

BOARD MEETING DATE: November 4, 2016

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the October 7, 2016 meeting.

RECOMMENDED ACTION:

Approve Minutes of the October 7, 2016 Board Meeting.

Denise Garzaro,
Clerk of the Boards

DG

FRIDAY, OCTOBER 7, 2016

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at the Mission Inn Hotel, 3649 Mission Inn Avenue, Riverside, California. Members present:

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

Council Member Ben Benoit, Vice Chairman
Cities of Riverside County

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

Supervisor John J. Benoit
County of Riverside

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

Supervisor Shawn Nelson (arrived at 9:50 a.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 9:00 a.m.

- Pledge of Allegiance: Led by Supervisor Benoit.
- Opening Comments

Councilwoman Mitchell. Announced that she participated in a roundtable at the Diesel Technology Forum in Sacramento, which brought together a number of OEMs and government agencies. She noted that she also participated in an awards ceremony for the South Bay Services Environmental Committee's Green Building Challenge, which highlighted a number of positive projects being undertaken by businesses in the South Bay region.

Supervisor Benoit. Extended a welcome to the City of Riverside; and expressed thanks to the staff at CE-CERT who hosted a tour of the facility and the future site of CARB's new facility in Riverside; and noted what a terrific opportunity it will be to have these great research organizations so close together with a similar focus on air quality.

Dr. Lyou. Noted that he recently had the opportunity to tour a Boeing facility; he attended the joint Board meeting with the San Joaquin Valley Air Pollution Control District and also attended a meeting held in conjunction with the EPA in Torrance about emergency plans and risk management issues at refineries. He explained that after the meeting in Torrance, he visited the Chevron Refinery and toured their Refinery Optimization Center, where they have taken nine different operations at the Refinery and centralized them at a single control center which has the benefits of improved operational capabilities and safety performance. He applauded Chevron for making this investment that has not only led to emission reductions, but also improved their productivity.

Councilman Cacciotti. Noted his appreciation for holding the mobile Governing Board meeting at a location so near to mass transit; and explained how he traveled to the event by train.

Chairman Burke. Expressed appreciation to Supervisor Benoit for organizing a tour of the CE-CERT facility at UC Riverside the night prior to the meeting; and noted the impressiveness of the facility and the technology that has been developed there.

Mr. Nastri. Explained that James Strock, former CalEPA Secretary and U.S. EPA Assistant Administrator, has been retained to review the operations of the Hearing Board as a result of the Chairman's request at the September 2, 2016 meeting. He noted that staff was requesting that Item 34 be pulled from consideration to allow for further collaboration with stakeholders.

CONSENT CALENDAR

1. Approve Minutes of September 2, 2016 Board Meeting
2. Set Public Hearing November 4, 2016 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations

Amend Rule 1325 – Federal PM2.5 New Source Review Program and
Amend Rule 1302 - Definitions

Budget/Fiscal Impact

3. Recognize Revenue, Transfer Funds, and Execute Contract to Develop and Demonstrate Fuel Cell Heavy-Duty Truck **E**
4. Transfer and Appropriate Funds, Amend Contract to Enhance Website Application Process for Enhanced Fleet Modernization Program, and Reimburse Administrative Costs
5. Recognize Funds and Amend Contract for Development, Integration and Demonstration of Ultra-Low Emission Natural Gas Engine for On-Road Heavy-Duty Vehicles **E**
6. Recognize Revenue and Appropriate Funds to Engage, Educate, and Empower California Communities on Use and Applications of “Low-Cost” Air Monitoring Sensors
7. Adopt Resolution Recognizing Funds and Accepting Terms and Conditions for FY 2015-16 Carl Moyer State Reserve Fund Award, and Execute Contracts for FY 2015-16 “Year 18” Carl Moyer Program and SOON Provision **E**
8. Recognize Funds and Amend Award for Locomotive Replacement Project **E**
9. Execute Sole Source Contract for Maintenance and Service Agreement for SCAQMD Headquarters’ Energy Management System
10. Execute Contract for Biennial Audit of Motor Vehicle Registration Revenues for FYs 2013-14 and 2014-15

