

BOARD MEETING DATE: July 8, 2016

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the June 3, 2016 meeting.

**RECOMMENDED ACTION:**

Approve Minutes of the June 3, 2016 Board Meeting.

Sandra McDaniel,  
Clerk of the Boards

SM:dg

---

**FRIDAY, JUNE 3, 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

Council Member Ben Benoit, Vice Chairman  
Cities of Riverside County

Mayor Michael D. Antonovich (arrived at 9:15 a.m.)  
County of Los Angeles

Supervisor John J. Benoit  
County of Riverside

Council Member Joe Buscaino (left at approximately 11:20 a.m.)  
City of Los Angeles

Council Member 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

Supervisor Shawn Nelson (arrived at 9:40 a.m.; Left at approximately 12:00 p.m.)  
County of Orange

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

Council Member Dwight Robinson  
Cities of Orange County

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 Vice Chair Benoit.
- Opening Comments

Dr. Lyou. Announced that at a luncheon a few weeks ago, Chairman Burke was the recipient of a California Air Quality Award by the Coalition for Clean Air. Dr. Lyou presented slides of the event, which also was a celebration of Chairman Burke's birthday that day.

Chairman Burke. Thanked his family and colleagues for their support and to those who attended the luncheon; and noted that with the lively discussion at the Legislative Committee meeting and panel discussion that day, it was a great day overall.

Wayne Nastri, Acting Executive Officer. Announced that on this day the SCAQMD, in conjunction with many other states and air agencies would be filing a petition with EPA for rulemaking to adopt the ultra-low NOx Exhaust Emissions Standard for On-Road Heavy Duty Trucks and Engines, as the Board had requested. He noted briefly on staff's upcoming trip to Washington DC to meet with White House and congressional members with the intent to reinforce the petition.

Councilman Cacciotti. 1) Noted that he had received from a local resident an article from the American Cancer Society dated in 1964, which indicated that a study of the aches, pains, and death rates of Californians that live in heavy smog areas produced no evidence that air pollution poses serious health risks, which shows how positions can change in agencies and also just how far we have come. 2) Announced an up-coming event that will be held on June 26, 2016, called the 626 Golden Streets Event, celebrating the opening of the Gold Line Foothill extension. The streets along the 626 route will be open to community members to walk, run, skate, bike, or scoot the 626. It is a free event that will benefit air quality.

Vice Chair Benoit. Stated that MetroLink opened up a new line in the City of Perris whereby local residents can take the train to downtown Los Angeles in an hour and a half. He rode the inaugural train from Riverside to the City of Perris and was happy to see it finally come to fruition. Hopefully it will expand as time goes on, into the City of Hemet and even the Coachella Valley.

(Mayor Antonovich arrived at 9:15 a.m.)

Councilman Buscaino. Noted that he attended a presentation in partnership with the Coalition for Clean Air at Dana Middle School, the newest STEM Magnet in the LAUSD, which is in his District. The students received a first-hand experience of the importance of clean air, through monitoring day-to-day air quality in the San Pedro area. Councilman Buscaino's son was part of the experiment and presentation monitoring two keys sites impacting youth sports organizations. Drs. Lyou and Parker were both in attendance as well.

Dr. Lyou. Noted that the students did a wonderful job on their presentations and mentioned that the event was made possible through a grant from the Harbor Community Benefit Foundation.

Dr. Parker. Commented that he was very impressed with how these young people stated very technical hypotheses and if they were accepted or rejected. He encouraged continuing these types of events so that interest in this field can continue and possibly produce people dedicated to cleaning the air in the future.

