industry. Table 2-6 should be revised to accurately reflect the number of work over rigs operating in the Basin. 1-28 cont.

Geology and Soils

The proposed amended rule allows for the use of a storage shed. As such WSPA requests clarification as to why this section states that *“Other than the possible replacement of three diesel-fueled workover rigs with three non-diesel workover rigs, no physical modifications to buildings or structures are expected to occur as a result of implementing PAR 1148.1”* The rule specifically allows for the construction of a storage shed as a compliance option so this option is required to be evaluated under CEQA. 1-29

WSPA also requests substantiation as to how SCAQMD knows that all of these sites are flat or have all been previously graded? Any facility choosing to install the storage shed would need to excavate and grade the site as part of compliance. 1-30

Hazards and Hazardous Materials/Solid and Hazardous Waste

WSPA requests further analysis relative to VIII a-b. If SCAQMD requires the use of 5,676 oversized tarps that could come in contact with crude oil or by-products, these tarps would be required to be disposed of as hazardous waste. This is costly and there is a significant shortage of landfills permitted to accept hazardous materials. An analysis should be conducted as to the trips generated and the site location of that these tarps would need to be transported to. This is a potential adverse impact that has not been addressed or quantified in any way. The significance criteria for Solid and Hazardous Waste states that the project can be significant if *“the generation and disposal of hazardous and non-hazardous waste exceeds the capacity of designated landfills.”* It is unclear how a non-significance determination can be made lacking any quantification or analysis of local capacity to handle hazardous materials. 1-31

If hydrogen sulfide (H2S) vented to the atmosphere is being reduced as a result of the proposed amended regulation as the analysis asserts, this should have been quantified. No quantification of emission reductions (of any pollutant) is provided to allow for an adequate analysis. 1-32

Hydrology and Water Quality

Please see the comments above. The proposed amendments specifically allow for the construction of a storage shed as part of mandatory rule compliance. WSPA disagrees with the statement that *“PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities that would require water for dust mitigation.”* 1-33

This analysis is inadequate and requires quantification. 1-35

Land Use and Planning

Please see the comments above. This analysis is inadequate and requires quantification. 1-34

Transportation and Traffic

The delivery and removal of approximately 5,767 tarps needs to be addressed. WSPA is unclear what vendor can supply these oversized tarps and how far they would need to travel for delivery and then subsequent 1-35

removal as a hazardous waste. Quantification is needed before this analysis can adequately find no significant impacts from the environmental sector.
If the tarps are not delivered, it is because a facility has chosen to comply with the construction of a storage shed. There are workers, equipment and deliveries associated with this construction that should have been addressed.

1-35
cont.

Mandatory Findings of Significance

The Draft EA lacks the detail or quantification to make an adequate finding of significance under CEQA. The SCAQMD's own footnote highlighting documentation that is more than 12 years old should indicate that this type of documentation is outdated and not an effective tool for determining cumulative significance.

1-36

WSPA requests that the reference to "possible detriment to public health caused by exposure to VOC, TAC and TOC emissions...." be removed. This is false and misleading and contradicts many other statements that confirm that the amendments are administrative and do not reduce emissions in any way.

1-37

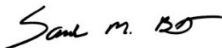
WSPA appreciates the opportunity to comment on the Draft EA for PAR 1148.1. We request that the analysis be re-done and recirculated to remove the reference to the electric workover rig as well as include an adequate analysis related to the thousands of tarps and storage sheds that are required to be included as part of this rule amendment.

1-38

WSPA also requests the removal of any reference to emission reductions associated with this amendment and finally, would encourage the SCAQMD to focus on rule development that actually attains and maintains ambient air quality standards necessary to protect public health. This amendment is an administrative, costly burden with no environmental benefits whatsoever.

1-39

Sincerely,



Sandra Burkhardt
Senior Coordinator, Coastal Region, State Marine, Waste, and Property Tax Issues

CC: Barry Wallerstein, D.Env.
Governing Board members

**RESPONSES TO COMMENT LETTER #1
(Western States Petroleum Association – May 28, 2015)**

- 1-1** This comment introduces the nature of the commentator’s affiliation with the oil and gas industry. No response is necessary.
- 1-2** This comment claims that PAR 1148.1 does nothing to improve air quality and instead adds voluminous requirements, paperwork, notification, and compliance testing even though there has been no determination of an odor nuisance and other odor nuisance regulations are already in place. This comment claims that PAR 1148.1 is duplicative and does not further SCAQMD’s mission of attaining ambient air quality standards.

The SCAQMD has a responsibility for not only achieving a reduction in criteria pollutants leading to attainment of the ambient air quality standards, but also for preventing public nuisance under the Health and Safety Code. Odor issues affecting a single complainant may be better described as a private nuisance and would not be covered by this authorization. The criteria used to establish a public nuisance is a relatively high bar, generally requiring six or more independent complainants and verification by SCAQMD personnel. PAR 1148.1 seeks to improve awareness over the issues involved with the complaint handling process, the efforts by the regulated industry, and the concerns from the local community, especially as they pertain to exposures from potentially toxic components of crude oil. Unlike as the commenter asserts, the proposed amended rule is not duplicative, as further described in the following paragraphs.

Appendix B of the Staff Report for PAR 1148.1 includes a five-year complaint history summary for a sample of the 473 oil and gas production facilities, which identifies three odor nuisance notices of violation as well as eight additional notices of violations that were identified during the investigation process for the complaints. The current complaint handling process used by the SCAQMD as part of the implementation of Rule 402 – Nuisance, involves the confirmation by an agency inspector of any odor identified in a complaint. The confirmation includes identification of the odor at the complainant location, traced back to a source. Although not every complaint call is a verifiable event, the complaint itself can be a community outreach opportunity, either as an indicator of dissatisfaction with perceived responses, actions, or of the desire for more information and awareness of the activities, including frequency and timeframes. In this way, management of potential private nuisance issues can help avoid escalation into a possible public nuisance situation.

SCAQMD Rule 410 — Odors from Transfer Stations and Material Recovery Facilities, currently establishes odor management practices and requirements to reduce odors from municipal solid waste transfer stations and material recovery facilities. In addition, Proposed Rule 415 — Odors from Rendering Facilities, seeks to establish odor mitigation requirements applicable to Rendering Facilities, and is scheduled for adoption later this year. PAR 1148.1 represents a

continuation of the effort to further minimize the potential for public nuisance due to odors from specific industries. PAR 1148.1 consists of two parts: 1) basic requirements for all covered facilities which are not burdensome; and, 2) Odor Mitigation Plan requirements which only go into effect once a triggering event occurs, meaning that there is a heightened potential for public nuisance. While there are various regulations that address accidental releases or breakdowns, it is not certain that potential nuisance can be solely attributed to upset conditions, or to other non-upset conditions from routine or preventative maintenance activities, or to otherwise compliant but inefficient operational or maintenance practices.

The provisions of PAR 1148.1 seek to strengthen the preventative measures some facilities may currently be taking and formalizing them in order to improve communication and transparency between the regulated community and their local residential community. As such, SCAQMD staff believes that only facilities with ongoing odor nuisance issues will become subject to the more stringent OMP requirements contained in the proposed amendment, whereas the community will benefit overall from the increased level of assurance provided from improved communication and improved overall awareness of the operations and practices conducted by the majority within the industry.

Lastly, some VOC and Toxic Air Contaminants (TACs) may be reduced as a result of incorporating additional best practices to reduce odors, but quantification of these benefits is difficult for State Implementation Plan (SIP) submittals, and thus PAR 1148.1 is not being considered for inclusion in the SIP.

1-3 This comment explains that the letter highlights specific concerns about the proposed project and the Draft EA. The comment letter has been bracketed and individual responses to the specific concerns raised are contained in responses 1-4 through 1-39.

1-4 This comment points out that because there are no emission reductions associated with PAR 1148.1, it is unclear as to how PAR 1148.1 carries out the goals of the AQMP to demonstrate compliance with federal and state ambient air quality standards. The District has a responsibility to protect community members from objectionable odors as well as attaining ambient air quality standards.

Although PAR 1148.1 is not driven by the AQMP, the current version of Rule 1148.1 implements Control Measure FUG-05 – Emission Reductions from Fugitive Emission Sources of the 2003 AQMP, and as such information on the achieved reductions under the rule is relevant to the background discussion. For additional discussion, see also Response 1-2.

1-5 This comment points out that because there are no emission reductions associated with PAR 1148.1, it is unclear why the adverse health effects of VOCs is described in the Draft EA.

This comment repeats sentiments previously expressed in Comments 1-2 and 1-4. See Responses 1-2 and 1-4.

- 1-6** This comment requests clarification as to what the phrase “*due to an increased awareness of oil and gas production wells by the community...*” means and why Rule 1148.1 needs to be amended. This comment also claims that there is no evidence to suggest that the oil and gas industry has a past problem or has created a significant odor nuisance.

Appendix B of the Staff Report identifies a sampling of complaint history for oil and gas production facilities which is reflective of the local communities’ awareness and interest in the activities associated with them. Thus, page 1-1 of the Final EA has been clarified as follows: “However, due to an increased awareness of oil and gas production wells by the community, leading to multiple complaints and public comments requesting more proactive and preventative measures, SCAQMD staff has revisited the requirements in Rule 1148.1 to see what, if any, improvements can be made to the rule in order to minimize air quality and odor impacts to local residents and sensitive receptors that are often located nearby from ongoing operations that do not include drilling or well stimulation.” See also Response 1-2.

- 1-7** This comment claims that because no emission inventory was presented to suggest that there would be emission reductions associated with PAR 1148.1, the following statement on page 1-1 of the Draft EA is misleading and erroneous:

“To prevent public odor nuisance and possible detriment to public health caused by exposure to VOC, TAC, and total organic compound (TOC) emissions from the operation and maintenance of oil and gas production facilities...”

PAR 1148.1 includes rule language clarification as part of the purpose subdivision to indicate that TAC and TOC emission are reduced concurrent with the VOC emission reductions achieved by the existing rule and do not represent any additional reductions targeted as part of the proposed amendment. In addition, the purpose subdivision of PAR 1148.1 includes a reference “to prevent public nuisance and possible detriment to public health caused by exposure to such emissions.” As such, the possible detriment specifically refers to exposure to emissions related to a public nuisance. See also Responses 1-2 and 1-4.

- 1-8** This comment restates how CEQA defines a project and requests clarification as to what the physical change on the environment would be as a result of the project. This comment also claims that even though there is no inventory provided to allow for an adequate analysis, SCAQMD staff indicated at the Stationary Source Committee meeting that PAR 1148.1 would result in emission reductions.

PAR 1148.1 was discussed at two Stationary Source Committee meetings held on February 20, 2015 and April 17, 2015, but emission reductions from reducing odor nuisance potential was only discussed at the latter meeting. From the minutes of the April 17th meeting, SCAQMD staff explained that the proposal (PAR 1148.1) is focused on reducing odor nuisance potential which in turn would have the potential to reduce emissions. However, the potential to reduce emissions through odor minimization cannot be quantified. Nonetheless, CEQA does not preclude the use of a qualitative analysis to evaluate the potential environmental effects of a proposed project. As such, the analysis in the Final EA quantifies the environmental effects whenever data is available and qualitatively analyzes the remainder based on available information at the time of publication.

- 1-9** This comment claims that the necessity for amending Rule 1148.1 is unclear because more than 1,000 wells were drilled within the last 12 months and there were no violations issued during this time frame for the 473 oil and gas facilities that operate within SCAQMD's jurisdiction.

This comment repeats sentiments previously expressed in Comment 1-2. See Response 1-2.

- 1-10** This comment claims that the proposal to amend Rule 1148.1 is duplicative and unnecessary because the oil and gas industry is also subject to and complies with SCAQMD Rule 402 –Nuisance.

Page 1-6 of the Final EA includes a discussion on Rule 402 - Nuisance, which is included as being applicable to oil and gas production facilities. See also Response 1-2.

- 1-11** This comment claims that if there are emission reductions associated with PAR 1148.1 then they should be quantified and included or the statements that refer to reductions in VOC, TAC, and TOC emissions should be removed from the EA.

This comment repeats sentiments previously expressed in Comment 1-2. See Response 1-2.

- 1-12** This comment requests clarification as to how the installation of a rubber grommet during maintenance or drill piping replacement activities is relevant to a potential odor nuisance.

The use of a rubber grommet has been established through operating permits as a best practice for removing excess liquid from outside of drill piping, production tubing and sucker rods during removal. Excess volatile liquid is a contributor to emissions and related odorous emissions during such activities, and as such, is a potential odor nuisance source.

- 1-13** This comment requests clarification as to what instrumentation is used to determine a confirmed odor event.

A confirmed odor event is defined by PAR 1148.1 as “an occurrence of odor resulting in three or more complaints by different individuals from different addresses, and the source of the odor is verified by District personnel.” Odor has been defined by PAR 1148.1 as “the perception experienced by a person when one or more chemical substances in the air come into contact with the human olfactory nerves.” As such, a confirmed odor event is determined by the complainants and verified by District personnel through their respective sense of smell, consistent with the underlying investigative process used to address complaints under Rule 402 – Nuisance, for odors.

- 1-14** This comment claims that Table 1-1 is misleading because it identifies the requirement for an alternative fuel or electric powered workover rig. This comment also claims that the title of Table 1-1 is misleading because there are no significant adverse effects and no mitigation measures identified in the Draft EA.

Subsequent to the release of the Draft EA for public review and comment, additional revisions were made to PAR 1148.1 that resulted in the removal of the requirement for the use of an alternative fuel or electric powered workover rig as part of an OMP. As such, Table 1-1 no longer contains the requirement for an alternative fuel or electric powered workover rig. Relative to the comment that the title is misleading, the commentator has confused the odor monitoring and mitigation requirements that are in PAR 1148.1 and are part of the project’s design versus requiring mitigation and monitoring in response to significant adverse effects identified in a CEQA analysis as a result of implementing the project. The commentator is correct in that no significant adverse effects were identified in the Draft EA. Because PAR 1148.1 would not be expected to cause significant adverse environmental impacts for any topic area, mitigation measures are not required and therefore, were not included in the Draft EA.

The Odor Monitoring and Mitigation Requirements of Table 1-1 refer to PAR 1148.1 requirements associated with an Odor Mitigation Plan and not to any CEQA related elements. Please note that the latest version of PAR 1148.1 no longer includes alternative-fuel or electric powered workover rigs as an element of an Odor Mitigation Plan.

- 1-15** This comment claims that the analysis in Appendix B of the Draft EA contains emission reductions that are exclusive to the use of an electric workover rig and were the premise for the entire analysis even though this requirement was removed from the rule. This comment requests the development of a new emission inventory and a recirculation of the Draft EA so that the public has sufficient time to review the significant new information.

Emission reductions from alternative-fuel or electric rigs was not the basis for the proposed amendment and the emission inventory presented is only for CEQA purposes to discuss potential environmental impacts. As the commenter noted as a part of several comments, PAR 1148.1 is not expected to yield quantifiable emission reductions.

While it is correct that the calculations in Appendix B focus on the consequences of utilizing an electric workover rig, Appendix B also analyzes the adverse effects of utilizing alternate fuel workover rigs. Thus, the analysis shows both the potential benefits and adverse effects that may occur. However, as explained in Response 1-14, subsequent to the release of the Draft EA for public review and comment, additional revisions were made to PAR 1148.1 that resulted in the removal of the requirement for the use of an alternative fuel or electric powered workover rig as part of an OMP. By removing this requirement from PAR 1148.1, the adverse effects and benefits analyzed in Appendix B will not occur. Nonetheless, the analysis remains in the EA because it represents a worst-case analysis.

Other changes to PAR 1148.1 subsequent to the release of the Draft EA were proposed and the analysis has been revised to reflect these changes. In particular, the following modifications were made to the proposed project: 1) new paragraph (d)(3) has been added to require the pump out or removal of organic liquid accumulated in a well cellar the same day in the event the well cellar has been verified as a source of odors; 2) new paragraph (d)(14) has been added to require a facility operator to conduct and report a specific cause analysis for a confirmed oil deposition event; 3) new paragraph (e)(5) has been added to require monthly TOC measurements on any component identified as a potential odor nuisance and if a qualifying leak is identified, to require the repair, replacement, or removal from service the leaking component; and, 4) clause (f)(2)(C)(iv) has been revised to no longer specify covering of drill piping, production tubing and sucker rods; instead the new odor monitoring and mitigation plan specifications would require any removed drill piping, production tubing and sucker rods to be stored in a manner that would minimize emissions, either within an enclosed area, or by some other equivalent method.

Of these four changes to PAR 1148.1, industry has provided comments relative to item 1) to the effect that requiring the pump out or removal of organic liquid accumulated in a well cellar to occur the same day when the well cellar has been verified as a source of odors may cause an additional vacuum truck trip to the affected facility. Thus, the Draft EA has been revised to include an analysis of the potential adverse affects of additional vacuum truck trips and these additional assumptions and calculations can also be found in Appendix B.

Finally, the three remaining changes to PAR 1148.1 subsequent to the release of the Draft EA for public review and comment (see items 2 through 4) were determined to be procedural in nature and as such, would not be expected to cause any physical changes that that could cause secondary adverse environmental effects.

Staff has reviewed the modifications to the proposed project and concluded that none of the modifications constitute significant new information or a substantial increase in the severity of an environmental impact, nor provide new information of substantial importance relative to the draft document. In addition, revisions to

the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these minor revisions do not require recirculation of the document pursuant to CEQA Guidelines §15073.5 and §15088.5.

See also Response 1-2 regarding the purpose of PAR 1148.1.

- 1-16** This comment claims that Table 1-1 is confusing because it includes leak detection and repair (LDAR) requirements even though LDAR requirements are contained in Rule 1173.

Oil and gas production facilities are currently subject to Rule 1173. PAR 1148.1 includes requirements that are more stringent than Rule 1173 as part of the Odor Mitigation Requirements under an Odor Mitigation Plan and does not reflect any amendment to Rule 1173. It is also noted that recent revisions to PAR 1148.1 add even more stringency to LDAR requirements above and beyond Rule 1173 if certain conditions are met. Specifically, Table 1-1 proposes more stringent LDAR requirements for PAR 1148.1 than what is currently required by Rule 1173 by reducing the required repair times for components subject to Rule 1173 LDAR to the lowest schedule of one calendar day with an extended repair period of three calendar days instead of the seven day repair time allowance and seven day extended repair period.

- 1-17** This comment requests clarification as to how enclosures or tarping have anything to do with reducing odor from removed drill piping and drill rods. This comment also asks for the reasoning behind why the Draft EA does not contain an analysis employing an enclosure as a compliance method.

As explained in Response 1-12, excess volatile liquid is a contributor to emissions and related odorous emissions during workover activities, and as such, is a potential odor nuisance source. For this reason, PAR 1148.1 requires the use of a grommet to remove any excess liquid from outside of the drill piping, production tubing, and sucker rods during removal. Further, managing the removed drill piping, production tubing and sucker rods through means such as storing within an enclosed area or other equivalent method to minimize exposure to crosswinds will reduce evaporation rates from any residue, thereby reducing peak releases and associated potential odor impacts. This requirement would apply only to those facilities subject to an Odor Mitigation Plan and where the facility identifies the removed drill piping, production tubing or sucker rods as a potential odor nuisance source, and the use of an enclosure or equivalent is determined to be feasible and effective in addressing the specific cause of the confirmed odor events or notice(s) of violation that resulted in the requirement for plan submittal.

When removing drill piping, production tubing or sucker rods during maintenance, the drill piping, production tubing and sucker rods are first temporarily staged (e.g., stored vertically) on the rig until they can be moved to an area on the property that has enough space to handle drill piping, production

tubing and sucker rod lengths up to 30 feet. Facilities already have designated areas where removed drill piping, production tubing and sucker rods are stored. Some facilities have an existing enclosed storage area for this purpose while others store the removed drill piping, production tubing and sucker rods out in the open. The proposed requirement in PAR 1148.1 for an enclosure or equivalent for storing the removed drill piping, production tubing and sucker rods would only apply in the following circumstances: 1) the facility is subject to an OMP; 2) the facility identifies the removed drill piping, production tubing or sucker rods as a potential odor nuisance source; and, 3) the use of an enclosure or equivalent is determined to be feasible. The purpose of the enclosure or equivalent would serve as a wind barrier to minimize the potential for a crosswind to disperse odors from any residue on the drill piping, production tubing and sucker rods across and offsite the property.

Subsequent to the release of the Draft EA, PAR 1148.1 was revised to clarify that an operator, would have the option of storing the removed drill piping, production tubing and sucker rods either within an enclosed area, or by some other equivalent method that acts as a wind barrier such as a covering or a freestanding wind screen, for example, in lieu of limiting the type of an equivalent method option in PAR 1148.1 to just a tarp. The Draft EA does not contain an analysis of constructing a new enclosed storage area because if an affected facility already has an enclosed storage area, a new one would not be needed since the existing enclosure would suffice. Further, if an affected facility already has a storage area on the property, all the facility would need to do is employ an equivalent method such as a covering or freestanding wind screen to provide a wind barrier. Because these would be the easiest and least expensive options, the analysis assumes that an affected facility would likely employ some kind of equivalent covering or wind screen in lieu of constructing an enclosed storage area.

