

BOARD MEETING DATE: April 7, 2017

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the March 3, 2017 meeting.

**RECOMMENDED ACTION:**

Approve Minutes of the March 3, 2017 Board Meeting.

Denise Garzaro,  
Clerk of the Boards

DG

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**FRIDAY, MARCH 3, 2017**

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 Pro Tem Ben Benoit, Vice Chairman  
Cities of Riverside County

Supervisor Marion Ashley  
County of Riverside

Council Member Joe Buscaino  
City of Los Angeles

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

Supervisor Sheila Kuehl  
County of Los Angeles

Dr. Joseph K. Lyou  
Governor's Appointee

Mayor Pro Tem Larry McCallon  
Cities of San Bernardino County

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

Supervisor Shawn Nelson (Arrived at 9:10 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 9:05 a.m.

- Pledge of Allegiance: Led by Councilwoman Mitchell.
- Opening Comments

Councilwoman Mitchell. Announced that she toured, along with Dr. Lyou, CC&R's organic waste treatment center in Perris where they produce renewable natural gas, and urged others to visit the facility.

Dr. Lyou. Invited his colleagues and District staff to visit the CC&R facility for a tour.

Councilman Cacciotti. Announced that the 626 Golden Streets event will be held on March 5, 2017 at the South Pasadena Gold Line Station and will provide an opportunity for walkers, bicyclists and other pedestrians to experience streets throughout the San Gabriel Valley that will be closed to traffic. SCAQMD and the MSRC supported this event, which highlights Metrolink stations along the route.

Supervisor Rutherford. Reported that on a recent visit to Washington, D.C. she met with the acting director of the U.S. EPA and conveyed the need for additional incentives to make progress towards air quality goals. She added that she met with the staff at House Energy and Commerce where they indicated an interest in opening the Clean Air Act again.

Councilman Robinson. Announced that he attended the Rethink Methane Symposium in Sacramento on February 21 and 22, 2017 where discussion took place regarding renewable natural gas, including the challenges related to storage and safety.

Chairman Burke. Thanked everyone in attendance for coming to the meeting.





(Supervisor Nelson arrived at 9:10 a.m.)

**CONSENT CALENDAR**

1. Approve Minutes of February 3, 2017 Board Meeting

**Budget/Fiscal Impact**

2. Execute Contracts with Consultants to Provide AB 2588 Assistance

3. Approve Year-Round Electric Lawn Mower Rebate Program and Authorize Rebate Payments 
4. Execute Contract to Develop and Demonstrate Electric School Buses with Vehicle-to-Grid Capability 
5. Execute Contract to Develop and Demonstrate Medium-Heavy Duty (Class 5-7) Plug-in Hybrid Electric Vehicles for Work Truck Applications 
6. Transfer Funds, Execute Contract to Develop and Demonstrate Vessel Performance Management Software and Equipment, and Amend Award 
7. Add Equipment and Add/Delete Positions to Address Operational Needs in Science and Technology Advancement for Metals Monitoring and Analysis
8. Create Special Revenue Fund, Recognize and Transfer Funds, Execute Agreement for SCAQMD to Act as Supplemental Environmental Project Implementer for Installation of Air Filtration Systems, Execute Contract and Reimburse General Fund for Administrative Costs
9. Execute Contract for Information Technology Review
10. Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services
11. Execute Administrative Service Agreement with Los Angeles County Employees Retirement Association to Continue to Administer Healthcare and Death Benefits for SCAQMD Retirees Participating in Los Angeles County Employees Retirement Association
12. Approve SCAQMD Annual Investment Policy and Delegation of Authority to Appointed Treasurer to Invest SCAQMD Funds
13. Annual Meeting of Brain & Lung Tumor and Air Pollution Foundation
14. Approve Contract Awards and Modification, Reallocation of Funds, and Issue Solicitation Approved by MSRC

15. Execute Contract for Renewable Natural Gas Commercial Field Test Project and Create Special Revenue Fund 

**Items 16 through 23 - Information Only/Receive and File**

16. Legislative, Public Affairs and Media 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. FY 16-17 Contract Activity
22. Report of RFPs Scheduled for Release in March
23. Status Report on Major Ongoing and Upcoming Projects for Information Management

Dr. Lyou announced his abstention on Item No. 4 because TransPower is a potential source of income to him; on Item No. 5 because Sempra Energy and Southern California Gas Company are potential sources of income to him; on Item No. 6 because Bay Area AQMD is a potential source of income to him; and on Item No. 15 because KORE Infrastructure, Inc. and Southern California Gas Company are potential sources of income to him.