11. Amend Lease Agreement with City of Diamond Bar for Use of SCAQMD Facility
12. Execute Lease and Maintenance Agreement for Printing Equipment and Copiers
13. Status of Rule 1118 Mitigation Funds
14. Appropriate Funds and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services
15. Approve Amendments to Labor Contracts with Teamsters Local 911 and SCPEA, and to Administrative Code Provisions for Non-Represented Employees, Relating to Health Insurance Premiums
16. Approve Contract Awards and Modification, Affirm Allocation of Funds, and Issue Solicitation Approved by MSRC

Items 17 through 23 - Information Only/Receive and File

17. Legislative and Public Affairs Report
18. Hearing Board Report
19. Civil Filings and Civil Penalties Report
20. Lead Agency Projects and Environmental Documents Received by SCAQMD
21. Rule and Control Measure Forecast
22. Report of RFQs Scheduled for Release in October
23. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2016-17

Supervisor Benoit announced his abstention on Item No. 7 because he has received campaign contributions from West Coast Turf Construction.

Dr. Lyou announced his abstention on Item No. 3 because the Port of Long Beach is a potential source of income to him; on Item No. 5 because Cummins Westport, Inc, Clean Energy, and Southern California Gas Company are potential

sources of income to him; on Item No. 6 because Bay Area AQMD and Sacramento APCD are potential sources of income to him; on Item No. 7 because Foothill Transit is a potential source of income to him; and on Item No. 16 because Foothill Transit, SCAG, City of Riverside, Los Angeles County Metropolitan Transportation Authority and Riverside Transit Agency are potential sources of income to him.

Supervisor Rutherford announced her abstention on Item No. 16 because she has received campaign contributions from Athens Services.

Councilwoman Mitchell announced that she serves on the Regional Council for SCAG which is involved with Item No. 16. Councilman Buscaino announced that he serves on the Regional Council for SCAG and on the Board of Directors for the Los Angeles County Sanitation Districts which is involved with Item No. 16. Mayor McCallon announced that he serves on the Regional Council for SCAG and on the Board of Directors for the SCRRA which is involved with Item No. 16. Supervisor Antonovich announced that he serves on the Regional Council for SCAG and on the Board of Directors for the SCRRA, Los Angeles County Sanitation Districts, and the Los Angeles County Metropolitan Transportation Authority and Supervisor for the LADWP which is involved with Item No. 16. Councilman Robinson and Councilman Benoit announced that they serve on the Transportation Committee for SCAG which is involved with Item No. 16.

Agenda Item 10 was withheld for comment and discussion.

MOVED BY CACCIOTTI, SECONDED BY J. BENOIT, AGENDA ITEMS 1 THROUGH 9 AND 11 THROUGH 23, APPROVED AS RESOLUTIONS NO. 16-10 RECOGNIZING FUNDS AND ACCEPTING THE TERMS AND CONDITIONS FOR FY 2015-16 CARL MOYER STATE RESERVE FUND YEAR 18 AWARD, AND NO. 16-11 AMENDING SCAQMD'S ADMINISTRATIVE CODE, TO APPROVE, FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES, ATTORNEY CLASSES, DESIGNATED DEPUTIES, THE EXECUTIVE OFFICER, AND THE GENERAL COUNSEL, AN ADDITIONAL INCREASE OF \$45.00 PER MONTH PER EMPLOYEE FOR THE CONTRIBUTION TOWARDS HEALTH INSURANCE PREMIUMS EFFECTIVE JANUARY 1, 2017, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit (*except Item #7*), Burke, Buscaino, Cacciotti, Lyou (*except Items #3, #5, #6, #7 and #16*), McCallon, Mitchell, Parker, Robinson and Rutherford (*except Item #16*).

NOES: None.

ABSTAIN: J. Benoit (*Item #7 only*), Lyou (*Items #3, #5, #6, #7 and #16 only*) and Rutherford (*Item #16 only*).