- 1-18** This comment claims that even though the rule specifically lists an enclosed structure as a potential compliance option, no environmental analysis of the enclosed structure was included in the Draft EA. This comment also claims the CEQA requires all indirect environmental impacts to be evaluated and to be conservative, the analysis should have assumed that some portion of the affected facilities would build enclosures and the analysis should have evaluated those construction impacts. This comment inquires as to what measures were taken to support the claim that facility operators would not construct new storage areas. This comment inquires as to whether facilities were surveyed or questioned about what actions their operators might take to comply with this part of the rule.

Contrary to the comment, the language in PAR 1148.1 does not require or specify a building or storage shed as an enclosure. An enclosure can be a simple, temporary, portable wind barrier such as a covering or freestanding wind screen and does not need to be a permanent building, per se. Further, as explained in Response 1-17, an enclosure or equivalent for removed drill piping, production tubing and sucker rods would only be required under limited circumstances. Considering that workover activity is typically limited in duration, temporary

portable tenting may be also considered a feasible option in lieu of a more permanent enclosure. Certain facilities, especially those in urban areas, already store removed drill piping, production tubing and sucker rods in areas that minimize exposure to crosswinds.

The Draft EA assumed that there could be three facilities that may become subject to an OMP based on their past complaint histories. Thus, for these three facilities, if the removed drill piping, production tubing or sucker rods are identified as a potential odor nuisance source, then each facility operator would need to determine if the use of an enclosure or equivalent would be feasible and effective to prevent crosswinds flowing across the removed drill piping, production tubing and sucker rods while these items are being stored.

- 1-19** This comment requests clarification as to how the determination was made in the Staff Report which claims that covering drill rods and piping with plastic tarping is the preferred option. The comment extrapolates the data provided in the Staff Report to say that 473 facilities would each need six tarps twice a year and that the deliveries of these tarps along with the associated air emissions was not analyzed in the Draft EA.

Reference to the use of tarps has been removed from the Final Staff Report and PAR 1148.1, and this language is no longer included in the Final EA. Contrary to the comment, as explained in Response 1-18, the Draft EA assumed, based on past complaint histories, that there could be three facilities that may become subject to an OMP and that each facility could have six wells that would be maintained or reworked twice each year. Thus, only three facilities would be expected to use either an enclosure or equivalent to provide an effective wind barrier, such as a covering or freestanding wind screen, in lieu of an enclosed area in the event that the removed drill piping, production tubing and sucker rods are identified as a potential odor nuisance source, and the use of an enclosure equivalent such as a covering or freestanding wind screen may be feasible in preventing crosswinds from flowing across the removed drill piping, production tubing and sucker rods while these items are being stored.

If a facility operator chooses to utilize a covering such as a tarp as an equivalent enclosure, then one covering per well would be needed twice per year (e.g., 1 covering x 6 wells x 2 workovers = 12 coverings). Further, if all three facility operators choose to utilize coverings, then a total of 36 coverings per year would be needed instead of the commentator's alleged 5,676 coverings. Because the OMP would be prepared in advance, facility operators would have advance knowledge to be able to coordinate amongst their existing supply trips or delivery schedules to also include the purchase of 12 coverings per facility that may be needed for future removal and storage of drill piping, production tubing and sucker rods. Thus, any trips to purchase the coverings would be covered by existing maintenance trips to obtain supplies.

In the event that each facility operator would need to make an unplanned trip to obtain coverings or have the coverings delivered by a supplier for the aforementioned purpose, the amount of unplanned trips needed per year could be one additional round-trip per facility. Even if three additional trips are needed to obtain or supply coverings over the course of one year, these trips would not be expected to occur on the same day for three separate facilities. Finally, because the calculations in Appendix B are very conservative in that they are based on the assumption that there could be three heavy duty vacuum trucks visiting three facilities on a peak day, any additional unplanned trips that may occur in order to obtain or supply coverings, would not be expected to exceed the peak daily trips currently analyzed in the document.

- 1-20** This comment claims that because there is no history of nuisance impacts from the oil and gas industry, PAR 1148.1 and its Staff Report do not contain substantiation to justify the goal to “minimize the potential for nuisance and odor impacts to local residents and sensitive receptors that are often located nearby from ongoing operations that do not include drilling.” This comment also claims that there is no evidence that any sensitive receptors have found the oil and gas source category to be a nuisance and therefore, requests substantiation as to how the SCAQMD knows that these facilities are located near sensitive receptors.

PAR 1148.1 defines sensitive receptor to “mean any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; licensed daycare centers; and health care facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.” Appendix B of the Staff Report identifies facilities with a complaint history and also identifies the proximity to sensitive receptors as defined in PAR 1148.1. See also Response 1-2.

- 1-21** This comment claims that the following statement in the Draft EA is false and needs to be removed: “...the proposed project will continue to assist the SCAQMD’s progress in attaining and maintaining the ambient air quality standards for ozone.”

PAR 1148.1 includes additional rule language clarifications that improve the enforceability of the existing rule requirements, and as such, serve to continue to assist the SCAQMD’s progress in attaining and maintaining the ambient air quality standards for ozone. (Examples include: strengthening the safety exemption language, providing cross-references to other rules applicable to oil and gas production facilities, and clarifying recordkeeping requirements).

PAR 1148.1 is designed to enhance compliance activities in order to prevent emissions from hydrocarbons which are also a source of odors when released to the atmosphere. Thus, the prevention of odors is directly related to preventing

emissions that would otherwise contribute to the formation of ozone. For these reasons, the statement will remain in the Final EA.

- 1-22** This comment claims that a construction analysis should be included in the Final EA and that the following statement is incorrect because PAR 1148.1 requires an enclosure for used rods: *“PAR 1148.1 neither requires construction of new facilities nor requires physical modifications at existing facilities that would entail construction activities.”*

This comment is a repeat of the sentiments expressed in Comment 1-18. See Response 1-18.

- 1-23** This comment claims that the calculations in Appendix B and the data presented in Tables 2-2, 2-3, 2-4, and 2-5 of the Draft EA are no longer valid because the utilization of an electric workover rig is no longer required and there are no emission reductions associated with PAR 1148.1. This comment also claims that without the requirement for an electric workover rig, there are no environmental benefits from PAR 1148.1 and instead there are several potential adverse environmental impacts that have yet to be adequately addressed.

While it is correct that the use of an alternative fuel or electric powered workover rig is no longer a requirement in PAR 1148.1, the analysis which includes both benefits and adverse impacts relative to the use of an alternative fuel or electric powered workover rig will remain as part of the responses to the environmental checklist to represent a worst-case analysis. The Final EA has been revised to acknowledge this understanding. PAR 1148.1 still has environmental benefits by reducing the potential for odor nuisances. However, in response to the claim that there are several potential adverse environmental impacts that have yet to be adequately addressed, the commentator has not identified the impacts of concern. As such, SCAQMD staff is unable and not required to prepare a response to this comment.

- 1-24** This comment claims that there were no odor incidents within the last year at more than 473 facilities so it is not clear in the Draft EA when the three confirmed odor events occurred. This comment claims that because there were no odor incidents and no evidence of a nuisance problem, then the necessity of the amendment, a finding required by Health and Safety Code §40727, is called into question.

Because complaints need to be independent and associated with the same event, the Final EA has been clarified as follows: *“Past ~~compliance~~ complaint data for Rule 1148.1 facilities has shown that only three facilities experienced the potential equivalent of ~~more than~~ three or more confirmed odor events or received a Rule 402 NOV.”* See also Response 1-2.

- 1-25** This comment claims that while the electric workover rig component was removed from PAR 1148.1, the Draft EA claims that electricity generating

equipment could be installed to support the operation of an electric workover rig. This comment claims that the SCAQMD finds it more beneficial to generate more power in order to reduce odor impacts that have not occurred. This comment also claims that if a new power generating source is required, it should have been evaluated in the CEQA document. This comment claims that by not analyzing new power generating equipment in the CEQA is piecemealing and prohibited.

As explained in Responses 1-14, 1-15, and 1-23, while the electric workover rig component of the Draft EA was removed, the analysis for electric workover rigs as well as the analysis for alternative fuel workover rigs will remain in the document to represent a worst-case analysis. With regard to the remark that any electricity generating equipment that may be installed to support an electric workover rig (which currently do not exist) should be analyzed in this CEQA document, the discussion in Section III b) of the Draft EA explained that any new electricity generation within the district would require permitting and compliance with a multitude of SCAQMD rules and regulations and a separate CEQA evaluation to evaluate the effects of any proposal to install new electricity generating equipment. In other words, a CEQA evaluation and separate permitting analysis of new electricity generation equipment is beyond the scope of PAR 1148.1 and thus, is not included in this EA.

The commentator is incorrect in claiming that the lack of analysis for new power generating equipment is piecemealing. In actuality, piecemealing is when a project is divided up into smaller projects in order to qualify for an exemption and is prohibited by Public Resources Code §21159.27. The SCAQMD did not determine that the project or any portion would be exempt under CEQA but instead prepared an Environmental Assessment pursuant to its Certified Regulatory Program as promulgated in CEQA Guidelines §15251 (l). Further, the Final EA contains an analysis of the environmental effects of the future action of implementing PAR 1148.1 and the reasonably foreseeable consequences of the project.

SCAQMD staff is not aware of any current efforts to bring an electric or alternative fuel workover rig into commercial use, nor is SCAQMD staff aware of any such rigs under production or undergoing retrofit. Nonetheless, because electric and alternate fuel workover rigs are not reasonably foreseeable in that they do not currently exist, the SCAQMD conducted an analysis based on currently available diesel fuel usage data for diesel-fueled workover rigs and extrapolated that data to estimate the potential environmental impacts, both beneficial and adverse, of what may happen if electric and alternative fuel workover rigs are developed and are used. In particular, Table 2-9 (formerly numbered as Table 2-6 in the Draft EA) summarizes that 0.0003 MW of instantaneous electricity would be needed to supply three electric workover rigs, a miniscule and less than significant amount when compared to the amount of electricity supply available.

- 1-26** This comment claims that references to electric or clean fuel workover rigs in the CEQA document should be removed if the requirement has been removed from PAR 1148.1. This comment also claims that if the requirement for electric or clean fuel workover rigs remains in PAR 1148.1, then the analysis in the CEQA document is flawed because it does not analyze the secondary effects of installing new power generation facilities.

These comments repeat the sentiments expressed in Comment 1-25. See Response 1-25.

- 1-27** This comment agrees with the statement in Section III d) of the EA that says “PAR 1148.1 would not change any of the VOC/TOC/TAC reduction aspects currently in the rule...” and requests that the CEQA document contain a clarification that there are no emission reductions associated with PAR 1148.1. This comment also requests that references to furthering the goals of the AQMP or attaining ozone standards should be removed from the CEQA document because they are misleading and false.

These comments repeat the sentiments expressed in Comments 1-4, 1-7, 1-11, and 1-21. See Responses 1-4, 1-7, 1-11, and 1-21.

- 1-28** This comment claims that if the electric workover rig requirement remains in PAR 1148.1, then the energy analysis needs to be revised and the CEQA document needs to be recirculated. This comment also claims that approximately 68 workover rigs would need to be converted to electric workover rigs and that there is a potential to exceed utilities’ capacities to provide power. This comment requests clarification as to why the analysis assumes that only three workover rigs would need to be converted to electric since PAR 1148.1 applies to the entire industry. Lastly, this comment suggests that Table 2-6 be revised to accurately reflect the number of workover rigs operating in the Basin.

As previously explained in Response 1-14, the electric workover rig requirement as well as the alternative fuel workover rig requirement was removed from PAR 1148.1; thus, the energy analysis does not need to be revised and the CEQA document does not need to be recirculated. With regard to the comment that 68 workover rigs should have been analyzed, the commentator has misinterpreted the requirement in the OMP provision as applying to all workover rigs. Instead, the requirement that was initially proposed in PAR 1148.1 and then subsequently removed, would have required the use of an electric or alternative fuel workover rig only in the event that a facility would be required to prepare and obtain approval of an Odor Mitigation Plan in response to a confirmed odor event. Since historic complaint data shows that only three facilities would have potentially required an Odor Mitigation Plan, the analysis was based on the assumption that three electric or alternative fuel workover rigs might be utilized. For this reason, SCAQMD staff believes that the energy data based on the use of three electric workover rigs as presented in Table 2-6 (which has been renumbered in the Final

EA to Table 2-9) accurately reflects the potential electricity demand. See also Response 1-25.

- 1-29** This comment claims that PAR 1148.1 allows for the use of a storage shed which would require construction and the effects of constructing a storage shed should be evaluated under CEQA.

This comment repeats the sentiments previously expressed in Comments 1-17 and 1-18. See Responses 1-17 and 1-18.

- 1-30** This comment requests substantiation for how SCAQMD knows that the storage areas are flat or have been previously graded. This comment claims that any facility choosing to install a storage shed would need to excavate and grade the site.

As explained in Response 1-17, workover activities, which include the removal of drill piping, production tubing and sucker rods, are currently occurring at the affected facilities, and these facilities already have designated areas on their properties for storing these removed items. Because the length of drill rods, production tubing and sucker rods can be up to 30 feet, in order to safely store these items without risking them moving or rolling away, the area would need to be relatively level. Further, as explained in Responses 1-17 and 1-18, SCAQMD staff does not believe that a storage shed would be necessary in order to comply with the enclosure or equivalent requirement for the limited number of facilities.

- 1-31** This comment claims that the SCAQMD is requiring the use of 5,676 oversized tarps and because these tarps could come in contact with crude oil or by-products, they would need to be disposed of as hazardous waste and the CEQA document would need to further analyze this impact. This comment claims that the disposal of these tarps would be costly and there is a significant shortage of landfills permitted to accept hazardous materials. This comment claims that an analysis should be conducted to quantify the number of trips generated based on the site locations where the tarps would need to be delivered and that this impact is not addressed or quantified in the CEQA document. This comment questions how a non-significance determination was made when the quantity of hazardous waste was not assessed and compared to the capacity of designated landfills.

The commentator has misinterpreted the enclosure or equivalent requirement in PAR 1148.1 to apply to all facilities subject to PAR 1148.1. The commentator's estimate of the number of tarps that would be needed and the explanation for why this estimate is incorrect is addressed in Response 1-19. In addition, Response 1-19 addresses the estimated number of trips that may be needed to supply coverings for the removed drill piping, production tubing and sucker rods.

With regard to the claim that used tarps would need to be disposed of as hazardous waste, SCAQMD staff understands that it is current industry best practice during workover activities to use a grommet to remove excess liquid

from the drill piping, production tubing and sucker rods as they are being removed from the well. Further, new paragraph (d)(11) requiring the installation of a rubber grommet as part of a maintenance or drill rod/production tubing/sucker rod replacement activity that involves the use of a workover rig, would also help to minimize any excess liquid or residue coming off of the removed drill piping, production tubing and sucker rods. After the drill rods, production tubing and sucker rods are removed, they are temporarily staged vertically on the rig, so any free flowing liquid would not be expected to remain on these items prior to moving them from the rig to a storage area, although residue which may create odors may remain. For these reasons, SCAQMD staff does not believe that the tarps, if utilized, would come in contact with any free flowing liquid materials during the storage, and thus, would not require them to be treated as hazardous waste, if a facility operator chooses to dispose of the tarps. Further, since six coverings would be needed for six wells twice a year at three facilities (or 12 per facility), if each facility operator chooses to dispose of these coverings (36 in total), instead of reusing them, this small volume being disposed would not be expected to cause a significant exceedance of the capacity of designated landfills, even if each facility operator chooses to dispose of the coverings as hazardous waste.

- 1-32** This comment claims that if hydrogen sulfide (H₂S) is being reduced as a result of PAR 1148.1, then the amount of reduction should have been quantified in the CEQA document. This comment claims that the CEQA document does not contain a quantification of any emission reductions needed for an adequate analysis.

Sulfur compounds such as hydrogen sulfide (H₂S) and mercaptans contribute to odors from existing oil and gas operations. While CARB does not identify H₂S as a toxic air contaminant (TAC) per se, CARB is evaluating H₂S and considers this substance a potential candidate for TAC classification as part of an ongoing evaluation of carcinogenic and noncarcinogenic health effects, emissions and exposure in California¹⁶. In addition, because H₂S is known odorous substance and a pollutant of concern from an accidental release perspective, H₂S is listed in the accidental release provisions of section 112 (r) of the Clean Air Act. Substances regulated under section 112 (r) are anticipated to cause death, injury, or serious adverse affects to human health or the environment upon accidental release¹⁷. Thus, by incorporating additional best practices to reduce odors, PAR 1148.1 would further assist in minimizing emissions to the atmosphere by improving upon compliance and monitoring requirements to minimize the potential for odors. For these reasons, some VOC, TACs, and H₂S may be reduced as a result, but quantification of these benefits is difficult for SIP submittals, and thus, PAR 1148.1 is not being considered for inclusion in the SIP.

¹⁶ CARB, Toxic Air Contaminant (TAC) Identification List, Quick Reference Format, December 1999.
<http://www.arb.ca.gov/toxics/quickref.htm>

¹⁷ EPA, Report to Congress on Hydrogen Sulfide Air Emissions Associated with the Extraction of Oil and Natural Gas, October 1993.

With regard to the comment that the CEQA document does not quantify any emission reductions, this comment is a repeat of the sentiments expressed in Comments 1-4, 1-5, 1-7 and 1-11. See Responses 1-4, 1-5, 1-7 and 1-11.

- 1-33** This comment claims that PAR 1148.1 allows for the use of a storage shed which would require construction and the effects of constructing a storage shed should be evaluated under CEQA.

This comment essentially repeats the sentiments expressed in Comments 1-17 and 1-18. See Responses 1-17 and 1-18.

- 1-34** This comment claims that PAR 1148.1 allows for the use of a storage shed which would require construction and the effects of constructing a storage shed should be evaluated under CEQA.

This comment essentially repeats the sentiments expressed in Comments 1-17 and 1-18. See Responses 1-17 and 1-18.

- 1-35** This comment claims that the delivery of 5,767 tarps needs to be addressed. This comment inquires as to the supplier of the tarps and claims that the distance that would be traveled in order to deliver the tarps to the facilities and to later deliver the used tarps to a hazardous waste landfill should be analyzed in the CEQA document. This comment also claims that if tarps are not delivered, it would be because a facility has chosen to comply by building a storage shed and workers, deliveries and equipment need to be addressed.

With regard to the number of tarps that were estimated, the delivery of the tarps, and the disposal of the tarps, see Response 1-31. With regard to the commentator's assumption that storage shed will be built if tarps are not utilized, see Responses 1-17 and 1-18.

- 1-36** This comment claims that the Draft EA lacks detail or quantification to make an adequate finding of significance under CEQA. This comment also claims at a footnote referencing documentation that is more than 12 years old indicates that the documentation is outdated and not an effective tool for determining cumulative significance.

The comment about the lack of quantification in the Draft EA has been addressed in Responses 1-2, 1-8, 1-15, 1-31 and 1-32. With regard to the footnote with 12 year old documentation, the commentator did not identify the specific footnote of concern and there are multiple footnotes to references from years ranging from 2003 to 2015. Thus, SCAQMD staff is unable to provide a specific response to this claim. Nonetheless, an age of a particular resource does not automatically mean that the information should be discounted or invalidated if the data is applicable to the project. When preparing the CEQA document, SCAQMD staff has used its best efforts to find out and rely upon the best available data and resources and disclose all that it reasonably can to present facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

- 1-37** This comment requests the removal of the phrase “*possible detriment to public health caused by exposure to VOC, TAC, and TOC emissions*” from the Draft EA because it is false and misleading and because it contradicts other statements that confirm the amendments are administrative and do not reduce emissions in any way.

This comment repeats the sentiments previously expressed in Comment 1-7. See Response 1-7.

- 1-38** This comment expresses appreciation for the opportunity to comment. This comment also requests that the CEQA analysis be re-done and recirculated to remove the reference to electric workover rigs and include an analysis related to the thousands of tarps and storage sheds that are required to included as part of PAR 1148.1.

These comments repeat the sentiments previously expressed in Comments 1-14, 1-15, 1-17, 1-18, 1-19, 1-23, and 1-26. See Responses 1-14, 1-15, 1-17, 1-18, 1-19, 1-23, and 1-26.

- 1-39** This comment requests the removal of any reference to emission reductions and encourages the SCAQMD to focus on rule development that actually attains and maintains ambient air quality standards. This comment claims that PAR 1148.1 is an administrative, costly burden with no environmental benefits.

The references to emission reductions in the CEQA document pertain to the environmental impact analysis of potential secondary effects of implementing PAR 1148.1 and do not reflect any SIP creditable actions. With regard to the claim that PAR 1148.1 has no environmental benefits, see Response 1-2.

COMMENT LETTER No. 2

From: Joyce Dillard [mailto:dillardjoyce@yahoo.com]
Sent: Thursday, May 28, 2015 4:17 PM
To: Barbara Radlein
Subject: Comments AQMD Draft EA-Proposed Amended Rule 1148.1–Oil and Gas Production Wells due 5.28.2015

Potential Environmental Factors include:

- Biological Resources
- Hydrology and Water Quality
- Public Services

} 2-1

Watersheds and the Basin Plans are not addressed.

Not clear if the use of wastewater under urban runoff and the potential uses for recycled water or irrigation water. Another term used is or surface water and drainage. LA Regional Water Quality Control Board in issuing the LA Municipal Separate Storm Sewer System (MS4) Discharges Order NO. R4-2012-0175 NPDES Permit No. CAS004001 allows for capture of such water and reuse for water quality and Total Maximum Daily Load reductions. Basin Plan is divided into watersheds with Watershed Management Areas requiring Watershed Management Plans or Enhanced Watershed Management Plans.