Councilman Robinson announced his abstention on Item No. 8 because of a financial interest in Burlington Northern Santa Fe Railway Company.

Agenda Items 2, 3, 13 and 15 were withheld for comment and discussion.

MOVED BY CACCIOTTI, SECONDED BY MITCHELL, AGENDA ITEMS 1, 4 THROUGH 12, 14, AND 16 THROUGH 23 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 17-4 DELEGATING AUTHORITY TO THE TREASURER OF THE COUNTY OF LOS ANGELES TO INVEST AND REINVEST FUNDS OF THE SCAQMD, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou (*except Item #4, #5 and #6*), McCallon, Mitchell, Nelson, Parker, Robinson (*except Item #8*) and Rutherford

NOES: None

ABSTAIN: Lyou (*Item #4, #5 and #6*) and Robinson (*Item #8 only*)

ABSENT: None

24. Items Deferred from Consent Calendar

2. Execute Contracts with Consultants to Provide AB 2588 Assistance

Dr. Lyou inquired if there is any way to recover the costs that have been incurred during implementation of this program.


Dr. Phil Fine, DEO/Planning, Rules & Area Sources, explained that there is a fund in place for the program and that fund will cover the cost of the contract for consulting as well as staff costs in the coming years.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM 2 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: None

ABSENT: None

3. Approve Year-Round Electric Lawn Mower Rebate Program and Authorize Rebate Payments 

Mayor Cacciotti asked staff to provide a report in six months on the status of this revised format for the electric lawnmower program. He added that there still might be interest for the more traditional exchange program in certain areas within the Basin.

Councilwoman Mitchell explained that CARB is considering a rule to require lawn care equipment to be electric-powered, as they are a substantial source of emissions.

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

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: None

ABSENT: None

13. Annual Meeting of Brain & Lung Tumor and Air Pollution Foundation

Mayor Cacciotti asked staff to provide a brief report on the health studies that are currently taking place that deal with the health aspects of air quality.

Dr. Fine explained that the Foundation recently funded three new studies and staff plans to invite the researchers to come discuss the studies at future Board meetings.

Dr. Jo Kay Ghosh, Health Effects Officer, provided a summary of the three studies that were mentioned in the Foundation report, including a study of malignant and benign brain tumors in Los Angeles County, a study of particulate matter and how it influences or exacerbates brain and lung tumors, and also a toxicological study that looks at the effects of particulate matter in the progression of brain tumors and neurodegenerative brain diseases.

Chairman Burke noted the tremendous amount of information that the studies funded by the Foundation have provided regarding the health impacts of air pollution.

Councilwoman Mitchell commented on the importance of the Foundation's efforts, and added that the Foundation Board decided to invite each of the researchers to a Board meeting to present information on their research.

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

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: None

ABSENT: None

15. Execute Contract for Renewable Natural Gas Commercial Field Test Project and Create Special Revenue Fund 

Dr. Lyou left the room during discussion of Item No. 15.

Supervisor Kuehl expressed concern that this project was being funded, in part, by settlement funds paid by SoCalGas, as they will ultimately benefit from this renewable natural gas project. She also noted that only one million dollars from the settlement will be used for a health study.

Chairman Burke commented that he thinks the public is the beneficiary of this project as it has the potential to eliminate the need for drilling and storage of natural gas.

Supervisor Nelson noted that the Board takes action on many projects that utilize electrification or alternative-fuels in an effort to support renewable sources of cleaner energy and while some companies may benefit from that technology, it is for the greater good.

Councilmember Mitchell commented about the discussions that occurred by CARB after the leak at Aliso Canyon regarding how the settlement monies would be utilized in an effort to mitigate methane emissions, including projects similar to this one that seek to solve the problem of landfill gas.



