

BOARD MEETING DATE: October 7, 2016

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the September 2, 2016 meeting.

RECOMMENDED ACTION:

Approve Minutes of the September 2, 2016 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

SM:dg

FRIDAY, SEPTEMBER 2, 2016

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

Supervisor Michael D. Antonovich
County of Los Angeles

Council Member Joe Buscaino
City of Los Angeles

Mayor Pro Tem Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Larry McCallon
Cities of San Bernardino County

Council Member Judith Mitchell
Cities of Los Angeles County – Western Region

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

Council Member Dwight Robinson
Cities of Orange County

Members Absent:

Council Member Ben Benoit, Vice Chairman
Cities of Riverside County

Supervisor John J. Benoit
County of Riverside

Supervisor Shawn Nelson
County of Orange

Supervisor Janice Rutherford
County of San Bernardino

CALL TO ORDER: Chairman Burke called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Council Member Mitchell.
- Opening Comments

Councilman Cacciotti. Explained that he attended a demonstration for zero-emission lawn equipment held on August 30, 2016 at California State University, Los Angeles; and expressed optimism at expanding the use of this technology throughout the nation.

Councilwoman Mitchell. Announced that she attended the Women in Green Annual Forum on August 31, 2016, where she participated on a panel and spoke about SCAQMD and the agency's role; she toured the Los Angeles Center for Innovation; and she attended the Torrance community meeting on August 24, 2016 which was to solicit ideas from community members and other stakeholders on the use of ExxonMobil settlement monies for projects that provide public health and quality of life improvements, and thanked staff for their involvement in the meeting.

Dr. Lyou. Recognized staff's efforts at the Torrance Community Meeting; and noted that he also attended a meeting in Maywood regarding Exide Technologies.

Chairman Burke. Requested that staff provide information regarding the potential of performing a review of the Hearing Board as he has been informed of potential items of concern regarding their procedures.

Mr. Nastri agreed that staff would look into having a review performed.

CONSENT CALENDAR

1. Approve Minutes of July 8, 2016 Board Meeting
2. Set Public Hearings October 7, 2016 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations
 - A. Amend Rules 307.1, 1401 and 1402, and Approve Draft SCAQMD Public Notification Procedures for Facilities Under Toxics "Hot Spots" Information and Assessment Act (AB 2588) and Draft SCAQMD Guidelines for Participating in Rule 1402 Voluntary Risk Reduction Program

- B. Amend Regulation XX - Regional Clean Air Incentives Market (RECLAIM)
- C. Amend Regulation IX - Standards of Performance for New Stationary Sources

Budget/Fiscal Impact

- 3. Recognize and Appropriate Funds and Execute Contract for EV Charger Installation Services at SCAQMD Headquarters **E**
- 4. Execute and Amend Contracts for Hydrogen Station Upgrades, Site Changes, and Analysis and Evaluation of Hydrogen Fuel-Related Issues **E**
- 5. Transfer Funds and Execute Contract for Renewable Natural Gas Production and Vehicle Demonstration Project **E**
- 6. Recognize Revenue and Appropriate Funds to Test and Deploy Low-Cost Sensors for Monitoring Ambient Concentrations of PM2.5 and Ozone
- 7. Recognize Funds and Execute Contracts for In-Use Emissions Testing and Fuel Usage Profile of On-Road Heavy-Duty Vehicles **E**
- 8. Recognize, Transfer and Appropriate Funds, Issue RFP to Continue Implementation of Enhanced Fleet Modernization Program and Approve Eligible Participant Vouchers
- 9. Recognize and Transfer Funds, Execute Agreements for SCAQMD to Act as Supplemental Environmental Project Implementer and for Installation of Air Filtration Systems, and Reimburse General Fund for Administrative Costs
- 10. Add Deputy Executive Officer Position in Compliance and Enforcement and Assistant Deputy Executive Officer Position in Finance
- 11. Issue RFP for Supplemental Environmental Project Fund – ExxonMobil Settlement
- 12. Approve Contract for Executive Search and Recruitment Services for Executive Officer

13. Extend Contract Term and Modify Contract Provisions of Acting Executive Officer
14. Approve Contract Awards and Modification, Affirm Allocation of Funds, and Issue Solicitation Approved by MSRC

Action Item/No Fiscal Impact

15. Adopt Resolution Amending SCAQMD Records Retention Policy and Schedule

Items 16 through 24 - Information Only/Receive and File

16. Legislative and Public Affairs Report
17. Hearing Board Report
18. Civil Filings and Civil Penalties Report
19. Lead Agency Projects and Environmental Documents Received by SCAQMD
20. Rule and Control Measure Forecast
21. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2016-17
22. Status Report on Regulation XIII – New Source Review
23. Report of RFPs Scheduled for Release in September
24. FY 2015-16 Contract Activity

Councilman Buscaino announced his abstention on Item No. 4 because he has received campaign contributions from Air Products and Chemicals, Inc.