} 2-2

Urban runoff appears to be from non-point sources. Does this document consider these wells point sources with their own permit or non-point sources subject to this runoff and water recycling collection?

} 2-3

Water quality monitoring is necessary yet excluded in this document.

} 2-4

More than just Odor Mitigation, the VOC emissions from wastewater systems may affect water quality, public health and biological resources such as birds, wildlife, trees and plants.

} 2-5

Joyce Dillard
P.O. Box 31377
Los Angeles, CA 90031

**RESPONSES TO COMMENT LETTER #2
(Joyce Dillard – May 28, 2015)**

- 2-1** The comment implies that the Draft EA should consider potential environmental factors for the topics of biological resources, hydrology and water quality, and public services without explaining the reasoning for why the commentator believes that there would be environmental factors to consider relative to the proposed project.

The Draft EA analyzed the effects of the proposed project for all 17 environmental topics, which include the topics of biological resources, hydrology and water quality, and public services. The proposed project was shown to have no impact on the topics of biological resources, hydrology and water quality, and public services.

- 2-2** The comment states that the Draft EA did not address watersheds and basin plans. The comment also seeks clarification as to potential uses for recycled or irrigation water.

Because the proposed project has no provision that would increase demand for water or increase the generation or recycling of wastewater, urban runoff or stormwater, watersheds and basin plans would also not be affected by the proposed project. Further, as explained in Section IX of the EA, the proposed project would not require the construction of additional water resource facilities, increase the need for new or expanded water entitlements, or alter existing drainage patterns. For these same reasons, the proposed project would not substantially deplete groundwater supplies. Consequently, the proposed project is not expected to interfere substantially with groundwater recharge.

- 2-3** The comment states that urban runoff appears to come from non-point sources and inquires as to whether the Draft EA considers wells to be point sources with their own permit or non-point sources subject to runoff and water recycling collection requirements.

This comment appears to be directed at water impacts of existing wells, and not any adverse impacts of the proposed rule amendments. The proposed project has no provision that would affect urban runoff or require water recycling. As explained in Section IX of the EA, PAR 1148.1 would not create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Since compliance with PAR 1148.1 does not involve water that would generate wastewater processes, there would be no change in the composition or volume of existing wastewater streams from the affected facilities. Thus, PAR 1148.1 is not expected to require additional wastewater disposal capacity, violate any water quality standard or wastewater discharge requirements, or otherwise substantially degrade water quality. For these reasons, the EA is not required to identify wells as point- or non-point sources.

- 2-4** The comment states that water quality monitoring should have been addressed in the Draft EA. As previously explained in Responses 2-3 and 2-4, because the proposed project does not contain any provisions that would alter how oil and gas production facilities currently process and monitor water quality, the EA concluded that the proposed project would not violate any water quality standards, waste discharge requirements, exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board, or otherwise substantially degrade water quality.
- 2-5** The comment states that VOC emissions from wastewater systems may affect water quality, public health and biological resources such as birds, wildlife, trees and plants. The proposed project has been crafted to reduce the number of verified odor complaints required before an affected facility is required to take corrective action. The proposed project does not, however, contain any provisions that would require affected facilities to alter their existing wastewater systems.

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 39

PROPOSAL: Amend Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

SYNOPSIS: Rule 1148.2 was adopted April 5, 2013 to establish requirements for owners or operators of oil and gas wells to notify the Executive Officer when conducting well drilling, well reworking, hydraulic fracturing, and other well production stimulation activities. The rule also includes reporting requirements for operators and chemical suppliers to report trade secret and non-trade secret chemicals used. The California Department of Conservation, through its Division of Oil, Gas, and Geothermal Resources (DOGGR) has approved Well Stimulation Treatment Regulations in response to the passage of SB 4 on December 30, 2014. Chemical reporting requirements for chemicals claimed as trade secret are different between the new DOGGR regulation and Rule 1148.2. Proposed Amended Rule 1148.2 includes revisions to the chemical reporting requirements to be consistent with DOGGR's regulation.

COMMITTEE: Stationary Source, April 17, 2015, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached resolution:

1. Determining that the proposed amendments to Rule 1148.2 are exempt from the California Environmental Quality Act; and
2. Amending Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Rule 1148.2 was adopted on April 5, 2013 and established requirements for operators of oil and gas wells to notify the Executive Officer when conducting well drilling, well reworking, or well completion activities, which includes hydraulic fracturing, maintenance and matrix acidizing, gravel packing activities, and any combination of these well completion activities. Rule 1148.2 requires well operators to electronically notify the SCAQMD of any well drilling, rework, or well completion activity at a minimum of 24 hours prior to the start date of the activity. Operators are also required to report information on the chemicals used such as the trade name product, the chemical ingredients, and if the chemical ingredient is a toxic air contaminant. Under Rule 1148.2, chemical suppliers are also required to report chemicals that are supplied to an operator, including identifying when chemicals are claimed as trade secret and the basis of that claim. Since the implementation of Rule 1148.2 there have been approximately 11,500 claims of trade secret for 120 trade name products representing 200 chemical ingredients.

On September 20, 2013, Governor Brown signed SB 4 – a bill establishing a structure for regulating advanced well stimulation treatments – which are treatments of a well designed to enhance oil and gas production or recovery by increasing the permeability of the formation such as hydraulic fracturing and certain forms of acidizing. As required by SB 4, DOGGR developed interim regulations that went into effect in California on January 1, 2014. The final DOGGR regulations were approved in December 2014, and will go into effect on July 1, 2015.

Under DOGGR's SB 4 regulations, operators shall report identities and concentrations of chemicals used in well stimulation treatments. Under DOGGR's regulation, well stimulation treatments include hydraulic fracturing, acid fracturing, and acid matrix stimulation treatments. The applicability of SCAQMD's Rule 1148.2 is broader than the well treatments applicable under DOGGR's SB 4 regulations in that it also covers drilling, gravel packing, and maintenance acidizing. While setting forth chemical reporting requirements, SB 4 also sets limits on information that can be claimed trade secret with respect to well stimulation treatment fluids. The law states that none of the following are protected as trade secret: 1) identities and CAS numbers of chemical ingredients of additives used in well stimulation treatments; 2) concentrations of additives within well stimulation treatment fluids; 3) any air or other pollution monitoring data; 4) health and safety data associated with well stimulation treatment fluids; and, 5) the chemical composition of the flowback fluid. One key distinction between the chemical reporting under Rule 1148.2 and DOGGR's regulation, is that the trade name product is disassociated from the chemical ingredient, while under Rule 1148.2 the reporting of chemical ingredients is linked to the trade name product. The SCAQMD staff has been informed by DOGGR staff that operators and chemical suppliers have not made any claims of trade secret under DOGGR's SB 4 regulation.

Separate from this rulemaking, but related to Rule 1148.2, SCAQMD staff has been providing updates on the implementation of Rule 1148.2 to the Working Group and Stationary Source Committee. During the adoption of Rule 1148.2 on April 5, 2013, the SCAQMD committed to report back to the Stationary Source Committee within 2 years of rule adoption, findings and recommendations for the need, if any, for emission controls or regulatory efforts for well drilling, well completion, and well reworks. During the last two years staff has conducted site inspections, sampling, monitoring, and data evaluation of well events applicable under Rule 1148.2. The findings from this evaluation include (1) elevated levels of benzene, toluene, ethylbenzene, xylene, and Non-Methane Organic Compounds (NMOC) openings at catch basins and temporary storage tanks; (2) diesel PM emissions from on-site engine usage; and (3); best management practices (BMPs) to reduce potential impacts from spillages or leakages. BMPs which potentially reduce impacts from these findings include: (1) use of carbon canisters for Adler Tanks and keeping hatches closed or covered from all tanks to reduce NMOC emissions; (2) use of plastic totes or similar intermediate bulk containers for adding dry materials thereby reducing opportunity for spillage; (3) use of plastic sheet ground covers to capture liquid leaks and spills of fluids and dry materials; and (4) use of low emission on-site diesel engines. In addition, SCAQMD staff will be proposing to amend Rule 1148.2 no later than mid-2016 to address these findings. Staff will also report to the Stationary Source Committee after the July Board meeting.

Proposal

Proposed Amended Rule 1148.2 proposes to revise the chemical reporting requirements for drilling, well rework, and well completion chemical ingredients and trade name products in order to make the rule more consistent with SB 4 and DOGGR's reporting structure, while still requiring the reporting of additional activity types and additional chemical information not covered by SB 4. PAR 1148.2 will: 1) disaggregate the reporting of the trade name product from the chemical ingredients within the product; 2) no longer require the reporting of the chemical mass concentration within the trade name product, and instead require the mass of each chemical ingredient; and 3) consistent with SB 4, information that cannot be claimed trade secret will be made available to the public on the SCAQMD's website. It is expected that by disaggregating the trade name product from the chemical ingredient, suppliers will make fewer trade secret claims which will provide greater transparency to the public regarding the chemical ingredients and their mass.

During the rulemaking process, the SCAQMD staff received comments from some community representatives to extend the notification period from 24 to 72 hours to allow the public additional lead time prior to a well event. As a result, PAR 1148.2 will require operators to notify the Executive Officer at least 72 hours (and up to 10 days) before a well event. Proposed Amended Rule 1148.2 also proposes changes to provisions for extending the well event start time, allowing the operator to extend a well event start time in 24-hour increments. A well operator can extend the start time five

times before the operator is required to submit a new 72-hour notification. Additional minor changes to rule language also will be made for clarity and consistency.

In addition to the proposed amendments, some environmental and community representatives requested changes to the Rule 1148.2 Public Portal on the SCAQMD's website to improve searches and queries for notifications and chemical reports. In response to requests, the SCAQMD staff will be revising the Rule 1148.2 Public Portal to add additional search criteria such as Facility ID, location city, and type of well activity (e.g., acidizing, drilling). In response to an additional request, the Public Portal will also be revised to provide the Emission Source Report. SCAQMD staff has initiated the work to make these revisions and will send a notice to all users upon completion, which is expected to be within the fourth quarter of 2015.

Affected Sources

Based on an evaluation of SCAQMD records of the Rule 222 Filing Program for the "Oil Production Well Group" category, there are 242 facilities operating approximately 4,320 onshore oil and gas wells in the South Coast Basin. Based on notifications received since the adoption of Rule 1148.2, there are approximately 60 different facilities representing 22 operators that have provided Rule 1148.2 notifications.

Impact Assessment

Implementation of Proposed Amended Rule 1148.2 will not result in emission reductions as it is an administrative rule with no pollution control requirements or control measures. The purpose of PAR 1148.2 is to revise the current reporting requirements for drilling, well rework, and well completion chemicals and trade name products in order to be more consistent with SB 4 and DOGGR's reporting structure. Additional minor changes to rule language have been also made for clarity and consistency.

Public Process

Proposed Amended Rule 1148.2 was developed through a public process. The Rule 1148.2 Working Group was reconvened to discuss the proposed amended rule in greater detail and provide input to SCAQMD staff throughout the rule development process. The Working Group is comprised of a variety of industry representatives, environmental and community groups, and public agency representatives. The Working Group met three times: April 8, 2015, May 19, 2015, and June 3, 2015. Additionally, a Public Workshop was held on April 15, 2015 at the SCAQMD headquarters to present the proposed amended rule and receive public comment.

Key Outstanding Issues

Through the rule development, there were two issues raised: (1) including water injection wells in the proposed amended rule; and (2) the number of 24-hour extensions allowed for well notifications.

Water Injection Wells

During the rule development, some environmental and community representatives have commented that Rule 1148.2 should include water injection wells at oil production fields since certain well activities, such as acidizing, occur at both water injection wells and oil and gas production wells. When Rule 1148.2 was adopted, water injection wells were not included since SCAQMD staff was informed that there is no flowback from water injection wells, and flowback fluids or fluids that returned to the surface were the primary air quality concern. Community representatives have commented that they are concerned about the equipment and chemicals that are being used, and are asking to be notified. SCAQMD staff has explained that additional time is needed to assess the potential sources that could be affected if Rule 1148.2 includes water injection wells. The adoption resolution includes a commitment for staff to return to the Stationary Source Committee regarding water injection wells in the first quarter of 2016 and potential amendments to Rule 1148.2 no later than mid-2016.

Notification Extensions

PAR 1148.2 notification provisions allow operators a 24-hour window from the originally projected start date and time to begin the well event, plus five 24-hour extensions, before a new notification must be filed. Operators have commented that five 24-hour extensions is too limiting, because there are last-minute delays due to scheduling equipment, delays in receiving equipment, and operational delays at the site, to name a few. Based on approximately 2,400 notices, nearly 60 percent of all notices were rescheduled. For nearly 90 percent of the revisions, the new start date was within three days or less of the original start date. Additionally, approximately 90 percent of the events undergo two revisions or less. Environmental and community groups have commented that operators should be limited to two 24-hour extensions, to provide a shorter window of time for the public to work around. In addition, community representatives have commented that requiring signage at the site, particularly sites where well activities are close to residents, would be beneficial. The SCAQMD staff believes that five 24-hour extensions provides the operator with sufficient flexibility while minimizing potential re-noticing and waiting an additional 72 hours.

California Environmental Quality Act (CEQA)

The SCAQMD has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the SCAQMD is amending Rule 1148.2 to align it with the requirements in SB 4, without exercising discretion with regard to the proposed amendments, the project is considered to be ministerially exempt from CEQA pursuant to CEQA Guidelines §15268 – Ministerial Projects. Furthermore, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, also exempt pursuant to CEQA

Guidelines §15061 - Review for Exemption, paragraph (b)(3) – “general rule” exemption. A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Socioeconomic Analysis

PAR 1148.2 would revise the current reporting requirements for drilling, well rework, and well completion chemicals and trade name products in order to increase the notification submission timeframes, streamline the reporting process, and be more consistent with SB 4 and DOGGR’s reporting structure. Thus, implementation of PAR 1148.2 will not result in emission reductions as it is administrative in nature and cost impacts are expected to be minimal, and as such there are no significant adverse socioeconomic impacts. The SCAQMD staff has worked with the Working Group members to streamline chemical reporting requirements to minimize impacts and has also taken steps to structure the reporting process to be nearly identical to the current system to ensure a smooth transition for operators and suppliers. Increasing the minimal timeframe for notifications from 24 to 72 hours with five 24-hour extensions may require additional re-notifications, however, staff has streamlined the notification portal to populate most information for extensions to minimize any significant costs. Costs associated with the proposed amendments are projected to be minimal. Therefore, no cost estimates are provided.

AQMP and Legal Mandates

Pursuant to Health and Safety Code §40460 (a), the SCAQMD is required to adopt an Air Quality Management Plan (AQMP) demonstrating compliance with all federal regulations and standards. The SCAQMD is required to adopt rules and regulations that carry out the objectives of the AQMP. Proposed Amended Rule 1148.2 is not a control measure of the 2012 AQMP. However, it is needed to obtain information on the chemicals used in the affected processes since they may be released into the atmosphere.

Implementation and Resource Impact

Existing SCAQMD resources will be used to implement Proposed Amended Rule 1148.2.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Proposed Amended Rule 1148.2 Rule Language
- G. Proposed Amended Rule 1148.2 Final Staff Report
- H. CEQA Notice of Exemption

ATTACHMENT A
SUMMARY OF PROPOSAL

Proposed Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

- Rule 1148.2 was adopted on April 5, 2013 to establish requirements for operators of oil and gas wells to notify the Executive Officer when conducting well drilling, well reworking, and well completion activities. These well activities include: drilling, acidizing, gravel packing, and hydraulic fracturing. The rule also includes requirements for well operators and chemical suppliers to report information on the chemical composition of trade name products used during the well event activity.
- PAR 1148.2 proposes to revise the reporting requirements for chemicals and trade name products used in well drilling, rework and completions in order to make the rule more consistent with SB 4 and DOGGR’s reporting structure. The proposed amended rule will continue to require specific information not specified under SB 4.

Notification Requirements

- PAR 1148.2 increases the public notification period before a well activity begins from 24 hours to 72 hours.
- PAR 1148.2 allows operator to make up to five (5) successive 24-hour extensions.
 - If the operator still needs additional time after the five (5) 24-hour extensions, a new notification meeting the 72-hour timeframe must be submitted.
- Language has been added to allow operators to submit cancelation notifications any time prior to and including the original start date.

Reporting Requirements

- Disaggregate the reporting of the trade name product from the chemical ingredients within the product
- PAR 1148.2 will no longer require the reporting of chemical mass concentration within the trade name product, since the chemical and trade name product are being disassociated, and instead require the mass of each chemical ingredient.
- Make all trade name products and chemical ingredients that are used in both SB 4 and non-SB 4 well activities, available to the public on the SCAQMD’s website, unless they are claimed to be trade secret.
 - When the chemical ingredients are claimed to be trade secret for non-SB 4 well activities, the SCAQMD will post substitute information on the website which includes chemical family name.
- Operators must continue to report the total volume of fluids used and the end date of the well event.

ATTACHMENT B KEY ISSUES AND RESPONSES

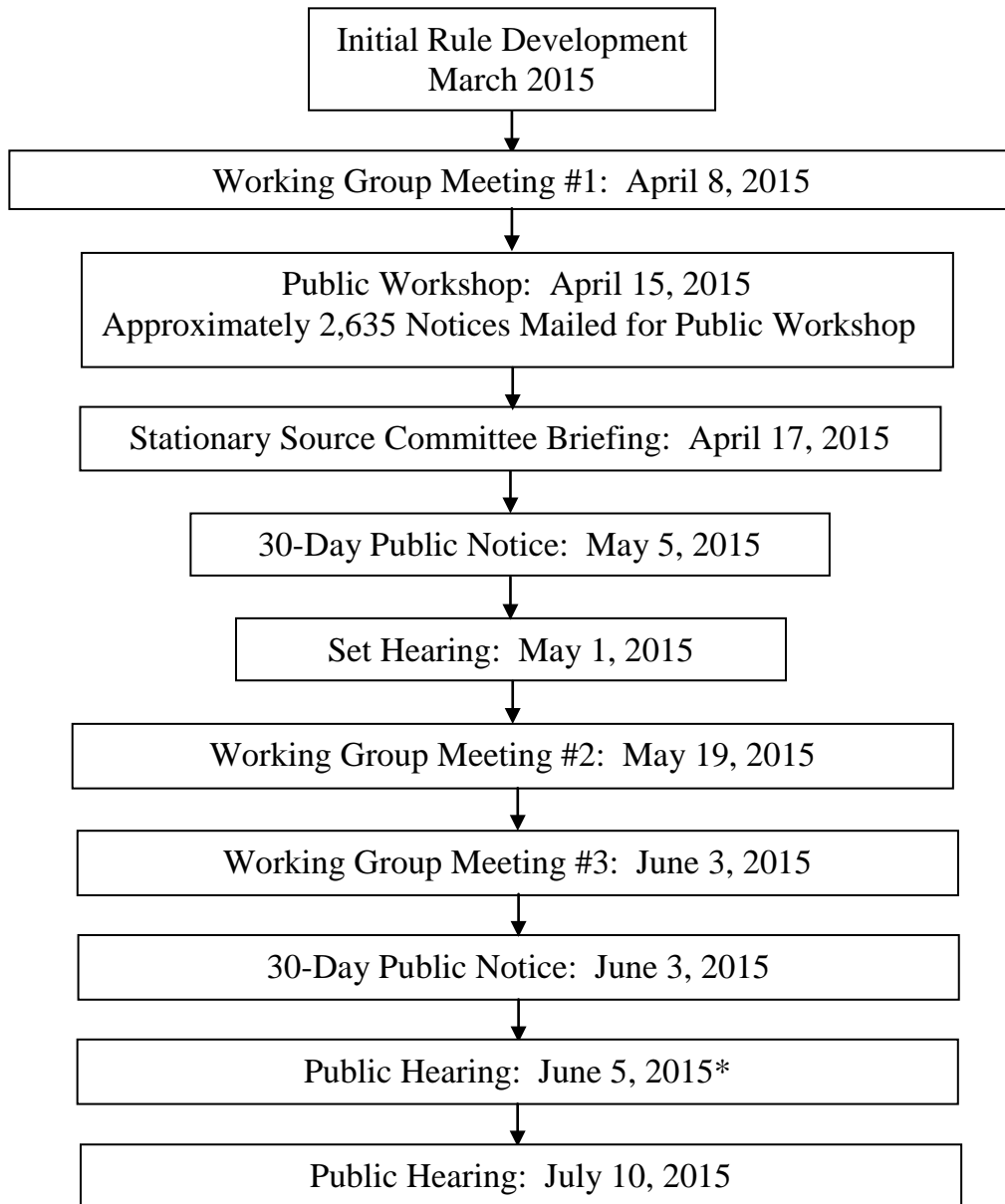
Proposed Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

Through the rule development, there were two issues raised: (1) including water injection wells in the proposed amended rule; and (2) the number of 24-hour extensions allowed for well notifications.