MOVED BY NELSON, SECONDED BY BENOIT, AGENDA ITEM 15 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: Kuehl

ABSTAIN: Lyou

ABSENT: None

**BOARD CALENDAR**

- 25. Administrative Committee
- 26. Investment Oversight Committee
- 27. Legislative Committee
- 28. Special Legislative Committee
- 29. Mobile Source Committee
- 30. Stationary Source Committee
- 31. Technology Committee
- 32. Mobile Source Air Pollution Reduction Review Committee
- 33. California Air Resources Board Monthly Report
- 34. Status Report on Regulation XIII – New Source Review

Agenda Item 27 was withheld for discussion.

MOVED BY BENOIT, SECONDED BY MITCHELL, AGENDA ITEMS 25, 26 AND 28 THROUGH 34, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE MSRC AND CARB REPORTS AND APPROVING THE FOLLOWING POSITIONS ON LEGISLATION, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: None

ABSENT: None

<b>Agenda Item</b>	<b>Recommendation</b>
Proposed Legislation to Enhance An Existing Smog Abatement Fee	Support in Concept
Proposed Legislation to Create a Port Container Cargo Fee	Support in Concept

27. Legislative Committee

DR. LYOU MOVED THAT THE BOARD SUPPORT THE PROPOSED STAFF POSITION TO ELIMINATE DISINCENTIVES FOR ZERO-EMISSION VEHICLES ON AB 1, SB 1 AND AB 193. THE MOTION WAS SECONDED BY MAYOR CACCIOTTI.

Dr. Lyou explained that the Legislative Committee directed staff to seek an increase in registration fees through AB 193, which is a disincentive for zero-emission vehicles. He noted that zero-emission vehicle owners are already paying higher sales taxes and higher registration fees because their vehicle costs are artificially inflated as they have not been produced in mass numbers. In addition, EV owners pay extra utility user taxes on electricity used to charge the vehicles. He added that, as proposed, AB 1 and SB 1 negatively affect those who drive PHEVs as they will be paying the higher registration fee, the gasoline taxes, and the utility taxes. He suggested that attention be given to ensuring that the gas tax already in place is sufficient to cover the costs of transportation infrastructure.

Mayor Cacciotti mentioned that cities have utility taxes which can be used for road repair and other work.

Supervisor Nelson explained that as vehicles have become more and more fuel efficient, the funds collected in the form of a gas tax to be used for maintaining infrastructure, have decreased drastically and are no longer sufficient to maintain even existing infrastructure. He added that the purchases of alternatively-fueled vehicles are highly incentivized and owners of these vehicles still need to contribute their fair share to maintaining the roads they utilize.

Dr. Lyou noted that even though there are incentives in place that bring the overall cost of EVs down, sales tax and vehicle registration fees are based on the full retail price; and expressed support for increased incentives to make EVs more accessible to people who might previously been unable to afford newer vehicles.

Chairman Burke commented that a mechanism needs to be put in place by which EV owners share in the cost of maintaining roads.

COUNCILMAN ROBINSON MADE A SUBSTITUTE MOTION TO ADOPT THE COMMITTEE RECOMMENDATIONS. THE MOTION WAS SECONDED BY SUPERVISOR ASHLEY AND PASSED BY THE FOLLOWING VOTE, RECEIVING AND FILING THE LEGISLATIVE COMMITTEE REPORT AND APPROVING THE FOLLOWING POSITIONS ON LEGISLATION:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: Lyou

ABSENT: None

<b>Agenda Item</b>	<b>Recommendation</b>
AB 1 (Frazier) Transportation Funding	Work with Author
SB 1 (Beall) Transportation Funding	Work with Author

AB 193 (Cervantes) Air Quality Improvement Program: Clean Reused Vehicle Rebate Project	Support
SB 53 (Hueso) Natural Gas Vehicles	Support
Proposed Legislation to Grant Cease and Desist Authority to Air Pollution Control Officer	Work on Concept and and Introduce Bill

## **PUBLIC HEARINGS**

### 35. Adopt 2016 Air Quality Management Plan (*Continued from the February 3, 2017 Board Meeting for Board Deliberation and Action Only*)

Mr. Nastri provided background for what has occurred throughout the public hearing process of the AQMP; and noted that two errata sheets were provided to the Board Members and made available to the public regarding Item No. 35.