## **CONSENT CALENDAR**

1. Approve Minutes of May 6, 2016 Board Meeting

### ***Budget/Fiscal Impact***

2. Recognize Revenue and Execute Contract for Development and Demonstration of Ultra-Low Emission Natural Gas Switcher Locomotive **E**
3. Execute Contracts for Technical Assistance for Advanced, Low and Zero Emission Mobile and Stationary Source Control Technologies and Implementation of Incentive Programs
4. Issue Program Announcement for Heavy-Duty Diesel Trucks and Transport Refrigeration Units Under Proposition 1B-Goods Movement Program **E**

5. Recognize and Transfer Revenue and Appropriate Funds for Monitoring Programs and Lab Analysis, Issue Solicitations and Execute Contract and Purchase Orders for Field and Laboratory Equipment, and Transfer Funds for Enhanced Particulate Monitoring Program
6. Execute Contract for Landscape Maintenance at Diamond Bar Headquarters (***Continued from May 6, 2016 Board Meeting***)
7. Issue RFP for Executive Search and Recruitment Services
8. Execute Contract for Deferred Compensation Plan Consultant Services
9. Amend Contract for Website Evaluation and Improvement
10. Execute Contract for Protocol Development Support for Reconciling Air Quality Monitoring Data with Dispersion Modeling Results
11. Execute Contracts with Consultants to Provide CEQA Assistance
12. Approve Transfer of Monies from General Fund to Health Effects Research Fund
13. Establish ExxonMobil Settlement Projects Special Revenue Fund
14. Appropriate Funds and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services
15. Approve Contract Award and Issue Solicitation Approved by MSRC

**Items 16 through 22 - 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. Report of RFPs/RFQs Scheduled for Release in June
22. Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2015-16

**BOARD CALENDAR**

24. Administrative Committee
25. Investment Oversight Committee
26. Legislative Committee
27. Mobile Source Committee
28. Stationary Source Committee
29. Technology Committee
30. Mobile Source Air Pollution Reduction Review Committee
31. California Air Resources Board Monthly Report

Dr. Lyou announced his abstention on Item No. 2 because Southern California Gas Company and the Port of Long Beach are potential sources of income materially affected by the item; on Item No. 3 because Gladstein, Neandros and Associates is a potential source of income materially affected by the item; and on Item No. 15 because Cummins Westport Inc. is a potential source of income materially affected by the item.

Agenda Items 1, 8, 9, 26 [recommended position on SB 1387 (De Leon) only] and 27 were withheld for comment and discussion.

MOVED BY J. BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEMS 2 THROUGH 7, 10 THROUGH 26 [except recommended position on SB 1387 (De Leon)], AND 28 THROUGH 31, APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou (*except Items #2, 3, 15 and #26*), McCallon, Mitchell Parker, Robinson and Rutherford.

NOES: Lyou (Item #26 only).

ABSTAIN: Lyou (*Items #2, 3 and #15 only*).

ABSENT: Nelson.

23. Items Deferred from Consent Calendar

1. Approve Minutes of May 6, 2016 Board Meeting

MOVED BY LYOU, SECONDED BY CACCIOTTI, TO CORRECT THE MINUTES AS SET FORTH BELOW, CARRIED BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson and Rutherford.

NOES: None.

ABSENT: Nelson.

Dr. Lyou announced his abstention on Item No. 3 because UPS and Complete Coach Works are potential sources of income to him; and on Item No. 5 because **of a financial interest in CVS** is a potential source of income to him.

Councilwoman Mitchell announced her abstention on Item No. 5 because **of a financial interest in** CVS is a potential source of income to her.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM 1 APPROVED AS AMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson and Rutherford.

NOES: None.

ABSENT: Nelson.

8. Execute Contract for Deferred Compensation Plan Consultant Services

Councilman Cacciotti inquired about the cost of administration of the Deferred Compensation Plan Services by its contractor, Better Financial Group.

William Johnson, Assistant DEO/Administrative and Human Resources, explained that the cost is the same as in prior years, \$30,000 to be paid out of the Plan Reimbursement Account (PaRA) not directly from the employee contributions, which was set up by Mass Mutual and will remain that amount for the next three years.

Supervisor Benoit questioned SCAQMD's selecting the low bidder, even though the attachments show that the high bidder scored better in several categories.

Mr. Johnson explained that the three-member review panel included SCAQMD's Controller and a Finance Director from a local municipality; the SCAQMD has been with Benefit Financial Services Group (BFSG) for a number of years; and that while BFSG may have less points because their proposal was not as sophisticated as the proposals submitted by the other bidders, staff is confident in BFSG's ability to provide fiduciary oversight.

Supervisor Benoit expressed his concern, but indicated that he would support staff's recommendation.