ABSENT: Nelson.

24. Items Deferred from Consent Calendar

10. Execute Contract for Biennial Audit of Motor Vehicle Registration Revenues for FYs 2013-14 and 2014-15

Councilman Cacciotti raised a concern regarding discussions he was made aware of that were held at City Council meetings regarding utilizing AB 2766 funds for projects other than what the funds were intended to be used for which is motor vehicle emission reductions; and asked staff to respond regarding their involvement with this matter.

Kurt Wiese, General Counsel, replied that he contacted the parties who Councilman Cacciotti notified him were involved in the discussions and clarified the required use of the funds.

Supervisor Antonovich stressed the urgency with which this issue should be addressed to ensure that the funds are not used improperly.

Councilman Cacciotti asked staff to draft a letter in the coming week setting forth the policy position of the Board regarding the specific purpose of the funds.

Mr. Nastri confirmed that along with ensuring this specific issue was addressed completely, staff would draft a letter to all recipients in the program reiterating the statutory requirements for utilizing the funds.

MOVED BY CACCIOTTI, SECONDED BY B. BENOIT, AGENDA ITEM 10 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: Nelson.

Dr. Lyou requested to pull the Stationary Source Committee report from the Board Calendar for discussion.

28. Stationary Source Committee

Angela Johnson Meszaros, Earthjustice and Sierra Club, addressed the Board on Agenda Item No. 28, explaining that she submitted a letter regarding Rule 1304.2, which was discussed at the last Stationary Source Committee meeting. She expressed opposition to the proposed rule which brings unneeded air pollution to the region by allowing fossil fuel power plant developers to access the District's bank of emission reduction credits. Those credits are required by the federal Clean Air Act and staff has asserted that they are not easily and inexpensively available on the market. The purpose of the rule is to intervene in the market to make sure that ERCs are cheap and available, so it acts as a subsidy to fossil fuel power plant developers. She encouraged the Board to focus on storage solutions for dealing with energy concerns; and stressed the importance of not supporting initiatives that have high negative health and economic impacts.

Mr. Nastri noted that there was a protracted discussion regarding this matter at the Committee meeting, which resulted in direction from Councilman Benoit for staff to look into potential alternatives to the proposal. He added that, after those alternatives are further investigated, the matter will return to the Committee for further consideration.

Dr. Phillip Fine, DEO/Planning and Rules, provided background information for the rule development process which began over two years ago when it was assumed that there would be a dire need for energy generation in the region as a result of the closure of the San Onofre Nuclear Generating Station in 2013. Even though that did not materialize to the extent that was anticipated, staff brought the proposed rule to the Committee for direction. The direction given was to place the rule on the forecast calendar for 2017, as well as to investigate alternative methods for allowing access to credits in a limited or short term manner. He explained that the intent is to build safeguards into the rule that will only allow access to the credits as a last resort, when it has been deemed absolutely necessary as a result of

completing the CEC and PUC public process to determine the need for a new power plant.

Chairman Burke inquired about the possibility of alternatively leaving the determination up to the Board on whether to issue the credits on a case-by-case basis.

Dr. Fine responded that the potential to craft a rule that would set up a structure whereby the final approval of any access to the credits would require Board action has been discussed and could certainly be vetted further.

Dr. Lyou noted that the CEC and the PUC process is not concerned with the emissions that would be released in the basin as a result of approving a new power plant, and it is the District's responsibility to ensure that air quality continues to improve and not be impacted by more pollution. He stressed the importance of focusing on higher priority concerns before initiating a rulemaking of this nature.

(Supervisor Nelson arrived at 9:50 a.m.)

Mr. Nastri noted that staff was continuing to investigate a variety of options and would be taking the Board's comments as well as stakeholder input into consideration as the rule development process moves forward, after finalization of the AQMP.

MOVED BY LYOU, SECONDED BY MCCALLON, AGENDA ITEM 28 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE STATIONARY SOURCE COMMITTEE REPORT, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: None.