#### **Written Comments Submitted by:**

Councilmember Mike Bonin, City of Los Angeles  
Lonnie D. Murphy, Heraeus Noblelight America, LLC  
James Perrault, R & D Medical Electrodes  
David Fahrion, CR&R Incorporated  
Jayne E. Joy, Eastern Municipal Water District  
Michael J. Carroll, Latham & Watkins LLP  
Todd R. Campbell, Clean Energy  
Andrew Reich and 27 others, Entertainment industry  
Patty Senecal, Western States Petroleum Association  
Mike Lewis, BizFed AQMP Coalition  
Steve Jepsen, Southern California Alliance of Publicly Owned Treatment Works  
Duane Kenagy and Gene Seroka, San Pedro Bay Ports Clean Air Action Plan  
William J. Quinn, California Council for Environmental and Economic Balance  
Johannes D. Escudero, The Coalition for Renewable Natural Gas

Scott Prendergast, Los Angeles resident  
Joseph Szabo, Los Angeles resident  
Joyce Greene, Tarzana resident  
Ann Chamberlin, Los Angeles resident  
Marc Silverman, Los Angeles resident  
Laura Distaso, Alhambra resident  
Sandra Fernandez, Los Angeles resident  
Patricia Appel, Laguna Beach resident  
Jolianne Baum, Santa Monica resident  
Linda Marten, El Segundo resident  
Lenore Dowling, Los Angeles resident  
Toni Stuart, Carpinteria resident  
Agnes Dickson, Irvine resident  
Deborah Barmack, InlandAction  
Tracy Hernandez, BizFed  
Justin Massey, City of Hermosa Beach  
David Pettit, Natural Resources Defense Council

Chairman Burke addressed requests that were made to reopen public testimony, noting that if that was the pleasure of the Board, it would require the matter be held over for another month to allow re-noticing and then the testimony could occur at that future hearing.

After discussion regarding the potential to reopen public testimony, including the potential to get into a cycle of needing to reopen a hearing each time minor changes are proposed resulting in extended delays and an unproductive process, the Board decided to proceed as scheduled with the deliberation of, and action on, the AQMP.

COUNCILWOMAN MITCHELL MOVED TO DIRECT STAFF TO MODIFY THE 2016 AQMP NO<sub>x</sub> RECLAIM MEASURE (CMB-05) TO ACHIEVE THE FIVE (5) TONS PER DAY NO<sub>x</sub> EMISSION REDUCTION COMMITMENT AS SOON AS FEASIBLE, AND NO LATER THAN 2025, AND TO TRANSITION THE RECLAIM PROGRAM TO A COMMAND AND CONTROL REGULATORY STRUCTURE REQUIRING BARCT LEVEL CONTROLS AS SOON AS PRACTICABLE, AND TO REQUEST STAFF TO RETURN IN 60 DAYS TO REPORT FEASIBLE TARGET DATES FOR SUNSETTING THE RECLAIM PROGRAM. THE MOTION WAS SECONDED BY MAYOR CACCIOTTI AND CARRIED BY THE FOLLOWING VOTE:

AYES: Burke, Buscaino, Cacciotti,  
Kuehl, Lyou, Mitchell and Parker

NOES: Ashley, Benoit, McCallon,  
Nelson, Robinson and Rutherford

ABSENT: None

Dr. Parker spoke about the importance of prioritizing near-zero emission natural gas engine technologies to help meet air quality goals. He moved to include language in the Resolution directing staff to prioritize the most cost effective technologies for near-term goals, such as near-zero natural gas engines.

Councilwoman Mitchell suggested an amendment to the motion to clarify that it was in relation to the mobile source incentive programs for heavy-duty vehicles so as not to exclude electric and hydrogen vehicles for light-duty purposes. The amendment was accepted by Dr. Parker.

DR. PARKER MOVED TO DIRECT STAFF TO MODIFY THE MOBILE SOURCE INCENTIVE PROGRAMS FOR HEAVY-DUTY VEHICLES OUTLINED IN THE 2016 AQMP TO PLACE PRIORITY ON THE MOST COST-EFFECTIVE TECHNOLOGIES TO REACH SHORT-TERM AIR QUALITY GOALS SUCH AS CURRENT AND EMERGING NEAR-ZERO EMISSION NATURAL GAS ENGINE TECHNOLOGIES. THE MOTION WAS SECONDED BY MAYOR CACCIOTTI AND CARRIED BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: None