MOVED BY CACCIOTTI, SECONDED BY  
J. BENOIT, AGENDA ITEM 8 APPROVED AS  
RECOMMENDED, BY THE FOLLOWING  
VOTE:

AYES: Antonovich, B. Benoit, J. Benoit,  
Burke, Buscaino, Cacciotti, Lyou,  
McCallon, Mitchell, Parker,  
Robinson and Rutherford.

NOES: None.

ABSENT: Nelson.

9. Amend Contract for Website Evaluation and Improvement

Councilman Cacciotti stated his gratitude for the new website and thanked everyone who participated in the makeover of the website.

MOVED BY CACCIOTTI, SECONDED BY J. BENOIT, AGENDA ITEM 9 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson and Rutherford.

NOES: None.

ABSENT: Nelson.

[Agenda Item 26, Position on SB 1387 (De Leon) only was held until arrival of Supervisor Nelson]

27. Mobile Source Committee

Mr. Nastri read into the record the following correction to a statement made by Lee Wallace in Paragraph Two on Page Four of the Report :

“Mr. Lee Wallace, a consultant for the SoCal Gas Company agreed with the vehicle estimates presented by CARB and supported a low NOx gaseous fuel option. ‘He noted that the use of natural gas renewable fuel will assist heavy-duty trucks in achieving **greenhouse gas reductions when combined with** a future 0.02 grams/bhp-hr **NOx**’ engine standard and referenced the E3 PATHWAYS feasibility study sponsored by several state agencies.”

*(note: bold, underlined is language requested to be added)*

Dr. Parker inquired if Mr. Wallace was misquoted in the final report and what was reported versus what was actually said.

Dr. Lyou stated that it appeared that there was a mix-up regarding the point Mr. Wallace was making about renewable fuels going toward greenhouse gas reductions versus NOx reduction, and that the corrections clarify how renewable fuels will help reduce the greenhouse gas emissions when combined with an ultra-low NOx engine.

Dr. Fine noted that staff paraphrased what was said at the Mobile Source Committee meeting and that this correction would provide clarity.

Dr. Parker further questioned if clarity of the statement was being added or if they were actual changing the words that were actually stated. As Chair of the Committee and the one who reviewed and approved the report, he wanted to be sure that it related to what was said verbatim versus what we thought we heard.

Ms. Baird explained that Mr. Wallace actually provided the wording and requested that the correction be made. Mr. Nastri read into the record what Mr. Wallace actually said; it was a misinterpretation in the draft minutes/report that was submitted in Item 27.

Supervisor Benoit urged staff to provide a red-lined version if changes were going to be made like this so that the changes could be looked at before the Board weighed in on the changes.

MOVED BY CACCIOTTI, SECONDED BY  
B. BENOIT, AGENDA ITEM 27 RECEIVED  
AND FILED AS MODIFIED, BY THE  
FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit,  
Burke, Buscaino, Caccotti, Lyou,  
McCallon, Mitchell, Parker,  
Robinson and Rutherford.

NOES: None.

ABSENT: Nelson.

32. Status Update of Southern California Gas Company's Underground Natural Gas Storage Facilities Operating in SCAQMD

Mohsen Nazemi, DEO/Engineering and Compliance, gave the staff presentation. He noted the locations, histories, and current status of the gas storage sites in southern California. He also noted that new leak detection rulemaking is being considered and scheduled to be brought to the Board for adoption sometime in the fall of this year.

(Supervisor Nelson arrived at 9:40 a.m.)

Mayor Antonovich inquired whether or not the tubing on the remaining 114 wells in Aliso Canyon had been removed so that gas could not be injected back into the wells.

Mr. Nazemi explained that under the Governor's order gas could not be injected into the reservoirs until DOGGR had completed their investigations and inspection of all the wells, which is expected to still take several months.

Mayor Antonovich questioned the integrity of the wells, which are 60-70 years old, as well as safety issues resulting from the removal of the safety

valves. He inquired as to whether or not the Gas Company should be replacing these wells, and if there is only one company and one supplier of natural gas.

Mr. Nazemi responded that safety is always a concern; and that the natural gas is coming from other states, but the Gas Company owns the pipeline that brings the gas into California.