Dr. Lyou announced his abstention on Item No. 4 because Toyota and Southern California Gas Company are potential sources of income to him; on Item No. 5 because Kore Infrastructure, LLC is a potential source of income to him; on Item No. 7 because Southern California Gas Company and University of California Riverside, College of Engineering- Center for Environmental Research & Technology are potential sources of income to him; and on Item No. 14 because

Los Angeles County Metropolitan Transit Authority is a potential source of income to him.

Supervisor Antonovich announced that he serves on the Board of Directors for the Los Angeles County Metropolitan Transit Authority which is involved with Item No. 14.

Agenda Items 3, 5, 8, 11, 14 and 15 were withheld for comment and discussion.

MOVED BY CACCIOTTI, SECONDED BY ROBINSON, AGENDA ITEMS 1, 2, 4, 6, 7, 9, 10, 12, 13 AND 16 THROUGH 24, APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich Burke, Buscaino (except Item #4), Cacciotti, Lyou (except Items #4 and #7), McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSTAIN: Buscaino (Item #4 only) and Lyou (Items #4 and #7 only).

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

25. Items Deferred from Consent Calendar

3. Recognize and Appropriate Funds and Execute Contract for EV Charger Installation Services at SCAQMD Headquarters 

In response to Mayor Pro Tem Cacciotti's inquiry regarding what type of chargers are included, Dr. Matt Miyasato, DEO/Science and Technology Advancement, explained that the current project specifically includes all level 2 chargers. He added that future projects could be focused on installing DC fast charging systems.

Councilman Robinson noted that there has already been a delay in implementing this project and expressed optimism that the installation would be complete by December 2016.

MOVED BY CACCIOTTI, SECONDED BY LYOU, AGENDA ITEM 3 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Buscaino, Cacciotti, McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

5. Transfer Funds and Execute Contract for Renewable Natural Gas Production and Vehicle Demonstration Project 

Dr. Lyou left the room during discussion of Item No. 5.

Mayor McCallon expressed concern regarding the increase in funds being requested for the project since the Technology Committee's review of this item; and raised a concern regarding the financial status of the firm. He also noted that the project appears to be more of a commercial venture than a demonstration project; and inquired about who would benefit economically from this new technology.

Dr. Miyasato confirmed that the project could eventually turn into a commercial venture, but the technology is in a pilot stage and needs development and demonstration to know if this process can be successful. He added that when entering into contract negotiations regarding demonstration projects, staff discusses with providers their willingness to repay the investment made by the agency if the project is successful.

Chairman Burke recognized the efforts of staff to bring this demonstration project to fruition and expressed optimism at the potential to convert solid waste into natural gas.

Councilwoman Mitchell noted the importance of supporting such projects that not only make better use of waste products, but also provide the potential for low-NOx fuel.

Dr. Parker stressed the importance of demonstrating programs that lead to innovation in current processes.

Mayor McCallon thanked staff for the discussion and noted his support of renewable natural gas production.

Harvey Eder, Public Solar Power Coalition, addressed the Board on Agenda Item No. 5, expressing opposition to renewable natural gas, because methane contributes to global warming.

MOVED BY CACCIOTTI, SECONDED BY ROBINSON, AGENDA ITEM 5 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Buscaino, Cacciotti, McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSTAIN: Lyou.

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

8. Recognize, Transfer and Appropriate Funds, Issue RFP to Continue Implementation of Enhanced Fleet Modernization Program and Approve Eligible Participant Vouchers

Councilman Cacciotti inquired about whether the funds being recognized would be sufficient to service the over one thousand individuals on the waiting list for the vouchers

Henry Hogo, Assistant DEO/Science and Technology Advancement, responded that the funds being appropriated as a result of this item would benefit those waiting for inclusion in the program. He added that the District has continued to accept applications for the program as more funds are expected to be received in the coming months.

Councilwoman Mitchell noted that she was aware that the funds anticipated from the Cap and Trade program have been held up for some time in the legislature, however they were very recently approved and should aid greatly in fulfilling the outstanding applications.

Dr. Lyou acknowledged the importance of the program that removes high-polluting vehicles from the road; acknowledged the progress that has been made to make the project more successful; and expressed concern with focusing on additional outreach to gain more applicants, when there is still such a large backlog.

Mr. Hogo explained that funds will be deployed to address the backlog as quickly as possible.

MOVED BY CACCIOTTI, SECONDED BY MITCHELL, AGENDA ITEM 8 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

11. Issue RFP for Supplemental Environmental Project Fund – ExxonMobil Settlement

Councilwoman Mitchell explained that this item relates to the penalty funds received as a result of an explosion at the ExxonMobil refinery; and noted that the community feedback has been largely focused on an interest in projects that will include ongoing monitoring, a public warning system, and increased public outreach and education. She encouraged the approval of this item to provide additional safeguards for the community that surrounds the Torrance Refinery.

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEM 11 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

14. Approve Contract Awards and Modification, Affirm Allocation of Funds, and Issue Solicitation Approved by MSRC

Dr. Lyou left the room during discussion of Item No. 14.

Mr. Nastri noted that staff was requesting that consideration of item No. 14 be continued to the October 7, 2016 meeting.

AGENDA ITEM 14 WAS CONTINUED TO THE OCTOBER 7, 2016 MEETING AT THE CHAIRMAN'S DIRECTION.