BOARD CALENDAR

- 25. Administrative 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

MOVED BY CACCIOTTI, SECONDED BY B. BENOIT, AGENDA ITEMS 25 THROUGH 27 AND 29 THROUGH 31 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: None.

Staff Presentation/Board Discussion

32. AQMP Update

Phillip Fine, DEO/Planning and Rules, explained the process that has occurred in the development of the AQMP and highlighted the major revisions that have been made to the draft plan.

Supervisor Benoit asked staff to explain the status of the U.S. EPA's regulation of diesel trucks.

Mr. Nastri responded that now that they have finalized the Phase II Greenhouse Gas rule, U.S. EPA has indicated that they plan to move forward with the rulemaking process, after further discussion with stakeholders. He added that staff will continue discussions with the pertinent parties to convey the region's needs and urge for an expeditious process.

Supervisor Benoit noted his support for consideration of the final AQMP at the February Board meeting.

Councilwoman Mitchell noted that CARB recently announced that they will conduct a workshop at SCAQMD on November 3, 2016 to discuss potential

changes to the heavy-duty engine emissions standards which they had planned to begin addressing in 2017 as part of the Mobile Source Strategy. She expressed optimism for the effect that effort, along with the potential federal rulemaking will have on the region's ability to meet attainment goals. She asked staff if there have been any incentives to find alternatives to diesel back-up power to help address the substantial source of emissions from diesel back-up generators at stationary sources.

Dr. Fine commented on the various applications that might benefit from different technologies; and noted that while historically there has not been a large focus on incentives in this regard, staff could certainly work on that for the future.

Councilman Benoit explained that it would be prudent to incentivize businesses that have solar on their property to utilize a battery pack to store power in the event it is needed.

Councilwoman Mitchell asked staff to comment on the requirement that all new residential construction be zero net energy by 2020 and that commercial construction will follow shortly after and how that will impact reaching attainment goals.

Dr. Fine replied that staff has started to research how that requirement will be implemented and the intent is to become more involved in that process with the CEC in order to convey the needs of the District.

Councilwoman Mitchell inquired about how additional reductions from indirect sources that will be needed, but are not specifically laid out in the Plan will be addressed.

Dr. Fine replied that the Plan will include language regarding the intent to collaborate with stakeholders to identify mechanisms for further reductions and it will set forth a schedule for when staff will report to the Board with the resulting recommendations.

Chairman Burke noted that given the complexity of the document and the involvement of various stakeholders, setting the finalization of the Plan in February is acceptable. He added support for the approach to the AQMP that shows that there are various tools available to reach the goals that have been set.

Councilman Robinson inquired whether there have been any technological advancements to address the large amounts of NOx emissions that result from diesel generators.

Dr. Fine responded that staff would address that in future technology assessments.

The following individuals addressed the Board on Agenda Item 32:

Penny Newman, encouraged the Board to take a tour of the communities that are most heavily impacted by the decisions made by the Board; expressed dismay to see a draft AQMP that is heavily focused on incentives; stressed the importance of having an indirect source rule put in place; and expressed concern with the added pollution that new stationary sources bring to a region that is already burdened with not meeting air quality standards.

Mary Valdemar, San Bernardino Resident, urged the Board to hold additional meetings in the communities deeply impacted by the decisions that they make; and stressed the importance of putting a very strong AQMP in place.

Chairman Burke acknowledged the importance of visiting communities in San Bernardino and Riverside County and asked the representatives based in those areas to provide some potential locations to hold hearings in the communities.

Dr. Lyou expressed concern that port emissions are addressed in the draft plan in a different manner than was previously used, which may result in not having a true picture of what the emissions from the ports will be in the coming years.

Henry Hogo, Assistant DEO/Science and Technology Advancement, explained that emission inventories show that the reduction targets in the 2012 AQMP for Port-related sources have been met. He added that the 2016 Plan uses SCAG growth projections to project future baseline emissions.

In response to Dr. Lyou's suggestion, Mr. Nastri confirmed that staff would be glad to meet with Dr. Lyou to further discuss this matter.