ABSENT: None

Supervisor Kuehl introduced proposed amendments which would address indirect sources. She noted that her intent was that the indirect source rules would not need to be applied and that they would only serve as a backstop if the emission reductions are not achieved. She proposed amendments to measures MOB-01, MOB-03, MOB-04, MOB-07 and MOB-08 as follows:

MOB-01 – Indirect Source Rule by February 1, 2019 for commercial marine ports

MOB-03 - Indirect Source Rule by February 1, 2019 for new and substantially modified warehouses

MOB-04 - Indirect Source Rule by February 1, 2019 for non-aircraft emission sources at airports

MOB-07 and MOB-08 – Seek legislative authority regarding heavy-duty fleets and develop rules within two years if authority is obtained

Councilman Buscaino explained that in 2005 the Ports of Long Beach and Los Angeles worked with CARB and SCAQMD to create a Clean Air Action Plan, and since then they have exceeded many of the emission reduction commitments outlined in the Plan. The Ports have recently agreed that they need to be more aggressive with their updated Clean Air Action Plan. The Ports have agreed to set firm dates with solid emission reductions as well as utilize the most up-to-date technology available. He highlighted the productive collaboration that has occurred with the Ports in the past, and encouraged the addition of an MOU between the Ports and the SCAQMD to ensure mutual cooperation and goal setting. He added that the airports have made amazing strides in cleaning up the industry, and encouraged the creation of Clean Air Action Plan with the Los Angeles International Airport. He expressed support for Supervisor Kuehl's proposed amendment regarding the airport rulemaking.

Dr. Lyou proposed a change to the MOB-01, MOB-03 and MOB-04 amendments to replace the word "adopt" with "consider" in regards to rulemaking. He noted his interest in seeing the airports commit to and meet emission reduction goals.

Councilwoman Mitchell noted her support for a change from "adopt" to "have it be considered" or "study" regarding a rulemaking; she added that she would also recommend accelerating the timeline to have staff report back by January or February 2018 regarding the feasibility of adopting an indirect source

rule. She feels those changes to the proposed amendments will balance the need to retain authority in the event emission reduction goals are not being met. She mentioned that staff has worked very closely with CARB staff on the mobile source measures and she expects cooperation from CARB on the mobile source strategy.

Mr. Nastri noted that the AQMP currently includes a comprehensive reporting schedule for the mobile source measures.

Supervisor Kuehl agreed to utilize the language “draft for consideration” rather than “adopt”, so that it would be clear the process should begin in a timely manner.

Mr. Nastri explained that the intent has been to move forward in a collaborative process and should progress not be sufficient within the time frames that have been set forth, the process would pivot to an immediate rulemaking effort. He added that the stakeholder groups are all aware of this process as it was clearly conveyed during the Plan’s development.

Supervisor Kuehl commented that her proposed amendments contemplate a parallel track in which a rule could be developed for consideration since there is a long timeframe between a reported failure and the imposition of a rule.

In response to a question by Dr. Parker, staff clarified the status of previous AQMP port back-stop measures.

Councilman Robinson noted that there has been tremendous progress made in the past, especially in the Ports area. He expressed support for the strong AQMP which has been developed and is being considered by the Board.

Supervisor Ashley expressed support for language such as “study” or “consider” regarding rulemaking efforts, and noted his concern with a fast timeline to develop a rule.

Supervisor Kuehl explained that she felt it was important to set a specific deadline for the rule development to ensure it actually occurs.

Supervisor Rutherford expressed concern that the indirect source rules may not be the appropriate authority of the Board. She spoke about the potential negative effect the measures directed at warehouses could have on the Inland Empire, specifically the logistics industry which employs almost 172,000 people. She also expressed concern with the fleet rules which would be particularly troublesome for San Bernardino County which has a public fleet of 5,400 vehicles and covers 20,000 square miles. She raised the issue of the lack of infrastructure in place to support near-zero and zero-emission heavy-duty vehicles in order to comply with those fleet rules.

Councilman Buscaino noted that Los Angeles World Airports is planning to create a Clean Air Action Plan by 2019 and concerns have been expressed that if rulemaking language directed at the airports is adopted into the AQMP, it might prevent them from creating a Clean Air Action Plan.

Chairman Burke stated that he knows that LAX has been aggressive in implementing measures to clean the air, including the use of cleaner buses. He added that the Ports are also doing a good job reducing emissions.