- Water Injection Wells – Some environmental and community representatives have commented that Rule 1148.2 should include water injection wells at oil production fields since certain well activities, such as acidizing, occur at both water injection wells and oil and gas production wells. When Rule 1148.2 was adopted, water injection wells were not included since SCAQMD staff was informed that there is no flowback from water injection wells, and flowback fluids or fluids that returned to the surface were the primary air quality concern. Community representatives have commented that they are concerned about equipment and chemicals that are being used, and are asking to be notified. SCAQMD staff has explained that additional time is needed to access the potential sources that could be affected if Rule 1148.2 includes water injection wells. The adoption resolution includes a commitment for staff to return to the Stationary Source Committee regarding water injection wells in the first quarter of 2016 and potential amendments to Rule 1148.2 no later than mid-2016.
- Notification Extensions – PAR 1148.2 notification provisions allow operators a 24-hour window from the originally projected start date and time to begin the well event, plus five 24-hour extensions, before a new notification must be filed. Operators have commented that five 24-hour extensions is too limiting, because there are last-minute delays due to scheduling equipment, delays in receiving equipment, operational delays at the site, to name a few. Based on approximately 2,400 notices, nearly 60 percent of all notices were rescheduled. For nearly 90 percent of the revisions, the new start date was within three days or less of the original start date. Additionally, approximately 90 percent of the events undergo two revisions or less. Environmental and community groups have commented that operators should be limited to two 24-hour extensions, to provide a shorter window of time for the public to work around. In addition, community representatives have commented that requiring notices at the site, particularly sites where well activities are close to residents, would be beneficial. The SCAQMD staff believes that five 24-hour extensions provide the operator with sufficient flexibility while minimizing potential re-noticing and waiting 72 hours.

ATTACHMENT C
RULE DEVELOPMENT PROCESS

**Proposed Amended Rule 1148.2 – Notification and Reporting Requirements
for Oil and Gas Wells and Chemical Suppliers**



***PAR 1148.2 was continued to July 10, 2015.**
Five (5) months spent in rule development.
Three Working Group Meetings and one Public Workshop.

ATTACHMENT D
KEY CONTACTS LIST

Baldwin Hills Conservancy
Baker Hughes Incorporated
Breitburn Energy Company
California Independent Oil Producers
California Resources Corporation
Citizens Coalition for a Safe Community
Communities for a Better Environment
Los Angeles County Department of Environmental Health
Los Angeles Department of Water and Power
Linn Operating
Metropolitan Water District of Southern California
MTS
Mr. Richard Parks
Physicians for Social Responsibility
Plains Exploration and Production Company
Save the Montebello Hills Task Force
Sempra Energy, Southern California Gas Company
Sierra Club
Signal Hill Petroleum
Tidelands Oil Production Company
Warren E & P
Western States Petroleum Association

ATTACHMENT E

RESOLUTION NO. 15-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (SCAQMD) determining that Proposed Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers, is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the SCAQMD Governing Board Adopting Proposed Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers.

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code §21080.5 and has conducted CEQA review and analysis of the proposed amendments to Rule 1148.2 pursuant to such program (SCAQMD Rule 110); and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Rule 1148.2 are considered a "project" pursuant to CEQA per CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that after conducting a review of the proposed amendments to Rule 1148.2 in accordance with CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, the proposed amendments to Rule 1148.2 are determined to be exempt from CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Rule 1148.2 are required in order to correctly reference state law and regulations and because the SCAQMD exercises no discretion with regard to the project as proposed, the proposed project is considered to be ministerially exempt from CEQA pursuant to CEQA Guidelines §15268 – Ministerial Projects; and,

WHEREAS, the SCAQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, also

exempt pursuant to CEQA Guidelines §15061 - Review for Exemption, paragraph (b)(3) – “general rule” exemption; and

WHEREAS, SCAQMD staff has prepared a Notice of Exemption for the proposed project, that is completed in compliance with CEQA Guidelines §15062 – Notice of Exemption; and

WHEREAS, the Notice of Exemption, the July 10, 2015 SCAQMD Governing Board letter, and other supporting documentation were presented to the SCAQMD Governing Board and the SCAQMD Governing Board has reviewed and considered the entirety of this information prior to approving the project; and

WHEREAS, the SCAQMD staff conducted a public workshop on April 17, 2015 and three Rule 1148.2 Working Group Meetings, (April 8, 2015, May 19, 2015, and June 3, 2015), regarding Proposed Amended Rule 1148.2; and

WHEREAS, Health and Safety Code §40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report; and

WHEREAS, the SCAQMD Governing Board finds that a need exists to adopt Proposed Amended Rule 1148.2 because some of the current trade secret provisions are inconsistent with Senate Bill (SB) 4. The regulations implementing SB 4 were finalized in December 2014, and the final reporting requirements for applicable well stimulation treatment activities took effect on July 1, 2015; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from §§39002, 40000, 40701, 40702, 40725 through 40728, 41508, 41511, and 41700 of the Health and Safety Code; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.2 is written and displayed so that the meaning can be easily understood by persons directly affected by the rule. Proposed Amended Rule 1148.2 has gone through a public process to determine if there is sufficient clarity in the proposed rule language. This public process included re-convening the Rule 1148.2 Working Group established during the original rule adoption process, made of the oil and gas well production industry, environmental organizations, and the public at large. Significant input from the participating

stakeholders ensures that the proposed amended rule is clear and written in a manner that it can easily be understood by the affected industry; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.2 is in harmony with, and not in conflict with, or contradictory to, existing statutes, court decisions, or state or federal regulations. Proposed Amended Rule 1148.2 revises the trade secret provisions and reporting requirements for drilling, well rework and well completion chemicals and trade name products in order to be more consistent with SB 4 and DOGGR's implementing regulations; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Rule 1148.2 will not impose the same requirements as any existing state or federal regulations, and the proposed project is necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD. Some of the pre-production activities applicable under Proposed Amended Rule 1148.2 are also regulated by the California Department of Conservation/Division of Oil, Gas, and Geothermal Resources (DOGGR) and the U.S. EPA. However, Rule 1148.2 was adopted in April 2013, prior to the adoption of SB 4 and DOGGR's regulations. Under the California Code of Regulations, Title 14, Division 2, Chapter 4, subchapter 2, DOGGR requires that operators conducting oil and gas well treatment stimulations submit detailed information about fluids used, and publicly disclose this information on a Division website. Applicable well stimulation treatments under DOGGR's SB 4 regulation include various hydraulic fracturing activities such as "fracking," "acid fracking," as well as "matrix acidizing." Rule 1148.2 is larger in scope than DOGGR's SB 4 regulation in that the rule covers more pre-production activities not covered under DOGGR's regulation such as well drilling, gravel packing, and maintenance acidizing. The proposed amended rule will continue to require the reporting of specific information not required under state law; and

WHEREAS, the SCAQMD Governing Board, by adopting Proposed Amended Rule 1148.2, references the following statutes which SCAQMD hereby implements, interprets, or makes specific: Health and Safety Code §§41700, 40460(c), 40913(a)(5), 41511, Federal Clean Air Act Section 112, Sen. Bill No. 4 (2012-2013 Reg. Sess.), codified at Cal. Pub. Res. Code §§ 3213, 3215, 3236.5, 3401, 3150 et seq, and Cal. Code Regs. tit. 14, §§ 1761, 1780 et seq.; and

WHEREAS, the proposed amendments to Rule 1148.2 do not significantly affect air quality or emissions limitations. The SCAQMD staff has worked with the Working Group members to streamline chemical reporting requirements to minimize impacts and has also taken steps to structure the reporting process to be nearly identical to the current system to ensure a smooth

transition for operators and suppliers. Increasing the minimal timeframe for notifications from 24 to 72 hours with five 24-hour extensions may require additional re-notifications, however, staff has streamlined the notification portal to populate most information for extensions to minimize costs. Costs associated with the proposed amendments are projected to be minimal. As such, there are no significant costs expected or other socioeconomic impacts anticipated and no socioeconomic analysis is required under Health and Safety Code §40728.5; and

WHEREAS, a comparative analysis has been prepared pursuant to Health & Safety Code §40727.2. The proposed amended rule revises the chemical reporting provisions to be more consistent with chemical reporting under the system established by SB 4 and is not expected to result in emission reductions, does not impose a new emission limit or standard, does not make an existing emission limit or standard more stringent. Although PAR 1148.2 does not impose new or more stringent monitoring, reporting, or recordkeeping requirements, the proposed amended rule establishes a more stringent notification provision by increasing the minimum timeframe from 24 to 72 hours that an operator must provide a notification prior to conducting certain well activities. Because the amendments do not result in quantifiable emission reductions, an incremental cost-effectiveness analysis is not applicable; and

WHEREAS, the proposed amendments to Rule 1148.2 will not be submitted for inclusion into the State Implementation Plan; and

WHEREAS, the SCAQMD Governing Board specifies the Manager of Proposed Amended Rule 1148.2 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

WHEREAS, the Governing Board finds and determines, taking into consideration the factors in §(d)(4)(D) of the Governing Board Procedures, that the modifications adopted which have been made since notice of public hearing was published do not significantly change the meaning of the proposed amended rule within the meaning of Health & Safety Code §40726 ; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code §40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law.

WHEREAS, the SCAQMD staff has evaluated the information collected since the adoption of Rule 1148.2 and determines that select impacts associated with well drilling, well rework, and well completions should be addressed in a future amendment to Rule 1148.2.

NOW, THEREFORE, BE IT RESOLVED that the SCAQMD Governing Board directs staff to revise the Rule 1148.2 Public Portal to add additional search criteria such as Facility ID, location city, and type of well activity (e.g., acidizing, drilling) and make the emission source reports available on the Rule 1148.2 Public Portal within the fourth quarter of 2015; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to monitor chemical reporting and the number of trade secret claims, the number of Rule 1148.2 re-notifications and extensions arising from the change from a 24-hour minimum notification period to a 72-hour minimum notification period and report to the Stationary Source Committee, at the earliest practicable date, if issues arise; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to continue to work with stakeholders regarding alternative community notification approaches and the inclusion of water injection wells and to report to the Stationary Source Committee in the first quarter of 2016 and return to the Governing Board no later than mid-2016 with proposed amendments, if needed; and

BE IT FURTHER RESOLVED that the SCAQMD Governing Board directs staff to continue to work with stakeholders to address the findings and select impacts from the evaluation of information collected since the adoption of Rule 1148.2 and to provide an update to the Stationary Source Committee after the July 2016 Board meeting and return to the Governing Board no later than mid-2016 with proposed amendments; and

BE IT FURTHER RESOLVED that the SCAQMD Governing Board does hereby determine, pursuant to the authority granted by law, that the proposed amendments to Rule 1148.2 are exempt from CEQA pursuant to CEQA Guidelines §15002 (k)(1) – General Concepts, §15061 (b)(3) – Review for Exemption, and §15268 – Ministerial Projects. This information was presented to the SCAQMD Governing Board, whose members reviewed, considered, and approved the information therein prior to acting on the proposed amendments to Rule 1148.2; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 1148.2, as set forth in Attachment F.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT F

(Adopted April 5, 2013)
PAR 1148.2e
June, 2015

RULE 1148.2 NOTIFICATION AND REPORTING REQUIREMENTS FOR OIL AND GAS WELLS AND CHEMICAL SUPPLIERS

(a) Purpose

The purpose of this rule is to gather air quality-related information on oil and gas well drilling, well completion, and well reworks.

(b) Applicability

This rule applies to any operator of an onshore oil or gas well located in the District that is conducting oil or gas well drilling, well completion, or well reworks. In addition, this rule applies to suppliers as defined in paragraph (c)(14).

(c) Definitions

For the purposes of this rule, the following definitions shall apply:

- (1) **ACIDIZING** means a treatment of the wellbore or reservoir formation with an acid to either clean out scale, damage, or other debris in the well, or react with the soluble substances in the formation to improve permeability and enhance production of oil and gas.
- (2) **AIR TOXIC** means any substance identified on a list that is compiled and maintained by the California Air Resources Board pursuant to Health and Safety Code Section 44321.
- (3) **CHEMICAL FAMILY** means a group of chemicals with related physical and chemical properties.
- (4) **DRILLING** means digging or boring into the earth for the purpose of developing, extracting, or producing oil, gas, or other hydrocarbons, but does not include remediation efforts to clean-up or remove contamination.
- (5) **DRILLING FLUID** means fluid used to lubricate the drill string, line the walls of a well, flush cuttings to the surface, and create enough hydrostatic weight to prevent blowouts.
- (6) **FLOWBACK FLUID** means the fluid that flows from an oil or gas well following a well production stimulation or treatment activity, either in preparation for a subsequent phase of well production stimulation or

- treatment activity, or in preparation for a cleanup and returning the well to production. The flowback period begins when material introduced into the well during the well production stimulation or treatment activity returns to the surface immediately following the activity. The flowback period ends with either well shut in or when the well is producing continuously to the flow line or to a storage vessel for collection, whichever occurs first.
- (7) GRAVEL PACKING means a method that uses water and additives to place sand and gravel near the wellbore itself with the objective of limiting entry of formation sands and fine-grained material into the wellbore.
 - (8) HYDRAULIC FRACTURING means a technique used in stimulating a formation or zone that involves the pressurized injection of hydraulic fracturing fluid, which is a carrier fluid mixed with chemical additives, and typically a proppant, into an underground geologic formation in order to fracture the formation, thereby causing or enhancing the production of oil or gas from a well.
 - (9) ONSHORE OIL OR GAS WELL means a well located on lands that are not submerged under ocean waters or inland bays during mean high tide.
 - (10) OPERATOR means a person who actually drills a well or operates a well or production facility or a person who by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.
 - (11) PROPPANT means material inserted or injected into the underground geologic formation that is intended to prevent fractures from closing.
 - (12) REWORK means any operation subsequent to drilling that involves deepening, redrilling, or well production stimulation or treatment activity of an existing well.
 - (13) SENSITIVE RECEPTOR means any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; daycare centers; and health care facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.
 - (14) SUPPLIER means an entity selling or distributing a chemical to the operator of an onshore oil or gas well for use as a drilling fluid, well completion fluid, or rework.
 - (15) TRADE SECRET may include, but is not limited to, any formula, plan,

pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it, as defined in California Government Code Section 6254.7(d).

- (16) WELL means an oil or gas well, a hole drilled for the purpose of producing oil or gas, or a well into which fluids are injected.
- (17) WELL COMPLETION means the activities and methods, including well production stimulation or treatment activities, of preparing a well for the production of oil or gas, by which one or more flow paths for hydrocarbons are established between the reservoir and the surface.
- (18) WELL COMPLETION FLUID means a carrier fluid mixed with physical and chemical additives used for the purpose of preparing a well for the production of oil or gas, or used in a well production stimulation or treatment activity.
- (19) WELL PRODUCTION STIMULATION OR TREATMENT ACTIVITY means acidizing, gravel packing, hydraulic fracturing, or any combination thereof.
- (20) WELL REWORK FLUID means a carrier fluid mixed with chemical and/or physical additives used in any operation subsequent to drilling that involves a well production stimulation or treatment activity of an existing well.

(d) Notification Requirements

- (1) ~~Beginning June 4, 2013, the~~ The operator of an onshore oil or gas well shall electronically notify the Executive Officer, using a format approved by the Executive Officer, of the following information, no more than ten (10) calendar days and no less than ~~24~~ 72 hours prior to the start of drilling, well completion, or rework of an onshore oil or gas well:
 - (A) name and contact information of the owner and operator of the subject well(s);
 - (B) well name(s) and API well number(s) (if available);
 - (C) geographical coordinates of the subject well(s);
 - (D) nearest sensitive receptor within 1,500 feet of the subject well(s), specifying the:

- (i) sensitive receptor type (e.g., residence, school, hospital);
 - (ii) name of facility, if applicable;
 - (iii) location address; and
 - (iv) distance from the closest property line of the sensitive receptor to the subject well(s); and
- (E) ~~expected~~ originally projected start date(s) and time(s), and identification of general activities to be conducted (e.g., drilling, well completion, and reworking). An operator has a 24-hour window from the originally projected start time to begin conducting the drilling, well completion, and/or rework activity.
- (2) If the start date for the drilling, well completion, or rework ~~as notified by the operator of an onshore~~ of an onshore oil or gas well notification submitted to the Executive Officer pursuant to subparagraph (d)(1)(E) is anticipated to occur before the originally projected noticed start date and time, the operator shall electronically notify the Executive Officer at least 72 hours prior to the new start date and time.:
- ~~(A) at least 24 hours prior to the new start date if rescheduled to occur earlier than the original start date; or~~
 - ~~(B) within 24 hours prior to or before the original start date if canceled; or rescheduled to occur after the original start date.~~
- (3) If the start date and time for the drilling, well completion, or well rework of an onshore oil or gas well specified in a notification submitted to the Executive Officer pursuant to subparagraph (d)(1)(E) is anticipated to occur after the originally projected 24-hour window of the start date and time, the operator shall electronically notify the Executive Officer of an extension provided that:
- (A) the extension does not exceed a 24-hour time period;
 - (B) the operator electronically notifies the Executive Officer of the extension within the 24-hour window following the originally projected, or most recently noticed start date and time; and
 - (C) no more than five successive 24-hour extensions are requested.
- (4) If the drilling, well completion, or well rework of an onshore oil or gas well submitted to the Executive Officer pursuant to subparagraph (d)(1)(E) will not occur, the operator shall electronically notify the Executive Officer of a cancelation no later than the end of the 24-hour window of the most recently noticed start date and time.

- (5) If the new start date and time for drilling, well completion, or well rework activity submitted to the Executive Officer is expected to occur beyond the end of extension periods provided for in paragraph (d)(3), the operator shall electronically notify the Executive Officer of a cancelation pursuant to paragraph (d)(4). Submission of a new start date and time must then comply with the provisions of paragraph (d)(1).
- ~~(3)~~(6) The notification time period in paragraph (d)(1) shall not apply to drilling, well completion, or rework operations that are necessary to avert a threat to life, health, property, or natural resources. The notification shall be submitted no later than 48 hours after the start of the operations specified in this paragraph.
- ~~(4)~~(7) Within 24 hours of receipt, the Executive Officer shall make all information as received under paragraphs (d)(1) through (d)(3) available to the public on a website.
- ~~(5)~~ Operators submitting notifications subject to paragraph (d)(2), shall also meet the submission timeframes specified in paragraph (d)(1).
- (e) Reporting Requirements
- (1) Beginning June 4, 2013 and until April 5, 2015, for each well, the operator of an onshore oil and gas well shall electronically submit a report to the Executive Officer, using a format approved by the Executive Officer, no later than sixty (60) calendar days after the completion of the last activity associated with drilling, well completion or rework, specifying the following information:
- (A) name and contact information of the owner and operator of the subject well;
 - (B) well name(s) and API well number(s) (if available);
 - (C) identification of combustion equipment rated at greater than 50 brake horsepower that is used during the drilling, well completion, or reworks including the equipment type, engine size, fuel type, engine tier, and hours of operation;
 - (D) for dry materials used for drilling, well completion, and rework provide:
 - (i) type and amount of dry materials used;
 - (ii) method(s) in which dry materials are added and mixed onsite into the drilling and well completion fluid(s); and

- (iii) any air pollution control techniques, devices, and/or practices used to control fugitive emissions or odors;
- (E) for drilling fluids, well completion fluids, and flowback fluid, provide:
 - (i) volume of well completion fluids used and volume of flowback fluid recovered;
 - (ii) method(s) used for collecting, storing, conditioning, separating, and/or treating drilling fluids and/or flowback fluids as they return to the surface;
 - (iii) any air pollution techniques, devices, and/or practices used to control volatile organic compounds or odors; and
 - (iv) final disposition of recovered drilling fluids and flowback fluids.
- (2) ~~Beginning June 4, 2013, a~~Except as provided in (e)(3), a supplier that provides chemicals to the operator of an oil or gas well for drilling, well completion, or rework shall provide the operator with the information in subparagraphs (e)(2)(A) through (e)(2)(~~EDC~~). ~~If a supplier claims trade secret protection for a chemical ingredient, the supplier shall notify the operator and provide the operator only with the substitute information, as described in subparagraph (e)(2)(F).~~The information in this subparagraph shall be submitted within ten (10) calendar days after the chemicals are delivered to the operator.
 - (A) ~~total volume of each well drilling fluid, well rework fluid and well completion fluids used~~ name and chemical abstract service (CAS) number of each chemical ingredient;
 - (~~B~~)(A) ~~for each trade name product used in a well drilling fluid, well rework fluid, or well completion fluid provide the purpose of the chemical ingredient;~~
 - (i) identity;
 - (ii) purpose; and
 - (iii) total mass in pounds (lbs)
 - (~~C~~)(B) ~~for each chemical ingredient used or contained in a trade name product identified in subparagraph (e)(2)(A)(B), without being required to associate any chemical ingredient with any specific trade name product, provide the~~ for each chemical trade name product:

- (i) ~~identity the total volume and density; or;~~
 - (ii) ~~CAS number total mass;~~
 - (iii) ~~the maximum concentration in percent by mass of each chemical ingredient. If the actual mass of each chemical ingredient is not available, the supplier may report the mass using the maximum concentration in percent by mass to calculate the mass of the chemical ingredient within the total well drilling fluid, well rework fluid, and well completion fluid; and~~
 - (iv) ~~identification of whether each chemical ingredient used or contained in the trade name product identified in subparagraph (e)(2)(A)(B) is an air toxic.~~
- ~~(D)(C)~~ name, address, and contact name of the supplier for each chemical identified in subparagraph (e)(2)(B)(C) for each chemical ingredient used in the chemical trade name product, the maximum concentration in percent by mass;
- ~~(E)~~ identification of whether the chemical ingredient is an air toxic
- ~~(F)~~ for chemical information claimed protected as trade secret, the following information shall be provided to the operator for each chemical ingredient the supplier claims trade secret protection:
- ~~(i)~~ statement that the supplier claims trade secret protection;
 - ~~(ii)~~ basis for the claim of trade secret protection; and
 - ~~(iii)~~ chemical family or similar descriptor for the chemical ingredient that is claimed protected trade secret; and
 - ~~(iv)~~ identification of whether a chemical ingredient within the chemical family or similar descriptor is an air toxic.
- (3) If the supplier claims trade secret protection for any information specified in paragraph (e)(2), the provisions of subparagraphs (e)(3)(A) and (B) apply to that information claimed to be trade secret pursuant to paragraph (e)(2). For well stimulation treatments as defined in §Sections 3153 and 3157 of Chapter 1 of Division 3 of the California Public Resources Code, and §Section 1761 of Title 14, Division 2, Chapter 4, Subchapter 2 of the Department of Conservation, Division of Oil, Gas, and Geothermal Resources' (DOGGR) SB4 Well Simulation Treatment Regulations, the identities of chemical ingredients, including CAS identification numbers, are not protected as trade secret, then within sixty (60) days after the chemicals

are delivered to the operator, the supplier shall electronically report, using a format approved by the Executive Officer, the following information to the Executive Officer:

- (A) Within ten (10) calendar days after the chemicals are delivered to the operator, the supplier shall notify and provide the operator with the following information-.name and the API number of the affected well(s) associated with the well drilling, well completion, or rework activity;:
- (i) statement that the supplier claims trade secret protection;
 - (ii) basis for the claim of trade secret protection; and
 - (iii) chemical family or similar descriptor if the chemical ingredient is claimed as protected trade secret; and-
 - (iv) identification of whether a chemical ingredient is an air toxic if the chemical ingredient is claimed as protected trade secret.
- (B) Within sixty (60) calendar days after chemicals are delivered to the operator, the supplier shall electronically submit a report to the Executive Officer using a format approved by the Executive Officer, the following information:- for chemical ingredients claimed as protected trade secret, information required in subparagraphs (e)(2)(A) through (e)(2)(F); and
- (i) name and the API number of the affected well(s) associated with the well drilling, well completion, or rework activity;
 - (ii) if the mass of a trade name product is claimed as a trade secret, the information in subparagraph (e)(2)(A)(B);
 - (iii) if a chemical ingredient, mass of a chemical ingredient, or CAS number is claimed as trade secret, the information specified in subparagraph (e)(2)(B)(C);
 - (iv) company name, address, contact, and phone number of the operator that used the chemicals; and
 - (v) well activity type
- (C) company name, address, contact, and phone number of the operator that used the chemicals.; and
- (4) Beginning June 4, 2013, tThe operator of an onshore oil and gas well shall electronically report, using a format approved by the Executive Officer, any

trade name product or chemical ingredient ~~chemical ingredients~~ contained in the drilling fluid, well rework fluid, and well completion fluids to the Executive Officer no later than sixty (60) calendar days after the last activity, or if more than one operation is being conducted, the last activity in the series of operations associated with drilling, well completion, or rework, specifying the following information:

- (A) name and API number of the affected well(s) associated with the well drilling, well completion, or rework activity;
 - (B) ~~for chemical ingredients not claimed as protected trade secret,~~ the information required in subparagraphs (e)(2)(A) through (e)(2)(CDE) unless it has been claimed as protected trade secret;
 - (C) for any information specified in paragraph (e)(2) ~~chemical ingredients~~ claimed as protected trade secret, the information specified required in subparagraph (e)(3)(A)subparagraph (e)(2)(F); and
 - (D) company name, address, contact, and phone number of the suppliers of any trade name product or chemical ingredients used or contained in that product;
 - (E) well activity type; and
 - (F) the start and end dates of the well activity, and
 - (G) the total volume of each well drilling fluid, well rework fluid, and well completion fluid used.
- (5) Claims and any public requests to inspect records submitted under paragraph (e)(3) shall be subject to the California Public Records Act and the SCAQMD's Guidelines for Implementing the California Public Records Act, adopted on May 6, 2005, and any subsequent revisions, thereto.
- (6) For reports required pursuant to paragraphs (e)(1)(3) and (e)(4), if the time between each individual activity within a series exceeds fourteen (14) calendar days, then a separate report shall be submitted to the Executive Officer for each activity that occurred outside of the 14-day period.

(f) SCAQMD Website Posting of Chemicals

~~Beginning June 4, 2013,~~ ~~†~~The Executive Officer shall make the following information as received under subdivision (e) available to the public for each event by operator name, well name, API well number, location, and date of activity on a

website:

- (1) For all submitted information where no non-trade secret chemical ingredients claim has been made:
- (A) Total volume of drilling, well rework or completion fluids used
Name of the chemical ingredient;
 - (B) For each trade name product used in the well drilling fluid, well rework fluid, or well completion fluid—chemical abstract service (CAS) number:
 - (i) identity;
 - (ii) purpose; and
 - (iii) total mass in pounds (lbs)
 - (C) For each chemical ingredient used or contained in each trade name product, without associating any chemical ingredient with any specific trade name product: Purpose of the chemical ingredient:
 - (i) identity;
 - (ii) CAS number;
 - (iii) the maximum concentration in percent by mass of each chemical ingredient within the total well drilling fluid, well rework fluid, and well completion fluid; and
 - (iv) identification of whether each chemical ingredient used or contained in the trade name product is an air toxic.
- (2) For all~~ALL the~~ submitted information where specified in paragraphs (f)(1), unless claimed as a trade secret claim has been made;—If the chemical ingredient and/or CAS number have been claimed to be trade secret, the chemical family name or similar descriptor and identification of whether chemical ingredient as an air toxic shall be posted.~~For all trade secret chemical ingredients:~~
- (A) the chemical family name or similar descriptor, if the chemical ingredient and/or CAS number have been claimed to be trade secret; and
 - (B) identification of whether chemical ingredient is an air toxic
 - (A) Chemical family name or similar descriptor; and
 - (B) Identification of chemicals that are an air toxic.

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**~~Draft~~Final Staff Report
Proposed Amended Rule 1148.2 – Notification and Reporting
Requirements for Oil and Gas Wells and Chemical Suppliers**

~~May~~July 2015

Deputy Executive Officer

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Vice Chairman: DENNIS YATES
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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	1
BACKGROUND	<u>4</u>
PROPOSED AMENDMENTS TO RULE 1148.2	4
AFFECTED SOURCES	<u>711</u>
IMPACT ASSESSMENT FOR PROPOSED AMENDED RULE 1148.2	<u>712</u>
SOCIOECONOMICASSESSMENT	<u>812</u>
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)	<u>813</u>
FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727	<u>813</u>
REFERENCES	R-1
APPENDIX A – COMMENTS AND RESPONSES	A-1

EXECUTIVE SUMMARY

The South Coast Air Quality Management District (SCAQMD) staff is proposing to modify the chemical reporting requirements in Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers so they will be more consistent with state law. The California Department of Conservation, through its Division of Oil, Gas, and Geothermal Resources (DOGGR), has adopted well stimulation treatment regulations¹ in response to the passage of Senate Bill (SB) 4 (2012-2013 Reg. Sess.) (approved by the Governor on September 20, 2013). The regulations were finalized in December 2014 and become effective on July 1, 2015. However, DOGGR has implemented similar interim regulations that are in currently in effect. Proposed Amended Rule (PAR) 1148.2 will: 1) disaggregate the reporting of the trade name product from the chemical ingredients within the product; 2) no longer require the reporting of chemical mass maximum concentration within the trade name product, and instead require the maximum concentration in percent by mass of each chemical ingredient within the total well drilling, well rework, and well completion fluid to be reported; and, 3) make all of the well stimulation information deemed not to be trade secret under SB 4 available to the public on the SCAQMD's website. In addition, PAR 1148.2 will revise the notification timeframe and require operators to notify the Executive Officer a minimum of, 72 hours instead of 24 hours, before starting a Rule 1148.2 activity. In addition, PAR 1148.2 will allow operators to extend the start time of the well activity in 24-hour increments. PAR 1148.2 limits the number of 24-hour extensions to five. Additional minor changes to rule language have been made for consistency and clarity. The proposed amended rule will continue to require the reporting of specific information not required under SB 4 and DOGGR's reporting structure.

INTRODUCTION

Rule 1148.2 was adopted on April 5, 2013 to establish requirements for owners or operators of oil and gas wells to notify the Executive Officer when operations involving well drilling, well reworks and well completions such as hydraulic fracturing, acidizing, and gravel packing. Rule 1148.2 also requires suppliers of chemicals that are used in the aforementioned well activities to provide information on chemical use. Following the adoption of Rule 1148.2, SB 4 was signed into law and DOGGR developed SB4 Well Simulation Treatment Regulations that include chemical reporting requirements for some well stimulation techniques that are also covered by Rule 1148.2. The Proposed Amended Rule 1148.2 outlined below is to introduce revisions to the chemical reporting requirements in order to be more consistent with SB 4 and DOGGR's regulations implementing SB 4.

Rule 1148.2 Updates

Separate from this rulemaking, but related to Rule 1148.2, SCAQMD staff has been providing updates on the implementation of Rule 1148.2 to the Working Group and Stationary Source Committee. During the adoption of Rule 1148.2 on April 5, 2013, the SCAQMD committed to report back to the Stationary Source Committee within 2 years of rule adoption, findings and recommendations for the need, if any, for emission controls or regulatory efforts for well drilling, well completion, and well reworks. During the last two years staff has conducted site inspections, sampling, monitoring, and data evaluation of well events applicable under Rule

¹ The Department of Conservation added sections, 1761, 1780, 1781, 1782, 1783, 1783.1, 1783.2, 1783.3, 1784, 1784.1, 1785, 1786, 1787, 1788, and 1789 to Title 14, Division 2, Chapter 4, Subchapter 2 of The California Code of Regulations.

1148.2. The findings from this evaluation include (1) elevated levels of benzene, toluene, ethylbenzene, xylene, and Non-Methane Organic Compounds (NMOC) openings at catch basins and temporary storage tanks; (2) diesel PM emissions from on-site engine usage; and (3); best management practices (BMPs) to reduce potential impacts from spillages or leakages. BMPs which potentially reduce impacts from these findings include: (1) use of carbon canisters for Adler Tanks and keeping hatches closed or covered from all tanks to reduce NMOC emissions; (2) use of plastic totes or similar intermediate bulk containers for adding dry materials thereby reducing opportunity for spillage; (3) use of plastic sheet ground covers to capture liquid leaks and spills of fluids and dry materials; and (4) use of low emission on-site diesel engines. In addition, SCAQMD staff will be proposing to amend Rule 1148.2 no later than mid-2016 to address these findings. Staff will also report to the Stationary Source Committee after the July Board meeting.

BACKGROUND

Rule 1148.2 was adopted on April 5, 2013 and established requirements for owners or operators of oil and gas wells to notify the Executive Officer when conducting well drilling, well reworking, or well completion activities. In addition to production drilling, the rule is applicable to hydraulic fracturing, maintenance and matrix acidizing, acid fracturing and gravel packing activities. The rule also includes requirements for well operators and chemical suppliers to report information on the chemical composition of trade name products used during the well event activity. Under the current rule, chemical suppliers have to provide well operators with the identities of the trade name products, the amount of each trade name product and purpose for each chemical ingredient used in well drilling, well completion, and well stimulation fluids; as well as chemical identities, Chemical Abstract Service (CAS) numbers, and maximum concentration ~~for~~ in percent by mass of each chemical ingredient used in the total fluid trade name product. The current rule allows chemical suppliers to claim trade secret protection for chemical ingredients within the trade name product. For any trade secret claim, suppliers must provide operators with substitute information -- the chemical family name for each chemical ingredient for which a trade secret claim is asserted. Independent of trade secret claims, suppliers shall also inform operators whether each chemical ingredient is an air toxic.

On September 20, 2013, Governor Brown signed SB 4 – a bill establishing a structure for regulating advanced well stimulation treatments – which are treatments of a well designed to enhance oil and gas production or recovery by increasing the permeability of the formation such as hydraulic fracturing and certain forms of acidizing. Among other things, SB 4 requires an operator to apply for a permit prior to performing a well stimulation treatment and to publically post specified information regarding the well stimulation fluid. As required by SB 4, DOGGR developed interim regulations that went into effect in California on January 1, 2014. The final DOGGR regulations were approved in December 2014, and will go into effect on July 1, 2015.

Under DOGGR's SB 4 regulations, operators and suppliers shall report identities and concentrations of chemicals used in well stimulation treatments. Under DOGGR's regulation, well stimulation treatments include hydraulic fracturing, acid fracturing, and acid matrix

stimulation treatment². While setting forth chemical reporting requirements, SB 4 also sets limits on information that can be claimed trade secret with respect to well stimulation treatment fluids. The law states that none of the following are protected as trade secret: (1) identities and CAS numbers of chemical ingredients of additives used in well stimulation treatments (2) concentrations of additives within well stimulation treatment fluids (3) any air or other pollution monitoring data (4) health and safety data associated with well stimulation treatment fluids and (5) the chemical composition of the flowback fluid. Table 1 compares the reporting requirements in SCAQMD Rule 1148.2 and DOGGR’s SB 4 regulations.

As shown in Table 1 and discussed below, the differences between the two reporting structures are:

Well Activities Covered by Reporting Requirements

SCAQMD Rule 1148.2 covers drilling, gravel packing, hydraulic fracturing, acid fracturing, and maintenance and matrix acidizing, while SB 4 regulations focus on hydraulic fracturing, acid fracturing and matrix acidizing.

Trade Secret Protection

As adopted, SCAQMD Rule 1148.2 allows suppliers to claim trade secret protection for chemical identities and CAS numbers of chemicals contained in well stimulation treatment additives, while SB 4 disallows these claims for the well stimulation activities covered under SB 4.

Table 1
Comparison between SCAQMD Rule 1148.2 and DOGGR’s SB 4 Regulations Reporting Requirements.

Topic	Rule 1148.2	SB4/DOGGR
Well Events Where Chemical Reporting is Required	<ul style="list-style-type: none"> • Hydraulic Fracturing • Acid Fracturing • Acid Matrix Stimulation Treatment • Maintenance Acidizing • Gravel Packing • Drilling 	<ul style="list-style-type: none"> • Same • Same • Similar³(above acid volume threshold) • No requirement • No requirement • No requirement
Well Stimulation Fluid Reporting	<ul style="list-style-type: none"> • List of chemicals • Reported after well event activity 	<ul style="list-style-type: none"> • Same • Reported prior to and after well event activity

² Under DOGGR’s SB 4 regulation, acidizing must exceed a specified “acid volume threshold” to be applicable under the regulation. This is a metric that characterizes the total volume of acid used for a given well bore dimension.

³ Under DOGGR’s SB 4 regulations, any type of acidizing must exceed the “acid volume threshold” to be applicable under the regulation. This is a metric that characterizes the total volume of acid used for a given well bore dimension

Topic	Rule 1148.2	SB4/DOGGR
Reporting Chemical Ingredient within Trade Name Product	<ul style="list-style-type: none"> Report the Trade Name Product Report the chemical ingredients within a Trade Name Product 	<ul style="list-style-type: none"> Report the Trade Name Product Report the chemical ingredients with no correlation to Trade Name Product
Reporting Requirements for Well Stimulation Chemical Ingredients ⁴	<ul style="list-style-type: none"> Chemical ingredient names CAS# Maximum mass concentrations of chemical ingredient <u>within trade name product</u> Mass or volume and density of trade name product Identify if chemical is an air toxic Purpose of chemical ingredient 	<ul style="list-style-type: none"> Same Same Maximum mass concentration of chemical ingredient <u>within total well stimulation fluid</u> Mass concentration of trade name product within total fluid No requirement Purpose of Trade Name Product
Is Trade Secret allowed?	<ul style="list-style-type: none"> Yes, except for chemical family name and whether chemical is an air toxic 	<ul style="list-style-type: none"> Yes, except for chemical identities, including CAS#, mass concentration of additives within fluid, any air or other pollution monitoring data, health and safety data, and flowback fluid composition

Rather than stating what can be protected as trade secret, SB 4 states what information cannot be protected as trade secret. Thus, state law does not explicitly prohibit an operator or chemical supplier from claiming trade secret protection for the chemical ingredient mass concentration within the trade name additive. However, Rule 1148.2 does require that the total mass of the trade name product and maximum percent concentration by mass of each chemical ingredient within each trade name product be reported.

Therefore, in order to align Rule 1148.2 with state law, SCAQMD staff is proposing changes to chemical reporting requirements in Rule 1148.2. The SCAQMD staff is proposing that Rule 1148.2 reporting requirements be restructured in order to disallow trade secret claims for the information specified in SB 4 as not protectable for those well stimulation treatments defined under the DOGGR's SB 4 Well Simulation Treatment Regulations (Title 14, Division 2, Chapter 4, Subchapter 2, Article 2, section 1761).

PROPOSED AMENDMENTS TO RULE 1148.2

Proposed Amended Rule 1148.2 proposes to revise the reporting requirements for drilling, well rework, and well completion chemicals and trade name products in order to make the rule more consistent with SB 4 and DOGGR's reporting structure, while still requiring the reporting of additional chemical information not covered by SB 4. PAR 1148.2 will: 1) disaggregate the reporting of the trade name product from the chemical ingredients within the product; 2) no

⁴ Only a partial list of what is required to be reported under SB 4 and DOGGR's regulation is shown.

longer require the reporting of the chemical mass concentration within the trade name product, and instead require the ~~maximum concentration of the chemical ingredient in percent by mass of each chemical ingredient within the total well drilling, well rework, or well completion fluid to be reported;~~ and 3) make all the SB 4 related well stimulation information deemed not to be trade secret under SB 4 provisions, available to the public on the SCAQMD's website. PAR 1148.2 also includes revisions to the notification requirements. Additional minor changes to rule language also will be made for consistency and clarity,~~as well as retaining one provision from the current rule that sunset in April 2015, which requires the total volume of well treatment fluids to be reported.~~

Disaggregate the reporting of the trade name product from the chemical ingredients within the product

Under the current version of Rule 1148.2, a supplier providing trade name product and chemicals to an operator shall provide information on each trade name product. The information provided shall contain the identity of the trade name product and its total mass. Additionally, under paragraph (e)(2)(B)-(D) of the current version of Rule 1148.2, for all trade name products⁵ a supplier shall also provide the chemical ingredients' identity, chemical abstract service number, the maximum concentration by mass of each chemical within the trade name product, the purpose of the chemical ingredient, and whether the chemical ingredient is an air toxic. Under the current Rule 1148.2 reporting structure, each trade name product and its chemical ingredients are linked together.

SB 4 Regulations (Title 14, Division 2, Chapter 4, Subchapter 2, Article 4, section 1788) require the disclosure of the trade name and purpose for all trade name products used in well stimulation as well as the chemical identities, CAS numbers and maximum concentrations of each chemical within the well stimulation fluids. Under the DOGGR's SB 4 regulations reporting structure, trade names of additives and their chemical ingredients are reported and publically listed separately. This structure prevents matching chemical ingredients of trade name products with the actual trade name of the additive, therefore limiting the ability to determine their exact formulation. Based on SCAQMD's discussions with industry representatives, disaggregation of the chemical ingredients from the trade name products or additives, potentially reduces the need for suppliers to claim trade secret protection for their products for both SB 4 related activities and those activities not applicable under SB 4, such as maintenance acidizing and gravel packing. Further discussion with DOGGR's staff indicated that to date DOGGR has not received any trade secret claims for the chemical information submitted under the SB 4 interim regulations.

The current version of Rule 1148.2 (e)(3), allows the suppliers of chemicals to claim trade secret protection for exact chemical identities, CAS numbers and concentrations of chemicals within each trade name product. The SCAQMD staff believes that some portion of trade secret claims is invoked due to the fact that Rule 1148.2 links trade name products to their chemical ingredients. Therefore, suppliers elect to claim trade secret protection in order to protect the exact formulation of their additives. By disaggregating trade names from chemical ingredients,

⁵ SB 4 and DOGGR's interim and final regulation use the term "Well Stimulation Treatment Additive" while Rule 1148.2 uses the term "Trade Name Product". For purposes of Rule 1148.2, they are synonymous. For consistency purposes, PAR 1148.2 and this staff report uses "Trade Name Product".

the SB 4 reporting scheme provides for the complete disclosure of the identity of chemical ingredients while protecting the exact formulation of each trade name product and therefore eliminating trade secret claims for SB 4 related activities and greatly reducing trade secret claims for non-SB 4 related activities.

Therefore, in order to maintain the highest level of public disclosure, SCAQMD staff is modifying the structure of chemical reporting for Rule 1148.2 in a way that disaggregates the products' trade names and their chemical ingredients. Specifically, the PAR 1148.2 Reporting Portal forms will be modified to introduce separate sections for the reporting of trade name products and chemical ingredients. Under this modified reporting structure, for each well activity type, all trade name products, their purpose and their supplier names will be reported in a separate section from the chemical ingredient information, which includes: the chemical name, CAS number, the ~~maximum concentration in percent by mass of each chemical ingredient within the total well drilling, well rework, and well completion fluid~~ to be reported, and air toxic identifier.

~~Replace requirement for the reporting of chemical concentration within the trade name product with requirement for reporting the maximum concentration of the chemical in percent by mass within the total well drilling, well rework, and well completion fluid~~ Require the reporting of chemical mass instead of concentration within the trade name product

The chemical reporting requirements in the current version of Rule 1148.2 (e)(2)(D) require the supplier to provide to the operator the maximum concentration of each chemical ingredient (in percent, by mass) for each chemical ingredient within the trade name product. DOGGR's SB 4 Regulations (Title 14, Division 2, Chapter 4, Subchapter 2, Article 4, section 1783.1) require the disclosure of the maximum chemical concentration (in percent, by mass) within the total well stimulation fluids for each chemical constituent.