Mayor Antonovich expressed concern about the long term health impacts that may develop over time, as well as voiced his frustration over how the Gas Company has failed in responding to the affected residents. He thanked staff for the comprehensive report.

Dr. Parker asked, with all the leaking wells and being able to see the methane gases erupting to atmosphere, if fines were being assessed for all the pollutants that have been emitted into the air.

Mr. Nastri noted that the magnitude of the leaks was previously unknown and that is what is driving U.S. EPA, CARB, and SCAQMD to develop proposed regulations to address oil and gas wells. As far as penalties, because of their existing program, CARB has the ability to recover penalties; however, SCAQMD has been in talks with CARB about those penalty dollars being spent within the South Coast Air Basin.

Dr. Parker questioned since staff has indicated that SCAQMD has consistently been working in Porter Ranch since February and we are discovering all of these air quality issues, if SoCal Gas has been participating in the Cap-and-Trade matter, buying credits, and they have deceived us and are not meeting the mandates.

General Counsel Kurt Wiese explained that SCAQMD has filed a civil penalty action for public nuisance in which SCAQMD expects to recover the costs as part of that lawsuit. Additionally, he noted that methane is an exempt compound for the purpose of ozone regulations; therefore, ARB regulates methane emissions, as Mr. Nazemi previously stated. However, we can expect to recover costs from our lawsuit for public nuisance.

Councilman Robinson inquired about the life cycle of a well, and whether there is a legal definition of "public nuisance".

Mr. Nazemi explained that the wells consist of various components that have different life cycles, however, the tubing and the surface casing, which are made of different types of materials are what is inspected to determine the integrity of the well.

Mr. Wiese commented that there is a legal definition in the Health and Safety Code that SCAQMD adheres to and upon which SCAQMD's lawsuit is based.

Dr. Burke commented that these reservoirs were holes in the ground that oil was taken from, that there were no tanks down there, so there is no life cycle to them other than seismic activity or maybe the impact from the drought because the water table has diminished so much. Therefore, the whole life cycle is about the extrusion equipment, not the reservoir itself.

Councilwoman Mitchell expressed concern that if each of the wells showed some amount of leakage and as time goes on with leaks continuing to occur; SCAQMD does not regulate that, and she questioned who regulates it, and who is minding what is occurring at this equipment and wells.

Mr. Nazemi explained that SCAQMD's investigation and inspection were at the components above ground held by an instrument close to the component to detect leaks, and that SCAQMD proposes to develop a rule similar to the fugitive emissions rule for refineries and chemical plants that allows them to do their own inspections and repairs first. Then, when SCAQMD goes out and does an inspection and finds a leak, a notice of violation would then be issued. The SCAQMD has jurisdiction above ground, and DOGGR has jurisdiction underground.

Councilwoman Mitchell inquired whether or not a penalty was being assessed for every day of the week for the public nuisance penalty, and as to the penalty amount.

Mr. Wiese stated that the Health and Safety Code has different levels of penalty based on the factual circumstances that occurred at the time of the violation.

Bayron Gilchrist, Assistant Chief Deputy Counsel added that the strict liability provision starts at \$10,000 per day, negligence is up to \$25,000 per day, knowing is \$40,000 per day, and additional amounts if actual injury suffered by people as a result can go up significantly higher, if you can establish that.

Councilwoman Mitchell further inquired about the consolidated lawsuits, specifically as to how the penalty damages would be disbursed and if the SCAQMD penalties could be segregated from the other agencies and private litigants in the consolidated lawsuit.

Mr. Wiese explained that there would be a definite separation from the private litigants. With respect to the public agencies, SCAQMD is taking the position of independent authority, thereby having an independent right to those penalties, and that the penalties will go back into the community.

Councilman Cacciotti inquired about a study funded by SCAQMD approximately two years ago at UCLA on the impact of exposure to methane or carbon dioxide on human cells, to see if a presentation could be done in regards to the long term health impacts that Mayor Antonovich mentioned earlier.

Dr. Fine stated that he would have to get back to the Board on the results of that study after looking it up, but warned that there would be some differences in exposure to pure natural gas leaks and exposure to combustion products after natural gas has been burned.