Councilwoman Mitchell suggested scheduling a meeting of the Marine Port Committee to address some of the issues that have been raised.

Councilman Buscaino agreed that this provides a good opportunity to convene the Committee. He acknowledged the emission reductions that have been realized in the Port complex and noted his commitment to continue working collectively with the Ports to work towards solutions for continued reductions.

Chairman Burke agreed that it would be prudent to convene the Marine Ports Committee in the near future.

Councilman Cacciotti expressed support for incentivizing the development of zero-emission technology to take the place of diesel back-up generators. He commented on the need to balance regulation and incentives and provided the example of how many local water agencies have instituted incentive-based programs for homeowners to make certain changes to address the drought. He stressed the importance of increasing alternative-transportation options to begin to address mobile source pollution.

Chairman Burke acknowledged that while major improvements to air quality have been made over the years, those changes have not been fast enough, nor have they been far-reaching enough to truly address the problems at hand.

INFORMATION ONLY; NO ACTION NECESSARY.

33. Report on Draft Action Plan to Reduce Permit Application Backlog

Dr. Laki Tisopulos, DEO/Engineering and Permitting, presented the Board with information regarding the Draft Action Plan that has been developed and already implemented to address the District's permit application backlog while staying accountable for the working inventory. He provided details on two proposed options for further addressing the backlog and indicated that the Action Plan had already reduced the open permit application inventory by more than 17 percent at the end of the first three months of its implementation.

Councilman Benoit acknowledged the effort to utilize technology as much as possible within the permitting process; commented that while it would be ideal to model a system similar to that of the Bay Area AQMD, it appears that system differs widely from what is currently in place; and suggested an audit of all of the District's online systems may be in order.

Councilwoman Mitchell agreed that a comprehensive look at the District's computer systems would be prudent; expressed support for the option that does not involve temporary employees as it is important to retain staff once trained; and inquired about the total number of permits within the region.

Dr. Tisopulos clarified that one of the options includes utilizing existing staff only, so that knowledge would be retained. He noted that there are approximately 27,000 facilities within the District's jurisdiction, with approximately 65,000 to 70,000 permits.

Councilman Cacciotti stressed the importance of maintaining efficiency and productivity of the workforce.

Dr. Tisopulos acknowledged that adjustments will be made as needed to avoid burnout of staff, adding that new approaches have been implemented to realize improvements thus far and progress will continue to be made going forward.

Supervisor Benoit suggested differentiating those pending permits that are on hold due to pending approval from another agency or source, such as the case with power plants that must clear many hurdles before being approved for construction and operation, from those applications that are simply awaiting approval from internal staff.

Dr. Tisopulos confirmed that while those types of differentiations are not possible with the current system, it would be the intent to have that included in any improvement to the processing software.

Mayor McCallon noted his agreement with Councilmember Benoit regarding evaluating technology as a whole; and inquired about how many engineering vacancies are currently in place.

Dr. Tisopulos answered that while there was a period where the vacancy rate was over 22 percent, an initiative to fill vacancies over the last few months has resulted in a return to the standard 8 percent vacancy rate. He added that new employees require extensive training.

Supervisor Rutherford noted that the visit to the Bay Area AQMD yielded an understanding of how to more effectively implement technology in the permitting process; and acknowledged that while introducing new technology comes with its challenges, it will be beneficial in the long run.

Supervisor Nelson expressed appreciation for staff for taking steps to address the longstanding backlog.

Chairman Burke expressed support for an evaluation of the District's computer system as a whole; and suggested the potential of leasing a copy of the system used by Bay Area and integrating it into the District's system.

Dr. Tisopulos noted that there could be compatibility issues, but the staff at Bay Area are willing to work collaboratively towards that option.

INFORMATION ONLY; NO ACTION NECESSARY.

PUBLIC HEARINGS

34. Amend BACT Guidelines and Approve Charter for BACT Scientific Review Committee

AGENDA ITEM 34 WAS CONTINUED TO THE
DECEMBER 2, 2016 MEETING AT THE
CHAIRMAN'S DIRECTION.