Proposed Amended Rule 1148.2 proposes to disaggregate reporting of trade name products and their chemical ingredients, deeming the reporting of the concentration of a chemical ingredient within a trade name product unnecessary. Therefore, SCAQMD staff is proposing to replace the requirement for the reporting of maximum concentration in percent by mass of the chemical ingredient within the trade name product with the requirement to report the ~~maximum concentration in percent by mass of each chemical ingredient supplied to the operator within the total well drilling, well rework, and well completion fluid~~. Where the actual total mass of each chemical ingredient is not available, the supplier may report the total mass using the maximum concentration in percent by mass to calculate the total mass of the chemical ingredient.

Additionally, based on a review of all the chemical data submitted since the adoption of the rule, SCAQMD staff has determined that in 99% of cases, operators and suppliers submit the mass of trade name product rather than providing the volume and density⁶. Therefore, requiring an operator to report the mass rather than providing the option of reporting the mass or the volume and density will streamline the reporting process. In addition, environmental and community group representatives recommended that reporting the mass is more informative than the volume and density. The preceding changes in reporting requirements will still maintain the disclosure

⁶ The total mass of the trade name product may be calculated using the product of the volume and density.

of the amounts of chemicals and additives used in well activities without eliminating any vital information.

Make chemical identity information that SB 4 deems cannot be protected as trade secret available to the public on the SCAQMD's website

The current version of R1148.2 (e)(3) allows a chemical supplier to assert a trade secret protection claim for chemicals used in any of well activities covered by the rule. The following information can be claimed as trade secret on the Chemical Report Forms: chemical identity of some or all ingredients of a trade name product; CAS number of the chemical ingredient; and maximum concentration of a chemical ingredient within a trade name product. SB 4, however, states that identities of chemicals and their CAS numbers used in well stimulation treatments applicable under SB 4, shall not be protected as trade secret.

Proposed ~~a~~Amended Rule 1148.2 will introduce reporting requirements disallowing trade secret claims for chemical identities and CAS numbers of chemicals used in well stimulation activities falling under SB 4's jurisdiction. The part of the R1148.2 reporting portal for the reporting of trade secret chemicals will be redesigned to differentiate between trade secret claims for chemicals and CAS numbers used in well activities that are covered by the SB 4 and those that are not. Suppliers can no longer assert trade secret claims for identity and CAS numbers of chemicals used in well stimulation activities that fall under the SB 4 regulations, therefore making the identities of all chemicals used in well activities that fall under SB 4 available to the public on the SCAQMD website.

Increasing the Minimum Notification Time from 24 hours to 72 hours

During the development of PAR 1148.2, environmental and community representatives requested that minimum well event notification timeframe be increased from 24 to 72 hours, such that operators will be required to provide notifications for Rule 1148.2 well activities at least 72 hours before the well activity begins. Community representatives have commented that families need 72 hours notice to modify their day to leave their residence or make other arrangements. As a result, the SCAQMD staff is proposing to amend Rule 1148.2 to increase the minimum notification timeframe from 24 to 72 hours. PAR 1148.2 clarifies that there is a 24-hour window from the originally projected start date and time to begin the well event without filing a new notification. There is no change to the current requirement that the maximum number of days that a well event notification may be submitted prior to the start date is 10 days, so PAR1148.2 proposes a the notification period of 72 hours to 10 days before the start date.

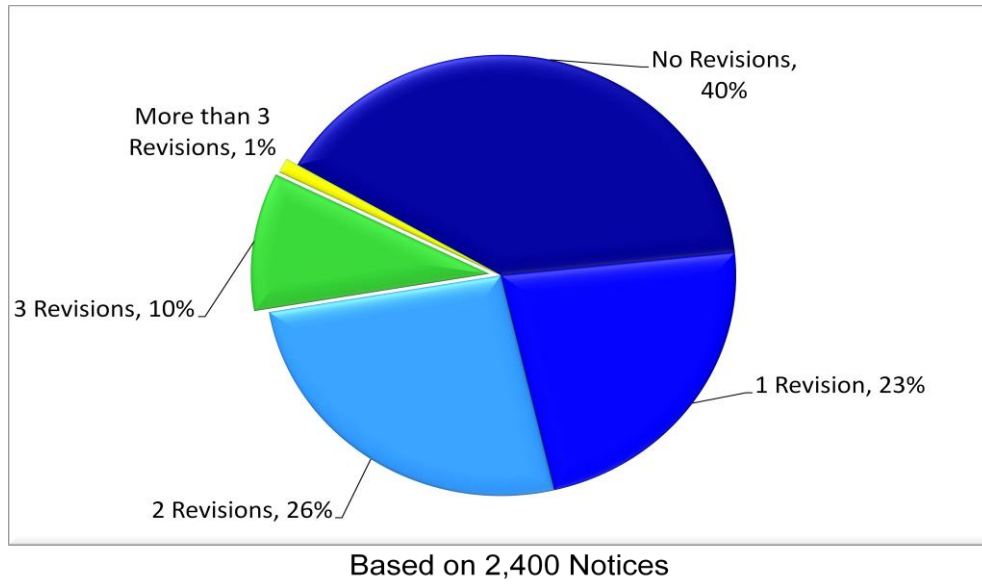
During the development of PAR 1148.2, operators had commented that a 72 hour notification period before the start date was a concern if they would be required to wait 72 hours if the event was delayed and they needed to re-notify. Operators commented that there are frequent last minute delays common in the well drilling and treatment operations due to scheduling equipment, delays in receiving equipment, operational delays at the site, to name a few. In addition, requiring operators to wait 72 hours every time an event is delayed may be frustrating to the public if they are trying to schedule and make arrangements based on when the well activity is expected to occur.

Rule 1148.2 operators have indicated that there are many reasons why a well drilling, rework, or completion may need to be delayed which is beyond the control of the operator. These reasons include the following:

- Well drilling equipment availability driven by maintenance and on-site availability often lead to delays in starting a well drilling event.
- Geological/down-hole variabilities can lead to typical delays in beginning a well drill event due unforeseen conditions that cause adjustments or re-evaluations to well drilling protocols and needed on-site equipment and materials.
- Maintenance work variabilities including pre-drilling activities such as removal of well head equipment, well bore preparation, or need for unplanned acid jobs.
- Issues related to contractor's equipment, supplies, and service logistics not being available at the projected time.
- Utility and facility issues such as power failures
- Unforeseen weather and travel events such as fog, high winds, rain, and roadway closures.

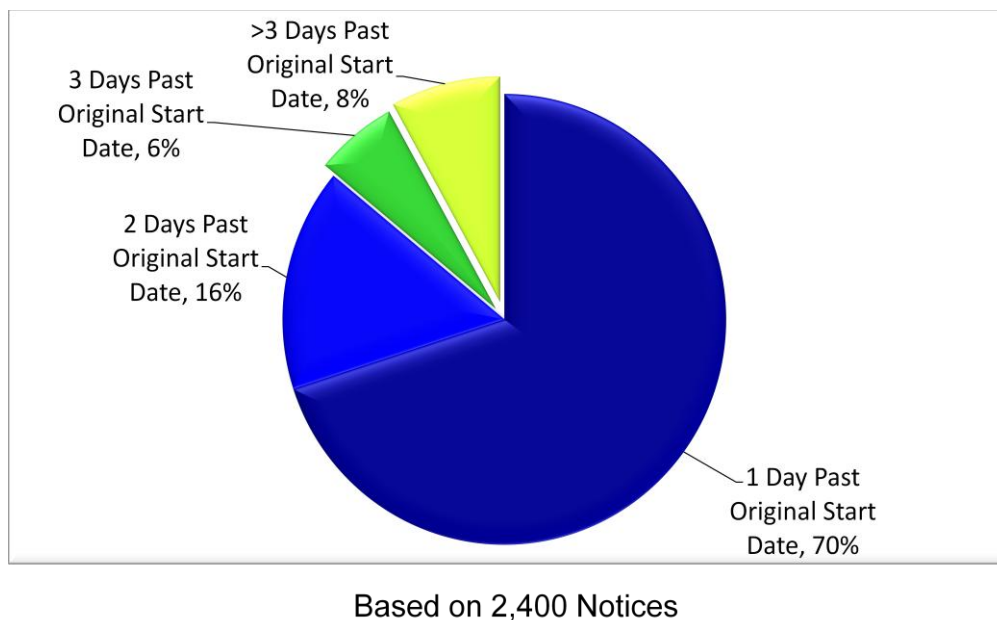
The SCAQMD staff evaluated the existing Rule 1148.2 database to determine the frequency that original notifications were revised based on the activity starting on a later date than originally projected. The data evaluation showed that since June 2013, approximately 60 percent of all notices were revised due to a change in the well activity start date. Figure 1 – Distribution of Revisions to Notifications shows, of all notifications received, about 90 percent of the notifications have 2 revisions or less. The minimum notification period for these notifications is based on Rule 1148.2 which currently requires a 24-hour to 10 day notification period.

Figure 1
Distribution of Revisions to Notifications



The notifications are further broken down by examining the percentage of events that go a specific amount of days past the projected event. This breakdown is shown in Figure 2 – Number of Days Expected Start Date is Moved.

Figure 2
Number of Days Expected Start Dates is Moved



The breakdown from Figure 2 demonstrates that the overwhelming majority (~85 percent) of notices which were revised to reflect a new start date, were submitted to start the well event between one and two days of the original start day.

As a result, the SCAQMD staff is proposing to amend Rule 1148.2 to allow operator's the ability to submit 24-hour extensions to the original 72-hour notice requirement. PAR 1148.2 limits the number of 24-hour extensions to five. Each 24-hour extensions will take effect following the end of the original previous 24-hour window (in the case of the originally projected start date and time), or the previous 24-hour extension. The time basis for the end of the 24-hour extensions shall be the end of the 24-hour window following the originally projected start date and time. Before the end of the fifth 24-hour extension, if the well activity is still not projected to begin, the proposed amended rule requires that the operator cancel the last noticed event. If the operator wishes to proceed with the well event following this cancelation notice, the operator shall comply with a new minimum 72-hour notification. This approach provides additional flexibility to operators in scheduling well events and also ensures a level of certainty to the impacted community that a previously scheduled well event will occur within a given timeframe from the originally noticed projected start date and time.

To address the community's concern that repeated revisions might lead to increased uncertainty and "serial" re-notifications, the SCAQMD is proposing to report back to the Board through the Stationary Source Committee, regarding findings on the numbers of re-notifications and extensions as a result of the 72-hour pre-notification requirement.

Other eChanges

Trade Name Product Volume

Existing Rule 1148.2 (e)(1)(E)(i) contains a requirement that the operator report the volume of well drilling, well rework and well completion fluids used in the well event activity. Effective April 5, 2015, the information reported under paragraph (e)(1) of the rule is no longer required due to a sunset provision placed in the rule language during its original adoption. The SCAQMD staff has determined that this information is still pertinent to our monitoring and evaluation of the events covered by the rule because it provides a basis for the overall magnitude of the fluids injected into the well. As such, PAR 1148.2 will still maintain the requirement for the ~~supplier and~~ operator to report the total well drilling, well rework and well completion fluids used during the well event activity.

In addition to the well fluid, the SCAQMD staff is also proposing to carry over the pre-existing requirement specified in paragraph (e)(1) for the operator to report the well activity end date. This will now be submitted under the operator reporting requirements specified in paragraph (e)(4) of the proposed amended rule.

Other Administrative Changes

The SCAQMD staff is also proposing the following minor changes/additions to Rule 1148.2:

- ~~Added a definition for "Well Rework Fluid" which means a carrier fluid mixed with chemical and/or physical additives used in any operation subsequent to drilling that involves a well production stimulation or treatment activity of an existing well.~~

- Subparagraph (d)(1)(E) was amended to add language clarifying that start times for each well event notification is to be submitted along with the start date. This subparagraph was also amended to clarify that the original projected start date and time extends up to a 24 hour window following the originally projected start date and time.
- ~~Existing subparagraph (d)(2)(B) is proposed to be modified in order to clarify that when revisions or cancellation to an original Rule 1148.2 Notification Form are submitted, the basis for determining the timeframe for submittal would be on or before the original start date.~~
- ~~New paragraph (d)(5) is proposed to be added in order to clarify that operators submitting revision notifications when the new start date for the well event has changed would also be subject to the original submission timeframes that are specified in existing paragraph (d)(1) (e.g., no less than 24 hours day no more than 10 calendar days prior to the new start date).~~
- A definition of Well Rework Fluid is being added for clarity.
- Subdivision (f) has also been revised to maintain consistency with the rule language changes specified in paragraphs (e)(2) through (4). For instance the total volume and density of the trade name product has been deleted from subdivision (f) since we no longer require it to be submitted.

Water Injection Wells

During the rulemaking process, some environmental and community representatives have commented that Rule 1148.2 should include water injection wells at oil production fields since water injection wells undergoing well treatments such as acidizing, can have similar emission sources as oil and gas production wells undergoing the same type of treatment. When Rule 1148.2 was adopted, water injection wells were not included since SCAQMD staff was informed that there is no flowback from water injection wells, and flowback fluids or fluids that returned to the surface were the primary air quality concern. Community representatives have commented that they are concerned about the equipment and chemicals that are being used, and are asking to be notified. SCAQMD staff has explained that ~~Before staff proposes to expand the applicability of Rule 1148.2 to include water injection wells that are conducting Rule 1148.2 well stimulation activities,~~ additional time is needed to assess the potential sources that could be affected if Rule 1148.2 includes water injection wells. ~~SCAQMD staff will continue to evaluate this issue. Staff will be revisiting this issue and other potential future amendments to Rule 1148.2 and report~~ The adoption resolution includes a commitment for staff to return to the Stationary Source Committee in the first quarter of 2016 and potential amendments to Rule 1148.2 no later than mid-2016~~after the July Governing Board meeting regarding water injection wells.~~

Another concern brought up by environmental and community groups is the need for signage to be posted at well sites to provide another means of making the public aware of ongoing well

activities applicable under the rule. There is insufficient time to include a signage provision in the proposed amended rule going to the Board in July. Staff will continue to evaluate this addition and others such as Best Management Practices (BMPs) and report back to the Stationary Source Committee.

AFFECTED SOURCES

SCAQMD Rule 222 - Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, currently requires owners and operators of oil and gas wells to register each well group (consisting of no more than four well pumps at a crude oil production and handling facility) subject to Rule 1148.1 – Oil and Gas Production Wells. Rule 1148.1 applies to onshore oil producing wells, well cellars and produced gas handling activities at onshore facilities where oil and gas are produced, gathered, separated, processed and stored. The equipment registration requirement for oil wells in Rule 222 is a streamlined alternative to the standard air quality permitting process.

Based on an evaluation of records associated with the Rule 222 filing requirements for the “Oil Production Well Group” category, there are ~~273~~242 facilities operating approximately ~~4,614~~4,320 onshore oil and gas wells in the District. Due to the geography of the region, the affected facilities are often located in urban areas, and sometimes located within close proximity to residential and other sensitive receptors. Based on well records from DOGGR’s database, there are approximately 6,100 oil, gas, and geothermal wells that are active or idle in the Los Angeles, Riverside, San Bernardino, and Orange County regions. The discrepancy between the number of wells accounted for by Rule 222 versus DOGGR’s database is mainly because DOGGR’s program includes geothermal and injection wells and the Rule 222 database does not.

Based on an evaluation of SCAQMD records collected since the start of reporting in June 2013, approximately 25 well operators have been submitting well activities notices and 18 chemical suppliers have been providing chemicals to the operators.

The proposed requirements in PAR 1148.2 to report the chemicals used during well drilling, completion, and reworks will affect the operators and suppliers of chemicals used during these processes. As with the current rule, the proposed requirements in PAR 1148.2 would require well operators and/or their chemical suppliers to submit to the SCAQMD a comprehensive listing of the chemicals contained in the well drilling fluids, well rework fluids, and well completion fluids. This information, excluding certain “trade secret” information, would then be made publicly available on the SCAQMD’s website. Proposed Amended Rule 1148.2 will only modify the type and manner in which information is reported, submitted and disclosed to the public on the SCAQMD’s Rule 1148.2 Public Information Portal and will not change the basic requirements or compliance process of the current rule.

IMPACT ASSESSMENT FOR PROPOSED AMENDED RULE 1148.2

Implementation of Proposed Amended Rule 1148.2 will not result in emission reductions as it is an administrative rule with no pollution control requirements or control measures. The purpose of PAR 1148.2 is to revise the current reporting requirements for drilling, well rework, and well completion chemicals and trade name products in order to be more consistent with SB 4 and DOGGR’s reporting structure. Specifically for hydraulic fracturing and other well stimulation

activities applicable under SB 4, PAR 1148.2 will: 1) disaggregate the reporting of the trade name products from the chemical ingredients within the product; 2) no longer require the reporting of chemical mass concentration within the trade name product, and instead require the chemical's ~~mass maximum concentration in percent by mass within the total well drilling, well rework, and well completion fluid~~ to be reported; and 3) make all the SB 4 related well stimulation information deemed not to be trade secret under SB 4 provisions, available to the public on the SCAQMD's website. The proposed amended rule will require the reporting of the items specified in items one (1) and two (2) for non-SB 4 related activities as well. Additional minor changes to rule language have been also made for clarity and consistency.

SOCIOECONOMIC ANALYSIS

PAR 1148.2 would revise the current reporting requirements for drilling, well rework, and well completion chemicals and trade name products in order to increase the notification submission timeframes, streamline the reporting process, and be more consistent with SB 4 and DOGGR's reporting structure. Thus, implementation of PAR 1148.2 will not result in emission reductions as it is administrative in nature and cost impacts are expected to be minimal, and as such there are no significant adverse socioeconomic impacts. The SCAQMD staff has worked with the Working Group members to streamline chemical reporting requirements to minimize impacts and has also taken steps to structure the reporting process to be nearly identical to the current system to ensure a smooth transition for operators and suppliers. Increasing the minimal timeframe for notifications from 24 to 72 hours with five 24-hour extensions may require additional re-notifications, however, staff has streamlined the notification portal to populate most information for extensions to minimize any significant costs. Costs associated with the proposed amendments are projected to be minimal. Therefore, no cost estimates are provided.

~~PAR 1148.2 would revise the current reporting requirements for drilling, well rework, and well completion chemicals and trade name products in order to streamline the reporting process and be more consistent with SB 4 and DOGGR's reporting structure. Thus, implementation of PAR 1148.2 will not result in emission reductions or additional costs as it is administrative in nature and does not have adverse socioeconomic impacts. The SCAQMD staff will take steps to structure the reporting process to be nearly identical to the current system to ensure that the affected operators and suppliers will have a relatively smooth transition. Costs associated with this transition are projected to be minimal. Therefore, no costs estimates are provided.~~

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

SCAQMD staff has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the SCAQMD is ~~proposing to incorporate state regulatory requirements into~~ amending Rule 1148.2 to align it with the requirements in SB 4, without exercising discretion with regard to the proposed amendments, the project is considered to be ministerially exempt from CEQA pursuant to CEQA Guidelines §15268 – Ministerial Projects. Furthermore, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the proposed project may have any significant

effects on the environment, and is therefore, also exempt pursuant to CEQA Guidelines §15061 - Review for Exemption, paragraph (b)(3) – “general rule” exemption. A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. If the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727

Requirements to Make Findings

California Health and Safety Code §40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report.

Necessity

The SCAQMD Governing Board finds and determines that a need exists to adopt Proposed Amended Rule 1148.2 because some of the current trade secret provisions are inconsistent with Senate Bill (SB) 4. The regulations implementing SB 4 were finalized in December 2014 and the final reporting requirements for applicable well stimulation treatment activities take effect on July 1, 2015. However, interim regulations which have similar requirements are already in effect throughout the state.

Authority

The SCAQMD Governing Board has authority to adopt Proposed Amended Rule 1148.2 pursuant to the California Health and Safety Code §§ 39002, 40000, 40701, 40702, 40725 through 40728, 41508, 41511, and 41700.

Clarity

The SCAQMD Governing Board finds and determines that Proposed Amended Rule 1148.2 is written or displayed so that its meaning can be easily understood by the persons directly affected by the rule. Proposed Amended Rule 1148.2 has gone through a public process to determine if there is sufficient clarity in the proposed rule language. This public process included reconvening the Rule 1148.2 Working Group established during the original rule adoption process, made of the oil and gas well production industry, environmental organizations, and the public at large. Significant input from the participating stakeholders ensures that the proposed amended rule is clear and written in a manner that it can easily be understood by the affected industry.

Consistency

The SCAQMD Governing Board finds and determines that PAR 1148.2 is in harmony with and not in conflict with or contradictory to, existing statutes, court decisions or state or federal regulations. Proposed Amended Rule 1148.2 revises the trade secret and reporting requirements for drilling, well rework and well completion chemicals and trade name products in order to be more consistent with SB 4 and DOGGR’s implementing regulations.