-0-

As Supervisor Nelson was now present, the Board proceeded with consideration of SB 1387 (De Leon).

26. Legislative Committee [Position on SB 1387 (De Leon) only]

Supervisor Nelson urged his fellow Board Members to reject action taken in Sacramento at the Senate hearing, and to oppose SB 1387 and not to take a “watch” position as recommended by the Legislative Committee.

Councilwoman Mitchell explained the two components of SB 1387; first, to add three new Board Members to the SCAQMD Board who would be from the environmental justice (EJ) communities, which she thought was a good idea, since the EJ communities generally do not have a strong voice; and second, ARB having oversight authority on any RECLAIM program adopted by any district in the State, which was the section that the Legislative Committee took a “watch” position on so that the Board could work with ARB on finding a resolution that will work for air districts throughout the State.

Chairman Burke commented that he thought there was some ambiguity in whether CARB had the right to review this Board’s decision and that SB 1387 would clarify that.

Mr. Nastri explained that SB 1387 provided clarity on CARB’s authority on the RECLAIM provision, but the ultimate authority is the SIP submittal, which is where absolute authority lies.

Dr. Lyou commented on how extraordinarily broad CARB’s authority is in the Health and Safety Code, but that the default position in SB 1387 says that the Board cannot adopt any changes to RECLAIM without CARB saying it is okay. In the existing Health and Safety Code sections, it appears CARB has to take affirmative action to oppose anything this Board does. However, he is not comfortable in taking an “opposed” position at this time.

Chairman Burke stated that after speaking with someone in the legislature, he is convinced that SB 1387 will be put in the budget; that it will be out in June, and that it will be effective in July.

Dr. Lyou stated that he did not know for certain Sacramento’s plan; however, he acknowledged that to avoid fights in the Assembly, it was probably better to go through the budget, although this was not known for certain.

Chairman Burke further stated that he did not see any problem with the way the SCAQMD Board was operating and was viscerally opposed to the portion of SB 1387 pertaining to CARB's oversight authority.

Dr. Lyou expressed support for taking a narrow position on the legislation, to try to change that default position that CARB would have to take a position on anything the Board passed in regards to RECLAIM; however, he was not supportive of a blanket opposition to the entire legislation.

Dr. Parker stated that when he was appointed to the Board by Senator Steinberg, he was told that Steinberg would not get involved in anything that he did on the Board. Shortly after the Board's recent vote on RECLAIM, he received a letter from the Senate Environmental Select Committee, inviting him to testify because they wanted to understand what the Board had done and if it was in the best interest for the region. The hearing was never held, but shortly after, SB 1387 was developed. His vote on the Legislative Committee's recommended position on this item was so that the Board's input could be considered; saying "no" and rejecting the opportunity to talk, he believes, is not in the Board's best interest for all involved.

Councilman Robinson stated that he does not have a problem with adding more members to the Board, but feels offended that Sacramento might think the people on this Board are not concerned about the residents of environmental justice communities. He also stated that he believes that the Board can oppose SB 1387 and still be part of the conversation; therefore, he will support the motion to oppose SB 1387.

Chairman Burke inquired if any members of the Board were opposed to both sections of SB 1387.

Supervisor Nelson stated that Senate hearing on this issue had nothing to do with CARB; it was about diluting this Board and changing the Board's make-up. He reiterated that SB 1387 was developed because the Senate believes this Board is rolling back regulations and needs more people to represent EJ communities because, in their minds, the existing Board does not adequately do that.

Supervisor Rutherford commented that the Legislators do not understand what this Board has done and is doing; and that communication between Sacramento and this Board needs to improve, by taking a clear position on SB 1387 and telling Sacramento that no interference is needed.

Councilman Buscaino noted that there is a political will in Sacramento that wants to change the make-up of this Board. If the Board opposes this bill, Sacramento is going to ignore and not include us in the dialogue; they may completely shut the door moving forward.

MOVED BY RUTHERFORD, SECONDED BY B. BENOIT, THE BOARD ADOPTED AN "OPPOSE" POSITION ON SB 1387 (De Leon), BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, McCallon, Nelson, Robinson and Rutherford.

NOES: Burke, Buscaino, Cacciotti, Lyou, Mitchell, and Parker.