35. Amend Rules 307.1, 1401, and 1402 and Approve Draft SCAQMD Public Notification Procedures for Facilities Under Air Toxics “Hot Spots” Information and Assessment Act (AB 2588) and Rule 1402 and Draft SCAQMD Guidelines for Participating in Rule 1402 Voluntary Risk Reduction Program

Susan Nakamura, Acting Assistant DEO/Planning and Rules, gave the staff presentation on Item 35.

Councilwoman Mitchell inquired why a business would choose to do a voluntary reduction program.

Ms. Nakamura responded that historically under the AB2588 program that facilities have made reductions to avoid public notification. The modified public notification does not require public meetings or notices, and is the primary incentive for facilities to elect to participate in the Voluntary Risk Reduction Program.

The public hearing was opened and the following individual addressed the Board on Agenda Item 35.

BILL QUINN, California Council for Environmental and Economic Balance

Expressed support for the proposed amendments that along with AB 2588 will significantly strengthen public health protection and risk reductions by lowering air toxics; and commended staff for the collaborative approach to working with affected facilities.

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

Dr. Parker expressed concern with the proposed amount of time to institute necessary reductions for high risk facilities. He proposed an amendment to Rule 1402 that would provide high risk facilities a two year maximum period in lieu of the two and a half years set forth in the current proposed language.

MOVED BY PARKER, SECONDED BY LYOU, AGENDA ITEM NO. 35 APPROVED AS RECOMMENDED WITH THE MODIFICATIONS DETAILED BELOW, ADOPTING RESOLUTION NO. 16-12, CERTIFYING THE FINAL ENVIRONMENTAL ASSESSMENT FOR PROPOSED AMENDED RULES 307.1, 1401 AND 1402, DETERMINING THAT PROPOSED AMENDED RULE 307.1 IS EXEMPT FROM THE REQUIREMENTS OF CEQA, AMENDING RULES 307.1, 1401 AND 1402, AND APPROVING SCAQMD PUBLIC NOTIFICATION PROCEDURES FOR FACILITIES UNDER THE AIR TOXICS "HOT SPOTS" INFORMATION AND ASSESSMENT ACT AND RULE 1402 AND SCAQMD GUIDELINES FOR PARTICIPATING IN THE RULE 1402 VOLUNTARY RISK REDUCTION PROGRAM, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: None.

Modify Rule 1402 section (f)(3)(A) as follows:

- (iii) The ability of the Risk Reduction Plan, **required pursuant to paragraph (f)(1),** to reduce the impact of total facility emissions below the Action Risk Level as quickly as feasible, but by no later than two and half years from Risk Reduction Plan approval; **and**
- (iv) **For Potentially High Risk Level Facilities, the ability of the Risk Reduction Plan, required pursuant to subparagraph (g)(4)(A), to reduce the impact of total facility emissions below the Action Risk Level as quickly as feasible, but by no later than two years from Risk Reduction Plan approval.**

And section (i) as follows:

(hi) Implementation of Risk Reduction Plans

- (1) The owner or operator shall implement the risk reduction measures specified in the Risk Reduction **Plan, as required pursuant to paragraph (f)(1),** or Voluntary Risk Reduction Plan, **as required pursuant to paragraph (h)(2),** approved by the Executive Officer, including approved updated and modified plans, as quickly as feasible but no later than two and a half (2.5) years from the date of the approval of the plans.
- (2) For Potentially High Risk Level Facilities, the owner or operator shall implement the risk reduction measures specified in the Risk Reduction Plan, as required pursuant to subparagraph (g)(4)(A), approved by the Executive Officer, including approved updated and modified plans, as quickly as feasible but no later than two (2) years from the date of the approval of the plans.**
- (23) The owner or operator shall implement risk reduction measures in an approved plan by the dates specified for each risk reduction measure.
- (34) Measures to achieve risk reductions required by the approved plan shall also be incorporated by the Executive Officer through enforceable permit conditions or compliance plans.