Non-Duplication

The SCAQMD Governing Board has determined that Proposed Amended Rule 1148.2 will not impose the same requirements as any existing state or federal regulations. The pre-production activities applicable under Proposed Amended Rule 1148.2 are also regulated by the California Department of Conservation/Division of Oil, Gas, and Geothermal Resources DOGGR and the U.S. EPA. However, Rule 1148.2 was adopted in April, 2013, prior to the adoption of DOGGR's regulations. Under California Code of Regulations, Title 14, Division 2, Chapter 4, subchapter 2, DOGGR requires that operators conducting oil and gas well treatment stimulation submit detailed information about fluids used, and publically disclose this information on a Division website. Applicable well stimulation treatments under DOGGR's SB 4 regulation include various hydraulic fracturing activities such as "fracking", "acid fracking", as well "matrix acidizing."

Reporting requirements for chemical ingredients used in hydraulic fracturing, acid fracturing, and matrix acidizing fluids are also included in PAR 1148.2. While there is a partial overlap, PAR 1148.2 goes beyond DOGGR's SB 4 regulations by requiring the disclosure of chemicals used in well drilling, gravel packing and maintenance acidizing activities not covered by DOGGR's SB 4 regulations. Since initial rule implementation in June 2013, over ninety percent of the well activity events have been non-SB 4 related. This trend is expected to continue, so less than ten percent of the future well activity events will overlap with SB 4-related well activity events. Therefore, the proposed modifications to the reporting requirements of PAR 1148.2 are non-duplicative with DOGGR's SB 4 regulations and provide a higher level of disclosure because it requires disclosure for routine operations that take place more often in the District than hydraulic fracturing-based operations. In addition, PAR 1148.2 requires reporting of total mass of the trade name products, the ~~maximum concentration of each~~mass of each chemical ingredient ~~in percent by mass within the total well drilling, well rework, and well completion fluid to be reported~~, and whether any of the chemical ingredients are classified as air toxics.

Reference

By adopting PAR 1148.2, the SCAQMD Governing Board references the following statutes which SCAQMD hereby implements, interprets or makes specific: California Health and Safety Code §§ 41700 (nuisance), 40460(c) (emissions data), 40913(a)(5) (emission inventory), 41511 (determination of emissions from a source), and Federal Clean Air Act § 112 (Hazardous Air Pollutants), and Sen. Bill No. 4 (2012-2013 Reg. Sess.), codified at Cal. Pub. Res. Code §§ 3213, 3215, 3236.5, 3401, 3150 et seq, Cal. Code Regs. tit. 14, §§ 1761, 1780 et seq.

COMPARATIVE ANALYSIS

Health and Safety Code section 40727.2 requires a comparative analysis of the new provisions of the proposed amended rule with any rules and regulations applicable to the same source. The pre-production activities applicable under Proposed Amended Rule 1148.2 are also regulated by Senate Bill 4 and DOGGR's regulation implementing the legislation.

Table 2
Comparison of PAR 1148.2 with DOGGR's SB 4 Regulations

<u>Rule Element</u>	<u>PAR 1148.2</u>	<u>DOGGR's SB 4 Regulations</u>
<u>Applicability</u>	<ul style="list-style-type: none"> • <u>Hydraulic Fracturing</u> • <u>Acid Fracturing</u> • <u>Acid Matrix Stimulation Treatment</u> • <u>Maintenance Acidizing</u> • <u>Gravel Packing</u> • <u>Drilling</u> 	<ul style="list-style-type: none"> • <u>Hydraulic Fracturing</u> • <u>Acid Fracturing</u> • <u>Acid Matrix Stimulation Treatment</u>
<u>Minimum Notification Time Frame prior to Well Events</u>	<ul style="list-style-type: none"> • <u>Both the public and the AQMD receive notification 72 hours prior to well activity with five 24 hour extensions</u> 	<ul style="list-style-type: none"> • <u>Property ones and tenants receive a a30-day notification of well stimulation event</u> • <u>The Division receives notification 72 hours prior to well stimulation commencement</u>
<u>Reporting Trade Name Product</u>	<ul style="list-style-type: none"> • <u>Report the identity of Trade Name Product</u> • <u>Mass of Trade Name Product</u> • <u>Purpose</u> 	<ul style="list-style-type: none"> • <u>Same</u> • <u>Mass concentration within total well stimulation fluid</u> • <u>Same</u>
<u>Reporting Requirements for Chemical Ingredients</u>	<ul style="list-style-type: none"> • <u>Chemical ingredient names</u> • <u>CAS#</u> • <u>Mass of chemical ingredient</u> • <u>Identify if chemical is an air toxic</u> 	<ul style="list-style-type: none"> • <u>Same</u> • <u>Same</u> • <u>Maximum mass concentration of chemical ingredient within total well stimulation fluid</u> • <u>No requirement</u>
<u>Is Trade Secret allowed for Chemicals Ingredients undergoing an SB 4 related well activity?</u>	<ul style="list-style-type: none"> • <u>Yes, only total mass of chemical ingredient can be claimed trade secret</u> 	<ul style="list-style-type: none"> • <u>SB 4 does not list the mass concentration of the chemical ingredient within the total well stimulation fluid as being</u>

<u>Rule Element</u>	<u>PAR 1148.2</u>	<u>DOGGR's SB 4 Regulations</u>
		<u>something that cannot be claimed as trade secret</u>
<u>Is Trade Secret allowed for Chemicals Ingredients undergoing non-SB 4 related well activity?</u>	<ul style="list-style-type: none"> • <u>Yes, chemical ingredient identity, CAS#, and total mass can be claimed trade secret.</u> 	<ul style="list-style-type: none"> • <u>Not applicable</u>
<u>Reporting Structure</u>	<ul style="list-style-type: none"> • <u>Trade Name Products and chemical ingredients disaggregated</u> 	<ul style="list-style-type: none"> • <u>Similar</u>

REFERENCES

REFERENCES

California Legislative Information, Senate Bill No. 4, Oil and Gas: Well Stimulation, 2013-2014, http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB4.

Department of Conservation, Division of Oil, Gas, and Geothermal Resources, SB4 Well Stimulation Treatment Regulations, <http://www.conservation.ca.gov/index/Pages/prpsregs.aspx>.

South Coast Air Quality Management District Rule 1148.2 “Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers”, Adopted April 5, 2013, <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1148-2.pdf?sfvrsn=6>.

Staff Report “Proposed Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers “ April 2013, <http://www.aqmd.gov/docs/default-source/compliance/rule-1148-2-staff-report.pdf?sfvrsn=4>.

California Legislature, 2012. Senate Bill No. 4, Introduced by Senator Pavley. An act to amend Section 3213 of, and to add Article 3 (commencing with Section 3150) to Chapter 1 of Division 3 of, Public Resources Code, relating to oil and gas. Article 3 – Hydraulic Fracturing.

California Department of Conservation; Division of Oil, Gas, and Geothermal Resources, 2012.

APPENDIX A - COMMENTS AND RESPONSES

Comments Received at Public Workshop Held on April 15, 2015

- 1. Comment:** The proposed amended rule should require operators to conduct sampling and testing of air emissions if filing a trade secret claim. Such information is not considered a trade secret under SB 4.

Response: Proposed Amended Rule 1148.2 is a narrowly focused revision to our existing rule which changes the chemical reporting provisions in order to be more consistent with chemical reporting under the system established by Senate Bill (SB) 4 (2012-2013 Reg. Sess.) and the Division of Oil, Gas, and Geothermal Resources' (DOGGR) regulations implementing SB 4 [Title 14, Division 2, Chapter 4, Subchapter 2 of the California Code of Regulations]. However, the proposed amended rule will continue to require specific information not specified under state law, such as existing notification and reporting requirements for other well activities not covered under SB 4. Adding sampling and testing requirements is not included in the scope of this narrowly focused amendment. In addition, the SCAQMD staff is planning to conclude our evaluation of the Rule 1148.2 submitted reports and sampling and monitoring program and report our findings and recommendations to the Stationary Source Committee, ~~the May/June time frame~~. This sampling and monitoring program included well events using chemical ingredients both claimed as trade secret and non-trade secret. It is unknown at this time whether sampling and monitoring provisions will be part of our future recommendations.

- 2. Comment:** When will the rule be amended to address air emissions? When the rule was originally adopted in 2013 there was a promise to return in two years and propose additional requirements to control air emissions. In addition, based on the November 2014, Rule 1148.2 Working Group presentation there are obvious impacts from these well activities especially from on-site engines and fluid flowback. Therefore, why aren't you completing this task with this amendment?

Response: Proposed Amended Rule 1148.2 is a narrowly focused revision to our existing rule which changes the chemical reporting provisions in order to be more consistent with state law. Addressing additional requirements is not included in the scope of this narrowly focused amendment. However, the commenter is correct in stating that the SCAQMD staff committed to return to the Governing Board (after a two-year evaluation period) and advise them on our findings and recommendations on the need for controls or additional requirements for applicable well treatment activities. Staff will be reporting at the July Governing Board meeting findings on implementation of Rule 1148.2. After the July Governing Board meeting, staff will provide a report to the Stationary Source Committee. ~~We are nearing the end of the evaluation period and plan to report our findings and recommendations in the May/June time frame.~~ Until that time, it is

premature to speculate on what changes to the rule (if any) are recommended. The commenter is also referred to the response to comment # 1.

- 3. Comment:** The proposed amended rule should include a revision to broaden the information that is available to the public on the District's website by posting the Emission Source Reports on line.

Response: The SCAQMD staff has continually presented the information contained in Rule 1148.2 (e)(1) (i.e., Emission Source Reports) through our presentations to the Rule 148.2 Working Group and Stationary Source Committee. In addition, the information is available through a Public Records Act Request. With this requirement having sunset in April 2015, it is unnecessary to revise the rule to change this requirement. ~~However, the SCAQMD will consider this change for pre-existing reports when making its final recommendations and findings to the Governing Board.~~ However, the SCAQMD staff is committed to revise the Rule 1148.2 Public Portal to accommodate portal enhancements so that the public will be able to search by multiple criteria and have access to the additional reporting forms. We have already initiated this process by working with the Information Management Division to start working on these enhancements. These enhancements are expected to be completed within the fourth quarter of 2015.

- 4. Comment:** Our review of the information available on line is that the submitted operator reports routinely have errors in identifying whether chemical ingredients are correctly listed as air toxics. The District should take steps to rectify these errors.

Response: The SCAQMD staff has taken steps to ensure that the information that comes in to the reporting portal is correct. Our staff has reviewed hundreds of submittals of chemical reports from suppliers for accuracy, especially as it relates to whether chemical ingredients are properly classified as air toxics, as well as whether the suppliers are properly distinguishing between chemical ingredients and chemical family names. This evaluation has resulted in hundreds of Chemical Supplier Report re-submittals. The SCAQMD staff will continue to monitor the submittals in order to maintain an accurate data base.

- 5. Comment:** There has been insufficient effort to properly enforce Rule 1148.2, as well as some confusion in the community on whether Rule 1148.2 is for data gathering only and doesn't need enforcement. Can you please explain this contradiction?

Response: A significant number of resources have been devoted in the past two years which resulted in over 100 inspections of oil and gas sites performing well

drilling, rework, and completion activities. There also have been numerous sampling and monitoring site visits where samples were taken and emissions analyzed. Additionally, there have been Notices to Comply issued on over 140 well events to operators as well as for over 60 well events to suppliers. There have also been Notices of Violation issued on over 14 well events to operators. The SCAQMD staff has also worked with the suppliers to correct reporting errors in their reports resulting in hundreds of Chemical Supplier Reports being re-submitted.

The original intent of the rule was to collect and evaluate data related to the air quality impacts from well drilling, well rework, and well completion operations, as well as providing public disclosure of when a well event will occur and the additives and chemical ingredients used during the event. This information is made available through our public reporting portal on the SCAQMD's website and through email. As stated earlier in this response, the SCAQMD has been routinely enforcing the rule provisions. Therefore, the SCAQMD staff does not see a contradiction. There is a data gathering component and an enforcement component.

6. Comment: Acidizing at injection wells should be included in the proposed amended rule language.

Response: During the rulemaking process, some environmental and community representatives have commented that Rule 1148.2 should include water injection wells at oil production fields since the emission impacts from water injection wells undergoing well treatments such as acidizing, can have similar emission sources as oil and gas production wells undergoing the same type of treatment. When Rule 1148.2 was adopted, water injection wells were not included since SCAQMD staff was informed that there is no flowback from water injection wells, and flowback fluids or fluids that returned to the surface were the primary air quality concern when Rule 1148.2 was adopted in 2013. Before staff proposes to expand the applicability of Rule 1148.2 to include water injection wells that are conducting Rule 1148.2 well stimulation activities, additional time is needed to assess the potential sources that could be affected. Staff will continue to evaluate this issue and provide an update and recommendations to the Stationary Source Committee regarding water injection wells that are conducting Rule 1148.2 well stimulation activities. The adoption resolution includes a commitment for staff to return to the Stationary Source Committee regarding water injection wells and potential amendments to Rule 1148.2. Proposed Amended Rule 1148.2 is a narrowly focused revision to our existing rule which changes the chemical reporting provisions in order to be more consistent with state law. Addressing additional requirements is not included in the scope of this narrowly focused amendment. Expansion of the rule applicability to

~~waste water injection wells is something the SCAQMD staff may consider in the future recommendations to the Governing Board.~~

- 7. Comment:** In order to further protect families and communities, the proposed amended rule should require a 72-hour original notice requirement in lieu of the existing 24-hour notice requirement.

Response: Expansion of the notification requirements to require noticing with a minimum 72 hours prior to the well activity is something the SCAQMD staff is planning to propose at the July 10, 2015 Governing Board meeting to address this issue.~~will consider when the SCAQMD staff will report their findings and recommendations to the Governing Board in the May/June timeframe.~~

Written Comments Received

- 8. Comment:** Baker Hughes supports SCAQMD's efforts to revise Rule 1148.2 to ensure consistency with SB 4 and the California Department of Conservation Division of Oil, Gas and Geothermal Resources (DOGGR) regulations implementing SB 4. Specifically, Baker Hughes supports changes to Rule 1148.2 that would (1) disaggregate the reporting of the trade name product from the chemical ingredients within the product, and (2) require disclosure of the maximum concentration in percent by mass within the total well drilling, well rework, or well completion fluid, rather than within the trade name product

Response: Comment noted.

- 9. Comment:** As it is implemented today, Rule 1148.2 carries significant risk with regard to product formulations because it requires operators and chemical suppliers to associate the trade name product, its ingredients and each ingredient's concentration in the trade name product—i.e., the formula for the product—in the disclosure form and, absent trade secret claims, SCAQMD publishes the disclosed information in that associated form. This has the effect of unnecessarily increasing the number of trade secret claims for information that, if reported on a disaggregated basis, could otherwise be disclosed. The Staff Report is correct when it observes that disaggregating of the chemical ingredients from the trade name products helps limit the ability to determine the products' exact formulations. Further protection is provided by requiring disclosure of the maximum concentration of the chemical ingredients within the overall fluid, rather than within the trade name product. Our experience is that both of these changes will reduce, and in some cases eliminate, the potential for the disclosure to betray specific formulaic information to competitors, and

therefore that these changes will reduce the number of trade secret claims made in Rule 1148.2 disclosures.

Response: The SCAQMD staff agrees with your comment. The current version of Rule 1148.2 (e)(3), allows the suppliers of chemicals to claim trade secret protection for exact chemical identities, CAS numbers and concentrations of chemicals within each trade name product. The SCAQMD staff believes that some portion of trade secret claims is invoked due to the fact that Rule 1148.2 links trade name products to their chemical ingredients. By disaggregating trade names from chemical ingredients, the PAR 1148.2 reporting scheme provides for the complete disclosure of the identity of chemical ingredients while protecting the exact formulation of each trade name product, with the intent of greatly reducing trade secret claims. DOGGR's staff indicated that to date DOGGR has not received any trade secret claims for the chemical information submitted under the SB 4 interim regulations which also disassociates chemical ingredients from trade names. The proposed amended rule requires the ~~chemical mass concentration of each chemical ingredient within the total fluid~~ to be reported rather in lieu of the chemical mass concentration within the trade name product. This reporting scheme still retains the key information concerning chemical quantities while reducing the likelihood of trade secret claims.

10. Comment: In order to maximize the value of these changes to SCAQMD and regulated entities, Baker Hughes respectfully suggests that the proposed revisions to Rule 1148.2 explicitly articulate the District's intent that chemical ingredients need not be linked to their respective trade name product. Every change to a disclosure rule such as this one triggers work, internally and with our suppliers, to refine the terms and systems by which our suppliers are willing to provide information on products that we wish to continue utilizing in California. Clearly memorializing this change in the text of Rule 1148.2 would give regulated entities—and, importantly, their suppliers—confidence in SCAQMD's intended disclosure format and assurance that they will receive sufficient notice through SCAQMD's administrative procedures to evaluate the impact of any future additional change to these provisions on the products being offered in California. In order to enhance the efforts of the SCAQMD to reduce the number of trade secret claims made under Rule 1148.2, Proposed Amended Rule 1148.2 (e)(2) should be revised according to the following strikeout and underline changes:

(e) Reporting Requirements

(2) Except as provided in subparagraph (e)(2)(G) below...

(C) identity and chemical abstract service (CAS) number of each chemical ingredient used or contained in ~~each~~-trade name products identified in

subparagraph (e)(2)(A), without being required to associate any chemical ingredient with any specific trade name product;

(E) identification of whether ~~each~~ the chemical ingredient **identified in subparagraph (e)(2)(C)** ~~used or contained in the trade name product is an air toxic~~

Response:

While the Draft Staff Report clearly indicates that the justification for disassociating the chemical ingredients from the trade name products in PAR 1148.2 is to reduce the number of trade secret claims and thus increase the level of public disclosure, the SCAQMD agrees with the commenter that placing the proposed text into the proposed rule language provides additional clarity and intent. Therefore, PAR 1148.2 incorporates the proposed text.

11. Comment:

In order to enhance the efforts of the SCAQMD to reduce the number of trade secret claims made under Rule 1148.2, Proposed Amended Rule 1148.2 (e)(2) should be revised according to the following strikeout and underline changes:

(f) SCAQMD Website Posting of Chemicals

The Executive Officer shall make the following information as received under subdivision (e) available to the public for each event by operator name, well name, API well number, location, and date of activity on a website:

(1) For all **events** where no trade secret claim has been made:

(B) ~~Name~~ **Identity** and chemical abstract service (CAS) number of each chemical ingredient used or contained in each trade name products **identified in subparagraph (f)(1)(A)**, unless it has been claimed as a trade secret, **without associating any chemical ingredient with any specific trade name product;**

(2) For all events where a trade secret claim has been made:

(B) **Identity and chemical abstract service (CAS) number of each chemical ingredient used or contained in trade name products identified in subparagraph (f)(2)(A), unless it has been claimed as a trade secret, without associating any chemical ingredient with any specific trade name product.** If the

chemical ingredient and/or CAS number have been claimed to be trade secret, then the Chemical Family name or similar descriptor will be posted

Response:

The SCAQMD staff agrees with the comment. The majority of the proposed text has been added to PAR 1148.2. Some of the text has not been added since it is unnecessary. The commenter is also referred to the response to comment #10.

12. Comment:

The proposed amended rule should require operators to conduct sampling and testing of air emissions if filing a trade secret claim. Such information is not considered a trade secret under SB 4. To accomplish this, the language specified below should be added to subdivisions 1148.2 (e) and (f).

(e) Reporting Requirements

(7) In the event that the supplier to an operator or the operator claims trade secret or proprietary status for any chemical or other component and the Executive Director has approved such claims, the operator shall be responsible for:

(A) Contracting with an independent third-party for collection through reporting of air emissions from flowback fluids through District approved contractors;

(B) Collection, storage, conveyance, analyses, and reporting of representative flow-based samples of all air emissions from the well and associated stimulating equipment and all tanks or venting systems connected thereto. Such collections shall include samples from initiation of flowback, periodically throughout the flowback process, and immediately before the cessation of the flowback;

(C) No flowback shall be discharged, transferred, and disposed of which has not been appropriately sampled at intervals of 2000 gallons;

(D) Analyses of all such samples shall be appropriately quality controlled and assured and shall include appropriate anion/cation, NORMs, any hydrocarbons, VOC, TAC, or TOC compounds at detectible levels (ppb);

(E) Reporting of collections through reporting activities and results shall be directly to the Executive Director with copies to the supplier(s) and operator.

(F) Approved Quality Control and Assurance Program for sampling, conveyance, analyses, and reporting for flowback

(f) SCAQMD Website Posting of Chemicals

(3) For all events where additional flowback analyses were required (where a trade secret claim had been made):

(A) Conditions and activities, dates, times, and operator and API well number;

(B) Complete VOC, TAC, and TOC and constituents compositions; and

(C) Estimated total fluids involved in flowback interval related to the sampling time.

Response:

As mentioned previously, sampling and testing requirements are not included in the scope of this narrowly focused amendment. As part of the Board Resolution to adoption of Rule 1148.2, the SCAQMD staff committed to conduct sampling and monitoring during the two-year evaluation period for the rule. This sampling and monitoring program included well events using chemical ingredients claimed as trade secret. SCAQMD staff conducted over 100 site visits for Rule 1148.2-related activities. Sampling and monitoring of liquid and air emissions occurred at approximately 30 site visits at which four to six summa canisters were collected, and hand-held H₂S, particular matter (PM_{2.5}, PM₁₀), and Toxic Vapor Analyzers (TVA) monitors were used. In addition, drilling mud and return fluid (when available) samples were also collected and analyzed. Additional requirements beyond what is needed to accomplish the goal of making Rule 1148.2 more consistent with SB 4 and the DOGGR reporting structure is not being considered in this amendments, but may be included in a future amendment for Rule 1148.2. ~~of the findings and recommendations to the Governing Board in the May/June time frame.~~ The commenter is also referred to the response to comment #1.