ABSENT: None.

### **PUBLIC HEARINGS**

33. Receive Public Input on Acting Executive Officer's Draft Goals and Priority Objectives for FY 2016-17

Mr. Nastri, explained that this item contains the revised policies and priorities that incorporate transparency as directed by the Board, and is now seeking additional comment from the public and the Board.

(Councilman Buscaino left at approximately 11:20 a.m.)

Supervisor Nelson inquired about standing permit requests and the processing time for permit applications. He also requested an aging report be developed to show which permits are sitting and the amount of time it actually takes for permits to be issued.

Dr. Burke stated that the permitting information should be in a report from the permit streamlining task force which was created to ensure that permit issuance was performed timely.

Mr. Nastri commented that this is an area that is being closely monitored and a detailed report will be prepared for the Board.

Mayor McCallon noted the need for some minor clarifications/corrections as in Objective No. 3 (Goal I), that the EO does not in fact personally develop a natural gas engine, although development is supported through funding; and, in Objective No. 17 (Goal I), that the attorney works for the Board, not the Acting EO.

There was discussion on whether or not General Counsel reports to the EO or to the Board. Mr. Wiese clarified that the attorney represents and reports to the Board. However, there is distinction in the legal work done, for the Board and the agency prosecution, which the Board has historically found it appropriate for the EO to focus on that area, with delegation from the Board.

Mr. Nastri commented that he does work closely with the attorney; however, changes can be made in the organizational chart and in the Goals and Objectives to better reflect the relationship between the EO and legal counsel.

Dr. Lyou expressed support for the item, giving special attention to the transparency measures; but, agreed with fellow board members on the need for an aging report to be provided regularly in the Board package on the status of all permits, every category and type to be included. He also stated that he is aware of how hard staff works on processing permits, so this report will help to understand if more resources are needed or amendments made so that permits go through more efficiently. In regard to the EO and the attorney, it is clear to him that the General Counsel reports to the Board. The Board does the personnel review for the General Counsel and Health and Safety Code gives the Board the right to hire and fire the General Counsel; but, on a day-to-day basis, the General Counsel works with the EO to make sure that the legal status and prosecutions go as they should.

Supervisor Rutherford stated that when goals and objectives are set, besides the outcome, there also needs to be a matrix and timeline established to achieve the outcome: Some examples of matrixes and timelines had been shared with staff showing formats that might make tracking the work product easier as the Board assesses the EO's accountability to achieve the goals and objectives.

Mr. Nastri noted his review of the tracking mechanism, and indicated working with similar mechanisms. He believes a program can be developed that will produce a report, once frequency is determined.

Supervisor Rutherford commented on the earlier discussion of the relationship between the attorney and the EO, indicating a possible shift in culture that reflects the continued need for being more transparent; this would include coming up with goals for, or to review, our existing policies and practices with regard to disclosure and nepotism. The Board and the agency needs to be willing and able to provide documentation and data that we used to arrive at a certain outcome, so that the public can make the same assessment and evaluation. In regard to nepotism, State law governs hiring actual family members; however, we need to explore a policy so that we do not create financial, inappropriate, political, or other relationships with others that we work with in our outside lives, possibly by using full disclosure documents that list all the relationships to allow the appointing authority to fully understand the implications of an appointment.

Vice Chair Benoit stated he was glad to see Objective No. 6 under Goal III, engage in enhanced development of the geographic information system (GIS) mapping capabilities, which will make it easier for people to find something on the website.

Chairman Burke recalled that years ago, prior to permit streamlining action taken, the District had a backlog of approximately 18,000-22,000 permits in the system; and he asked staff if that type of situation was occurring again.

Mr. Nazemi explained that there are about 7,000 permits being processed. About half of those permit applications are moving through the process on a timely basis; and, he noted, a few hundred --not a few thousand--of those are businesses waiting for District action before they can begin construction.

Supervisor Benoit stated that since permitting is such an important part of what SCAQMD does, as well as how it is judged, that a matrix should be developed so that this information can be tracked on the website, as part of improved transparency.

(Supervisor Nelson left at approximately 12:00 p.m.)

The public hearing was opened and the following individuals addressed the Board on Agenda Item 33.