15. Adopt Resolution Amending SCAQMD Records Retention Policy and Schedule

Dr. Lyou asked staff to address the increased amount of digital storage options and whether retention periods should be adjusted as a result of increased digitalization of records; and raised some inconsistencies in the retention of certain records.

John Olvera, Assistant DEO/Administrative and Human Resources, confirmed that the objective is to store more records in digital form; and added that staff could certainly examine the potential to extend retention periods as a result.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM 15 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

BOARD CALENDAR

26. Administrative Committee
27. Legislative Committee

28. Mobile Source Committee
29. Stationary Source Committee
30. Technology Committee
31. Special Technology Committee
32. Mobile Source Air Pollution Reduction Review Committee
33. California Air Resources Board Monthly Report
34. Ad Hoc Committee on Large Compliance Investments and Future Regulatory Certainty

MOVED BY MITCHELL, SECONDED BY ROBINSON, AGENDA ITEMS 26 THROUGH 34 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker and Robinson.

NOES: None.

ABSENT: B. Benoit, J. Benoit, Nelson and Rutherford.

Staff Presentation/Board Discussion

35. Medium- and Heavy-Duty Innovators Roundtable

Naveen Berry, Planning & Rules Manager, gave the staff presentation describing the Roundtable event held on May 18, 2016, that brought together other governmental agencies, terminal operators, and private entities. Covered topics included the technologies that lower criteria and GHG emissions, identifying the barriers and pathways to implementation, as well as the benefits, in terms of potential cost-savings, and the corresponding health benefits that could be realized with implementing the lower-emitting technologies.

Councilwoman Mitchell mentioned that during a meeting with the Engine Manufacturers Association (EMA) on the recent trip to Washington D.C., EMA indicated their preference to have the low-NOx rule enacted at the same time as the Phase II GHG rule so that the advancements to the engines can be done simultaneously; and stressed the importance of setting standards that

communicate to industry that innovation is necessary.

Dr. Lyou noted that the event was very productive and educational; and encouraged continued partnership with the businesses and purchasers of clean technology.

Councilman Buscaino acknowledged the District's role in leading the effort, along with various stakeholders, to green heavy-duty and medium-duty fleets. He noted that he had the opportunity to tour the TraPac terminal at the Port of Los Angeles the prior week and see the automated systems.

Harvey Eder, Public Solar Power Coalition, urged support for immediate, total conversion to solar powered technologies.

INFORMATION ONLY; NO ACTION NECESSARY.

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

The following individuals addressed the Board stressing the importance of the Board taking steps to protect public health by further reducing harmful pollution; detailed the negative health effects suffered by their family and friends and encouraged the Board to support technologies that will lead to better air quality:

Dr. Jim Stewart, Sierra Club
Kent Minault, Sierra Club
Joe McLaughlin, Sierra Club
Daryl Gale, Los Angeles Resident
Elias Basilio, Sierra Club Eastern Coachella Valley
Jose Alcantara, Eastern Coachella Valley Resident
Ruben Garza, Eastern Coachella Valley Resident
Diego Alaniz, Sierra Club Eastern Coachella Valley
Lourdes Baez, Sierra Club
Jason Martinez, Sierra Club
Marina Barragan, Sierra Club
Raul Medel, Sierra Club
Ignacio Ochoa, Sierra Club
Asher Jones, Sierra Club
Cristian Garza, Sierra Club
Gullit Aceved
Yvonne Watson, Sierra Club
Andrew Yip, Bike San Gabriel Valley,
Lizette Hernandez, Sierra Club
Mike Chattom, Sierra Club & Neighborhood Watts Council
Selene Hernandez, Sierra Club

Florence Gharibian, Del Amo Action Committee, encouraged the Board to support technologies that will lead to better air quality; and expressed support for better enforcement of stationary sources.

Harvey Eder, Public Solar Power Coalition, commented on the effects of methane gas including global warming.

Wesley Reutimann, Bike SGV, stressed the importance of adopting an AQMP that includes strong regulations rather than relying on incentive-based methods.

CLOSED SESSION

The Board recessed to closed session at 11:30 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 SCAQMD is a party. The actions are:

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

Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;

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

In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, SCAQMD Hearing Board Case No. 137-76 (Order for Abatement);

People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No. 4861; and

SCAQMD v. City of Moreno Valley, et al., Riverside County Superior Court, Case Nos. RIC 1511213 and RIC 1601988 (World Logistics Center).

- 54956.9(a) and 54956.9(d)(2) due to significant exposure to litigation (one case).

- And to confer regarding upcoming labor negotiations with:
 - designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: A. John Olvera; Represented Employees: Teamsters Local 911 and SCAQMD Professional Employees Association];

and to confer with:

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

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 by Chairman Burke at 12:20 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on September 2, 2016.

Respectfully Submitted,

Denise Garzaro
Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan

CARB = California Air Resources Board

CEQA = California Environmental Quality Act

EV = Electric Vehicle

FY = Fiscal Year

GHG = Greenhouse Gas

PM2.5 = Particulate Matter \leq 2.5 microns

RFP = Request for Proposals

U.S. EPA = United States Environmental Protection Agency