13. Comment:

What data has the SCAQMD gathered to justify any the proposed changes? Providing the public notice of benign activities, which the District has confirmed in their emissions monitoring, only impacts those wishing to organize anti-oil protests and continue to misinform the public. Why should the District be concerned about this since it has nothing to do with their jurisdictional responsibilities?

Response:

The proposed changes to the notification provisions result from community representatives who have commented that families need 72-hours notice to modify their day to leave their residence or make other arrangements in order to avoid the impacts from Rule 1148.2 well activities. As a result, the SCAQMD staff is proposing to amend Rule 1148.2 to increase the minimum notification timeframe from 24 to 72 hours. No final conclusions have been reached in regards to the air impacts from Rule 1148.2 well activities. The SCAQMD staff plans to present this information to the Stationary Source Committee. However,

interim findings presented at the Stationary Source Committee in November 2014, indicate that there are odors and engine emissions from these operations that may impact nearby residents. As a result, the proposed amended rule contains provisions to increase the minimum well event notification time from 24 hours to 72 hours prior to the originally projected date and time of the well event.

14. Comment: Due to the complexities of scheduling a Rule 1148.2 reportable activity (such as coordinating equipment and personnel), it is very important for the operator to have flexibility in determining the start of an activity. Because of these complexities, the start time is inevitably dynamic. At the same time, once these factors are lined up, the Operator has every incentive to proceed expeditiously, both to minimize high activity expenses and to act quickly for well protection and enhancement.

Response: The SCAQMD staff is aware of the inherent difficulties in scheduling Rule 1148.2 well activities. During the development of PAR 1148.2, operators had commented that a 72-hour notification period before the start date was a concern if they would be required to wait a 72 hours if they needed to re-notify. Operators commented that there are frequent last minute delays common in the well drilling and treatment operations due to scheduling equipment, delays in receiving equipment, operational delays at the site, to name a few. In addition, staff's evaluation of the existing Rule 1148.2 data base shows that at least sixty percent of all original well event notifications are revised at least once, and data shows that the majority of original well event notifications which undergo a date revision, are revised between one and three times. Language has been added that provides flexibility by allowing the operator to electronically file extensions in 24-hour increments, up to a maximum of five extensions. This will cover almost all cases where the projected date and time cannot be met.

15. Comment: Requiring a 72-hour re-notification delay after two revisions would impose substantial non-productive time at significant cost. For drilling operations, the daily rig charges are a minimum of \$60,000 per day, plus additional standby and labor charges. For gravel pack jobs, the condition of the well bore can degrade rapidly during delays. Significant delay will jeopardize the success of the gravel pack job and require additional work and cost. Further, at the extreme, a poor job can immediately render the well unusable or significantly decrease its useful life. Both types of damage would ultimately require re-drilling the well at a very high cost (in the millions of dollars). For acidizing, the mixture has a relatively short life before negative properties render the mixture unusable.

Response: The SCAQMD staff has modified the maximum two 24-hour extension provisions to now specify that an operator may seek individual 24-hour

extensions up to a maximum of five times after the originally projected well event date and time which provides a 24-hour window. If the well event will not occur within this five 24-hour extension period, the operator can cancel the last submitted extension and re-submit a new well event notification meeting a minimum 72-hour notification period. The operator can cancel the notification before five-24 hour extensions if it is expected that the well activity will be substantially delayed. If the operator cancels the event and submits a new notification, that new notification would be allowed to be extended in 24-hour increments, up to five times. This approach provides additional flexibility to operators in scheduling well events while minimizing waiting 72 hours to re-notify, and also ensures a level of certainty to the impacted community that a previously scheduled well event will occur within a given timeframe from the originally noticed projected start date and time.

16. Comment: If the District does ultimately increase the re-notification period, we strongly recommend that well drilling be exempted

Response: Since the proposed amended rule has been modified to increase the extension timeframes, the SCAQMD staff does not see a need to exempt well drilling operations in the proposed rule.

17. Comment: Increasing the minimum initial notification of the activities beyond 24 hours would only diminish the operators' ability to accurately predict when the activities will begin, and would only increase the need for start date revisions. In addition, from the perspectives of both the public and the operator, expeditious performance of a reportable activity will minimize its overall duration

Response: The SCAQMD staff agrees that increasing the minimum notification timeframes will decrease the accuracy of the originally projected start date(s) and time(s). However, since the proposed amended rule has been modified to increase the extension timeframes, the SCAQMD staff does see a need to remove the 72-hour minimum notification time period. A 72-hour minimum notification period provides the public with more advance notice. In regards to the expeditious performance comment, the SCAQMD staff does not see a nexus between a minimum notification time and the performance or duration of the Rule 1148.2 well activity.

ATTACHMENT H



South Coast Air Quality Management District

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

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 1148.2 – NOTIFICATION AND REPORTING REQUIREMENTS FOR OIL AND GAS WELLS AND CHEMICAL SUPPLIERS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The proposed project is amending Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers, to revise the reporting requirements for chemicals and trade name products used in well drilling, rework and completions in order to make the rule more consistent with Senate Bill (SB) 4 and the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) reporting structure. The proposed amended rule will continue to require specific information not specified under SB 4. SCAQMD staff has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

Because the SCAQMD is proposing to incorporate state regulatory requirements into Rule 1148.2 without exercising discretion, the project is considered to be ministerially exempt from CEQA pursuant to CEQA Guidelines §15268 – Ministerial Projects. Furthermore, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, also exempt pursuant to CEQA Guidelines §15061 - Review for Exemption, paragraph (b)(3) – “general rule” exemption.

A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. If the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to my attention at the above address. I can also be reached at (909) 396-2716. Mr. Edward Eckerle is also available at (909) 396-3128 to answer any questions regarding the proposed amendments.

Date: May 29, 2015

Signature: _____

A handwritten signature in black ink, appearing to read "Barbara Radlein", is written over a horizontal line.

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development, & Area Sources

NOTICE OF EXEMPTION

To: County Clerks
Counties of Los Angeles, Orange,
Riverside and San Bernardino

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title:

Proposed Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

Project Location:

South Coast Air Quality Management District (SCAQMD) area of jurisdiction consisting of the four-county South Coast Air Basin (Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin and the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

SCAQMD staff is proposing to modify the chemical reporting requirements in Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers, to be more consistent with state law. The California Department of Conservation, through its Division of Oil, Gas, and Geothermal Resources (DOGGR), adopted a well stimulation treatment regulation in response to the passage of Senate Bill (SB) 4 which was finalized in December 2014 and is scheduled to go into effect on July 1, 2015. Proposed Amended Rule (PAR) 1148.2 will: 1) disaggregate the reporting of the trade name product from the chemical ingredients within the product; 2) eliminate the requirement to report the chemical mass concentration within the trade name product, and instead, require the total mass of each chemical ingredient to be reported; and, 3) no longer allow specified SB 4-related well stimulation information to be deemed as trade secret and instead, make this information available to the public on the SCAQMD’s website. The SCAQMD is also proposing to increase the public notification period before a well activity begins from 24 hours to 72 hours to provide additional lead time to the public prior to the well event. PAR 1148.2 also includes changes to provisions for canceling and revising well event start times. Additional minor changes are also proposed to promote clarity, consistency, and enforceability throughout the rule.

Public Agency Approving Project:

South Coast Air Quality Management District

Agency Carrying Out Project:

South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines §15002 (k)(1) - General Concepts (Three Step Process)

CEQA Guidelines §15061 - Review for Exemption

CEQA Guidelines §15268 - Ministerial Projects

Reasons why project is exempt:

Staff has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the SCAQMD is amending Rule 1148.2 to align it with the requirements in SB4, without exercising discretion with regard to the proposed amendments, the project is considered to be ministerially exempt from CEQA pursuant to CEQA Guidelines §15268 – Ministerial Projects. Furthermore, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, also exempt pursuant to CEQA Guidelines §15061 - Review for Exemption, paragraph (b)(3) – “general rule” exemption.

Project Approval Date:

SCAQMD Governing Board Hearing: July 10, 2015, 9:00 a.m.; SCAQMD Headquarters

CEQA Contact Person:

Ms. Barbara Radlein

Phone Number:

(909) 396-2716

Fax Number:

(909) 396-3324

Email:

bradlein@aqmd.gov

Regulations Contact Person:

Mr. Edward Eckerle

Phone Number:

(909) 396-3128

Fax Number:

(909) 396-3324

Email:

eeckerle@aqmd.gov

Date Received for Filing: _____

Signature: _____

(Signed Upon Project Approval)

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development & Area Sources

[↑ Back to Agenda](#)

BOARD MEETING DATE: July 10, 2015

AGENDA NO. 40

PROPOSAL: Request to U.S. EPA to Reclassify South Coast Air Basin as Serious Nonattainment for 24-hour PM2.5 NAAQS

SYNOPSIS: Based on validated 2014 and first quarter 2015 ambient 24-hour PM2.5 measurements at the Mira Loma monitoring station, the Basin will not attain the NAAQS by the moderate area statutory deadline of 2015, largely due to the lack of rainy days over the last two winters. Under the Clean Air Act, the U.S. EPA may reclassify an area as Serious nonattainment if the area cannot practicably attain the NAAQS by the attainment date. This action is to request approval to transmit a letter to U.S. EPA to request this “bump up” to a Serious classification, while emphasizing the need for the federal government to do its fair share to control air pollution sources under their jurisdiction.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

Direct staff to request the U.S. EPA to reclassify the South Coast Air Basin as a Serious nonattainment area for the 24-hour PM2.5 NAAQS.

Barry R. Wallerstein, D.Env.
Executive Officer

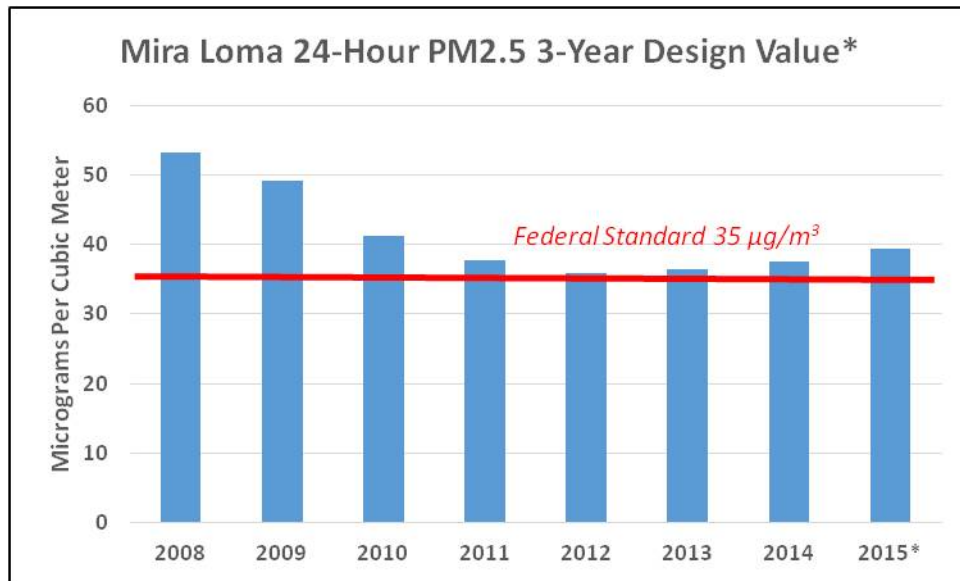
PF:JC:MK

Background

At its February 2015 meeting, the Board approved the "Supplement to 24-Hour PM2.5 State Implementation Plan for the South Coast Air Basin" which updated the 2012 AQMP attainment demonstration for the 2006 24-hour PM2.5 National Ambient Air Quality Standard (NAAQS) (35 µg/m³) with an attainment date of 2015. The supplement, which was submitted to the California Air Resources Board (CARB) and U.S. Environmental Protection Agency (U.S. EPA), was in response to a court decision (*Natural Res. Def. Council v. EPA*, 706 F.3d 428 (D.C. Cir. 2013)) which compelled

U.S. EPA to evaluate the 24-hour PM_{2.5} SIP under CAA, Title 1, Part D, Subpart 4 (hereafter “Subpart 4”) requirements specific to particulate matter. Subpart 4 provides for an attainment year of 2015 for Moderate designated areas, one year later than the attainment year in the 2012 AQMP (2014). Subpart 4 requirements allow for an additional “extension” year to attain the standard (2016) provided that the single year (2015) ambient 98th percentile PM_{2.5} air quality meets the 24-hour PM_{2.5} NAAQS concentration level of 35 µg/m³. Since the supplement was approved by the Board, analysis of the final 2014 ambient PM_{2.5} air quality data indicates that the South Coast Air Basin (Basin) did not meet the 2006 24-hour PM_{2.5} NAAQS by the end of 2014, and preliminary ambient 24-hour PM_{2.5} measurements in the first quarter of 2015 indicate that the Basin will also not attain by or be eligible for an extension beyond, the statutory deadline of 2015 (see chart below). The inability to attain is due to the need for greater emission reductions and the continuing extreme drought conditions that are impacting not only the Basin, but the entire western United States.

Only one monitoring location in the Basin, Mira Loma, exceeds the 24-hour PM_{2.5} NAAQS. The Basin 2013 design value (based on data from 2011-2013) at Mira Loma was 36 µg/m³. The drought's impact was apparent in 2014 when higher concentrations were measured during the winter months of January and February, typically months characterized by frequent rain events and good atmospheric dispersion. Based on final 2014 data, the 98th percentile concentration (8th highest) measured at Mira Loma was 40.1 µg/m³.



* 1st Quarter data only

Much like the winter of 2014, weather patterns in January and February 2015 shifted expected storms away from California. January 2015 experienced only one-third of the average rainfall, and the number of rain events was well below normal. As a consequence, cold clear nights led to strong low-level inversions and stagnation for most of January. 24-hour PM_{2.5} average concentrations exceeded 35 µg/m³ on 10 days

during the first three weeks of the year. Since the 8th highest preliminary 24-hour PM_{2.5} average concentration has already exceeded 35 µg/m³, attainment, as well as eligibility for the extension, under Moderate area classification is not feasible.

Proposal

Staff proposes to request that U.S. EPA reclassify the Basin as Serious PM_{2.5} nonattainment based on the impracticability of attaining the standard by the attainment date (*see attached Draft letter to EPA*). This action will necessitate the development of a new Serious area SIP, including an attainment demonstration with an attainment deadline as early as practicable but no later than December 31, 2019. Furthermore, the Serious classification will require SCAQMD rule amendments to lower the New Source Review (NSR) threshold for PM_{2.5} and precursor emissions from the 100 TPY year level to 70 TPY within 12 months after reclassification is final. In addition, the Serious area SIP will require a Best Available Control Measure/Best Available Control Technology (BACM/BACT) SIP submittal and an updated Reasonable Further Progress (RFP) analysis. A Serious area SIP for the 24-hour PM_{2.5} NAAQS will be developed as a component of the 2016 AQMP for submission to U.S. EPA.

Resource Impacts

Development of a Serious area SIP would be concurrent with the development of the 2016 AQMP. This action would require revisions to the PM_{2.5} attainment demonstration, NSR thresholds, RFP and a new BACT/BACM analysis. In addition, the 2016 AQMP California Environmental Quality Act and Socioeconomic analyses will be required and staff resources are projected to be adequate to meet this objective.

Attachment

Draft Reclassification Request letter to U.S. EPA with Attachment (Mira Loma PM_{2.5} Data)

-DRAFT-

ATTACHMENT

*Office of the Executive Officer
Barry R. Wallerstein, D.Env
909.396.2100, fax 909.396.3340*

July 10, 2015

Ms. Deborah Jordan
Air Division Director
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

Re: Request to U.S. EPA to Reclassify the South Coast Air Basin as Serious Nonattainment for the 24-hour PM_{2.5} National Ambient Air Quality Standard (NAAQS)

In December 2012, the South Coast Air Quality Management District (SCAQMD) Governing Board adopted the 2012 Air Quality Management Plan (AQMP) demonstrating attainment of the 24-hour PM_{2.5} NAAQS ($35 \mu\text{g}/\text{m}^3$) followed by a Supplement to the 24-hour PM_{2.5} State Implementation Plan (SIP) for the South Coast Air Basin (Basin), approved in February 2015, demonstrating attainment by 2015 under Clean Air Act (CAA), Title 1, Part D, Subpart 4.

The Mira Loma air quality monitoring station is the only location in the Basin that exceeds the 24-hour PM_{2.5} NAAQS, and preliminary ambient 24-hour PM_{2.5} measurements at that station for the first quarter of 2015 (*see Attachment 1*) indicate that the Basin will not attain the NAAQS by the moderate area statutory deadline of 2015. Even considering only 1st quarter 2015 measurements, the 98th percentile of the 2015 24-hour PM_{2.5} mass at the Mira Loma location is $41 \mu\text{g}/\text{m}^3$, producing a 3-year design value at a minimum of $39 \mu\text{g}/\text{m}^3$, thus exceeding the NAAQS. The inability to attain the NAAQS is largely due to the lack of rainy days in January and February of 2014 and 2015, which experienced 33 percent of the average rainfall.

Under the CAA Subpart 4, Section 188(b)(1), the U.S. EPA may reclassify as a Serious nonattainment area any area that cannot practicably attain the NAAQS by the attainment date. This letter serves as the formal request to U.S. EPA to reclassify the South Coast Air Basin as a Serious nonattainment area for the 24-hour PM_{2.5} NAAQS based on the monitoring data indicating attainment is not practicable by the attainment date. Staff requests that EPA take this action at the same time as it acts on the 2012 PM_{2.5} SIP and 2015 Supplement. SCAQMD staff is also requesting that U.S. EPA approve any applicable elements in the Moderate SIP submitted previously and consider the data submitted herewith in conjunction with the 2012 and 2015 submittals as a demonstration that the area cannot practicably attain by the Moderate area date.

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SCAQMD recognizes that more stringent Serious area requirements would apply, including requirements to implement Best Available Control Measures/ Best Available Control Technology, a lower major source threshold (from 100 tons per year to 70 tons per year), and an update to the Reasonable Further Progress (RFP) analysis. A full analysis for implementation of these requirements and a demonstration to ensure attainment as expeditiously as practicable, but not beyond December 31, 2019, will be included in the 2016 AQMP, which is also addressing the annual PM2.5 NAAQS.

As discussed in previous correspondence with U.S. EPA, attainment of the NAAQS cannot be achieved without significant additional reductions in federal source emissions. Meeting the 8-hour ozone standards, for example, requires up to 65-75 percent reduction in NOx emissions. Also, 80 percent of the NOx emissions are generated by mobile sources, many of which are preempted from state or local regulation (“federal sources”). In 2012, federal sources generated approximately 19 percent of the total NOx emissions in the Basin and will constitute an estimated 29 percent of total NOx emissions by 2032. SCAQMD acknowledges the significant air quality benefits accomplished and to be accomplished in the future with NOx and fuel sulfur requirements imposed on ships operating in coastal Emission Control Areas, but it is critical that further emission reductions are achieved from other federal sources, such as railroads, aircraft, and interstate heavy-duty trucks. More specifically, new federal engine emission standards (0.02 g/bhp-hr NOx for heavy-duty on-road engines), additional authority provided to the states, and federal funding for faster deployment of new clean technologies are essential for attainment of the ozone and particulate standards in the South Coast air basin. Attainment will not be possible without federal actions in these areas. If sufficient federal actions are not taken, states should not be held accountable for emissions that they have no authority to control.

SCAQMD is committed to meeting the NAAQS in our region and providing the public a healthy environment and economy in the process. However, without fair share reductions from federal sources, the burden is being unfairly placed on local sources. If you have any questions, please feel free to contact me at (909) 396-2100 or Dr. Philip Fine, Deputy Executive Officer, at (909) 396-2239.

Sincerely,

Barry R. Wallerstein, D.Env.
Executive Officer

Attachment: Mira Loma PM2.5 Data

cc: Philip Fine, SCAQMD
Barbara Baird, SCAQMD
Joe Cassmassi, SCAQMD

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Table A1: Days exceeding the 24-hour PM_{2.5} federal standard at the Mira Loma air monitoring station in the first quarter of 2015 with Federal Reference Method (FRM) measurements

Sample Date	Mira Loma 24-Hour PM _{2.5} Mass (µg/m ³)*	Rank
1/20/2015	56.6	1
1/1/2015	55.0	2
1/10/2015	50.0	3
2/4/2015	49.9	4
1/4/2015	47.5	5
2/19/2015	43.7	6
1/19/2015	43.2	7
2/5/2015	41.0	8
2/20/2015	40.1	9
1/8/2015	39.7	10
1/14/2015	39.5	11
1/2/2015	38.5	12
2/17/2015	38.5	12
2/6/2015	38.1	14
1/9/2015	37.2	15
1/11/2015	37.2	15
2/3/2015	36.2	17

* Preliminary data, subject to change in the validation process

Table A2: Mira Loma annual 98th percentile PM_{2.5} concentrations and 3-year design values for 2010 through 2014 and for 2015* with first quarter data

Year	Mira Loma 98th Percentile 24-Hour PM _{2.5} Mass (µg/m ³)	Mira Loma 24-Hour PM _{2.5} 3-Year Design Value (µg/m ³)
2010	36.1	41
2011	36.6	38
2012	35.1	36
2013	37.5	36
2014	40.0	38
2015 1st Quarter*	41.0	39

* Preliminary data, subject to change in the validation process