CURTIS COLEMAN, Southern California Air Quality Alliance

Expressed support for the EO Goals and Objectives, especially the transparency issue that was immediately addressed with Mr. Nastri's appointment; is encouraged that the Board members raised the issue of permitting, ensuring that the permit processing would continue to be addressed; and noted that staff training is a priority, so that replacements could be trained and plugged in to minimize delays caused by the recent retirements and the unfilled vacant positions.

JOE McLAUGHLIN,

Urged the Board to move away from energy that requires burning things, and that moving ahead with progress in mind there will always be changes that affect people.

LIZETTE HERNANDEZ, Sierra Club

Expressed concern that major loopholes exist in regard to the black box, which has not been addressed in the priority objectives of this document; that the areas most impact by air pollution are EJ communities and that the Board should be mindful of the conversations they have because the EJ communities should be included in what is done about cleaning the air.

HARVEY EDER, Public Solar Power Coalition

Urged for the District to focus on immediate total solar conversion and that should be included in the goals listed in this document.

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

MOVED BY J. BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 33 APPROVED, INCORPORATING THE FY 2016-17 DRAFT GOALS AND PRIORITY OBJECTIVES INTO THE PREVIOUSLY-ADOPTED FY 2016-17 SCAQMD BUDGET, WITH CONSIDERATION TO RESPOND TO THE ISSUE OF CREATING AN ACCESSIBLE MONITOR OF QUALITY OF WORK ON PERMIT TIMELINES, AND OTHER ISSUES MENTIONED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson and Rutherford.

NOES: None.

ABSENT: Antonovich, Buscaino and Nelson.

34. Amend Rule 1110.2 - Emissions from Gaseous- and Liquid-Fueled Engines

Staff presentation was waived.

Dr. Lyou expressed concern when the staff backs off of regulatory requirements that are technology forcing, when the District adopts these regulations, that markets are created and people who have gotten investors to support the technology may not be willing to come forward the next time if they believe that the market may disappear. Staff need to be aware so as to avoid setting a bad precedence that may come back negatively when it is time to adopt technology forcing regulations.

Dr. Fine explained that this is a very narrow exemption for one company and it is not necessarily backing off a regulation. Compliance dates were extended when the Board amended the Rule in December 2015; this action is a follow-up per the Board's motion in December.

MOVED BY J. BENOIT, SECONDED BY ROBINSON, AGENDA ITEM NO. 34 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 16-8 CERTIFYING THE SUBSEQUENT ENVIRONMENTAL ASSESSMENT AND AMENDING RULE 1110.2, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson and Rutherford.

NOES: None.

ABSENT: Buscaino and Nelson.

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

Harvey Eder, Public Solar Power Coalition, urged converting to solar as soon as possible, but warned that renewable natural gas is extremely dangerous to public health.

**CLOSED SESSION**

The Board recessed to closed session at 12:10 p.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;

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

In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);

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

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;

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

SCAQMD v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 13-73936 (Morongo Redesignation).

SCAQMD v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 15-71600 (Pechanga Redesignation)

- 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (two cases).

Harvey Mark Eder, et al. v. EPA, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 16-71455 (Intervene)

Following closed session, General Counsel Kurt Wiese announced that a report of reportable actions taken in closed session will be filed with Clerk of the Boards office and made available to the public on request.

## **ADJOURNMENT**

There being no further business, the meeting was adjourned by Kurt Wiese at 1:20 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on June 3, 2016.

Respectfully Submitted,

Altheresa Rothschild  
Deputy Clerk Transcriber

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

---

Dr. William A. Burke, Chairman

---

**ACRONYMS**

AQMP = Air Quality Management Plan  
CARB = California Air Resources Board  
DOGGR = Division of Oil, Gas & Geothermal Resources  
EV = Electric Vehicle  
FY = Fiscal Year  
GHG = Greenhouse Gas  
LAUSD = Los Angeles Unified School District  
MSRC = Mobile Source Air Pollution Reduction Review Committee  
NOx = Oxides of Nitrogen  
SIP = State Implementation Plan  
STEM = Science Technology Engineering Math  
U.S. EPA = United States Environmental Protection Agency