36. Amend Regulation IX - Standards of Performance for New Stationary Sources

Staff waived the oral presentation on Agenda Item 36.

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

MOVED BY J. BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 36 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 16-13, DETERMINING THAT THE PROPOSED AMENDMENTS TO REGULATION IX IS EXEMPT FROM THE REQUIREMENTS OF CEQA, AND AMENDING REGULATION IX, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: None.

37. Amend Regulation XX - Regional Clean Air Incentives Market (RECLAIM)

Susan Nakamura, Acting Assistant DEO/Planning and Rules, gave the staff presentation on Item 37.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 37.

CHRISTOPHER CHWANG, Burbank Water and Power (BWP)

Expressed opposition to the proposed amendment to Rule 2002 regarding facilities being subject to shutdown review due to a substantial decrease in facility-wide operations, explaining that the language is too vague and does not account for utilities that utilize peaker units. BWP was not satisfied with the response to their concerns provided by staff.

Ms. Nakamura explained that staff has communicated with Burbank Water and Power and sent a letter regarding their concerns. The letter explained that the proposed amended rule has criteria for determining when a facility is not shutdown and that emissions fluctuations associated with non-operation of a peaker unit falls within the criteria of temporary emission reductions. The staff presentation also noted that it is understood that a facility will have fluctuations for economic reasons, cyclical reasons and in this case due to the purpose of the equipment such as peaker units. In addition, she explained that Proposed Amended Rule 2002 includes a process where the SCAQMD staff will first notify the facility and allow the facility 60 days to provide additional information to the Executive Officer to demonstrate that the facility is not shutdown, prior to the Executive Officer making a determination regarding the shutdown status of the facility.

GEORGE PIANTKA, NRG Energy

BILL QUINN, CCEEB

CURTIS COLEMAN, Southern California Air Alliance

Thanked staff for their efforts in working collaboratively with stakeholders to address the shutdown provision; and expressed support for the proposed amendments.

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

Councilwoman Mitchell acknowledged the collaboration that has occurred with stakeholders to reach this proposed amendment which offers flexibility for situations where a complete shutdown is not in order.

Mayor Pro Tem Cacciotti stressed the importance of including the clarification that staff has provided in regards to Burbank Water and Power's specific situation in the record, in the event the need arose to address the matter in the future.

In response to Dr. Parker's question whether it was staff's intent to make clear that the credits belong to the District, Mr. Wiese explained that the intent was to acknowledge that the credits are not property, and can be dealt with on a regulatory basis.

MOVED BY CACCIOTTI, SECONDED BY MITCHELL, AGENDA ITEM NO. 37 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 16-14 CERTIFYING THE ADDENDUM TO THE DECEMBER 2015 FINAL PROGRAM ENVIRONMENTAL ASSESSMENT FOR PROPOSED AMENDED REGULATION XX; AND AMENDING REGULATION XX, RULE 2002, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: None.

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

Daryl Gale, Los Angeles Resident, encouraged the Board to visit communities directly affected by poor air quality; and stressed the need for increased public outreach to ensure that individuals are doing their part to work towards better air quality.

CLOSED SESSION

The Board recessed to closed session at 12:05 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 SCAQMD is a party. The action is:

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 (two cases).

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 Kurt Wiese 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 October 7, 2016.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan

BACT = Best Available Control Technology

CARB = California Air Resources Board

CEQA = California Environmental Quality Act

CE-CERT= College of Engineering-Center for Environmental Research and Technology

CEC = California Energy Commission

ERC= Emission Reduction Credit

EV = Electric Vehicle

FY = Fiscal Year

GHG = Greenhouse Gas

NOx = Oxides of Nitrogen

OEM = Original Engine Manufacturer

PM2.5 = Particulate Matter \leq 2.5 microns

PUC = Public Utilities Commission

RFP = Request for Proposals

RFQ = Request for Quotations

SCAG = Southern California Associated Governments

SCRRA = Southern California Regional Rail Authority

U.S. EPA = United States Environmental Protection Agency