Kurt Wiese, General Counsel, noted that the existing fleet rules have provisions for exceptions that would accommodate the types of situations that Supervisor Rutherford discussed and it would be at the rulemaking stage that those kinds of considerations and exemptions would be taken up by the Board.

Councilwoman Mitchell noted that she would like to see the 2019 deadline removed from the proposals and that it be left open for staff to be able to have flexibility to determine how the rulemaking process should go. She explained she would not be able to support the fleet rules, and prefers that District staff and CARB staff work collaboratively on mobile sources.

Supervisor Kuehl explained that she spoke with Mary Nichols to determine if her proposals would be within the Board's jurisdiction. She agreed to alter her proposal to read "to undertake a stakeholder process and draft for consideration an indirect source rule..." and keep in the proposed date of February 2019.

SUPERVISOR KUEHL MOVED TO MODIFY CONTROL MEASURE MOB-01 - EMISSION REDUCTIONS AT COMMERCIAL MARINE PORTS [NO<sub>x</sub>, SO<sub>x</sub>, PM] MEASURE TO READ: UNDERTAKE A STAKEHOLDER PROCESS AND DRAFT FOR CONSIDERATION AN INDIRECT SOURCE RULE FOR COMMERCIAL MARINE PORTS WITHIN THE SOUTH COAST BASIN BY FEBRUARY 1, 2019 TO CONTROL EMISSIONS OF NO<sub>x</sub>, PM<sub>2.5</sub>, AND DIESEL PARTICULATE MATTER. THE MOTION WAS SECONDED BY DR. LYOU AND FAILED BY THE FOLLOWING VOTE:

AYES: Burke, Cacciotti, Kuehl, Lyou, and Parker

NOES: Ashley, Benoit, Buscaino, McCallon, Mitchell, Nelson, Robinson and Rutherford

ABSENT: None



SUPERVISOR KUEHL MOVED TO MODIFY CONTROL MEASURE MOB-03 - EMISSION REDUCTIONS AT WAREHOUSE DISTRIBUTION CENTERS [ALL POLLUTANTS] TO READ: UNDERTAKE A STAKEHOLDER PROCESS AND DRAFT FOR CONSIDERATION AN INDIRECT SOURCE RULE FOR NEW AND SUBSTANTIALLY MODIFIED WAREHOUSE DISTRIBUTION CENTERS WITHIN THE SOUTH COAST BASIN BY FEBRUARY 1, 2019 TO CONTROL EMISSIONS OF NO<sub>x</sub>, PM<sub>2.5</sub>, AND DIESEL PARTICULATE MATTER. THE MOTION WAS SECONDED BY MAYOR CACCIOTTI AND FAILED BY THE FOLLOWING VOTE:

AYES: Burke, Cacciotti, Kuehl and Lyou

NOES: Ashley, Benoit, Buscaino,  
McCallon, Mitchell, Nelson,  
Parker, Robinson and Rutherford

ABSENT: None

SUPERVISOR KUEHL MOVED TO MODIFY CONTROL MEASURE MOB-04 - EMISSION REDUCTIONS AT COMMERCIAL AIRPORTS [ALL POLLUTANTS] TO READ: UNDERTAKE A STAKEHOLDER PROCESS AND DRAFT FOR CONSIDERATION AN INDIRECT SOURCE RULE FOR COMMERCIAL AIRPORTS WITHIN THE SOUTH COAST BASIN BY FEBRUARY 1, 2019 TO CONTROL EMISSIONS OF NO<sub>x</sub>, PM<sub>2.5</sub>, LEAD, AND DIESEL PARTICULATE MATTER FROM NON-AIRCRAFT SOURCES. THE MOTION WAS SECONDED BY MAYOR CACCIOTTI AND PASSED BY THE FOLLOWING VOTE:

AYES: Burke, Buscaino, Cacciotti,  
Kuehl, Lyou, Mitchell, and Parker

NOES: Ashley, Benoit, McCallon,  
Nelson, Robinson and Rutherford

ABSENT: None

SUPERVISOR KUEHL MOVED TO MODIFY CONTROL MEASURE MOB-07 - ACCELERATED PENETRATION OF PARTIAL ZERO-EMISSION AND ZERO-EMISSION LIGHT-HEAVY- AND MEDIUM-HEAVY-DUTY VEHICLES [NO<sub>x</sub>, PM] AND CONTROL MEASURE MOB-08 AND ACCELERATED RETIREMENT OF OLDER ON-ROAD HEAVY-DUTY VEHICLES [NO<sub>x</sub>, PM] TO ADD THE FOLLOWING: DIRECT STAFF TO SEEK NECESSARY LEGISLATIVE AUTHORITY TO AUTHORIZE THE SCAQMD TO REQUIRE THE ACCELERATED PURCHASE AND USE OF NEAR-ZERO AND ZERO-EMISSION HEAVY DUTY ON-ROAD VEHICLES FOR PUBLIC FLEETS WITHIN THE SOUTH COAST BASIN. AMEND THE DISTRICT'S FLEET RULES TO REQUIRE ACCELERATED PURCHASE AND USE OF NEAR-ZERO AND ZERO-EMISSION HEAVY DUTY ON-ROAD PUBLIC VEHICLES WITHIN THE SOUTH COAST BASIN NO LATER THAN TWO YEARS AFTER THE SCAQMD OBTAINS ANY NECESSARY LEGISLATIVE AUTHORITY TO CONTROL EMISSIONS OF NO<sub>x</sub>, PM<sub>2.5</sub>, AND DIESEL PARTICULATE MATTER. THE MOTION WAS SECONDED BY MAYOR CACCIOTTI AND PASSED BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino,  
Cacciotti, Kuehl, Lyou and Parker

NOES: Ashley, McCallon, Mitchell,  
Nelson, Robinson and Rutherford

ABSENT: None

Supervisor Nelson spoke in regards to the pending motion made by Councilman Robinson on February 3, 2017 to approve the Plan, explaining that he withdrew his previously given second as he could no longer support the Plan as a whole.

Supervisor Kuehl noted that although she is not entirely happy with the Plan as a whole, she intends to vote for its approval as she feels it is important to show unity while moving forward to implementation.

Dr. Lyou acknowledged that the Board has delayed making some tough decisions in the past that would have put the region on a pathway to attainment by the upcoming deadlines, however now those deadlines are fast approaching and

the District must continually move aggressively toward air quality goals without delay. He noted his concerns with the heavy reliance on potential funding to implement the Plan.

Supervisor Nelson expressed strong disagreement with indirect source rules.

Dr. Parker noted that while he did not agree with all of the amendments that were approved, he feels the overall plan deserves a unanimous vote for its adoption.

COUNCILMEMBER ROBINSON MOVED THAT THE BOARD:

- 1) CERTIFY THE FINAL PROGRAM EIR FOR THE 2016 AQMP;
- 2) ADOPT RESOLUTION NO. 17-2, CERTIFYING THE FINAL PROGRAM EIR FOR THE 2016 AIR QUALITY MANAGEMENT PLAN AND ADOPTING THE 2016 AQMP, WHICH IS TO BE SUBMITTED INTO THE STATE IMPLEMENTATION PLAN;
- 3) AUTHORIZE THE EXECUTIVE OFFICER TO MAKE APPROPRIATE CHANGES TO THE ADOPTED 2016 AQMP AND ITS APPENDICES (IF NECESSARY) TO REFLECT AMENDMENTS ADOPTED AT THE PUBLIC HEARING; AND
- 4) DIRECT THE EXECUTIVE OFFICER TO FORWARD THE ADOPTED 2016 AQMP INCLUDING ITS APPENDICES TO THE CALIFORNIA AIR RESOURCES BOARD FOR ITS APPROVAL AND SUBSEQUENT SUBMITTAL TO THE U.S. EPA.

1. Make the following changes to the Resolution:

**Add the following bold, underline text as indicated on Page 5 –**

WHEREAS, the 2016 AQMP prioritizes maximizing emission reductions from zero-emitting technologies where cost-effective and feasible, and near-zero emission technologies in all other applications; and

**WHEREAS, an accelerated deployment of current and emerging near-zero emission natural gas engine technologies will provide significant, cost-effective and near-term benefits to regional and local air quality, energy supply security, and public health; and**

WHEREAS, the 2016 AQMP includes voluntary incentive measures in the near-term to achieve attainment of the fast approaching deadline of federal 8-hour ozone standard in 2023, create opportunities and make it more cost-effective to replace equipment, transition to zero or near-zero technologies, encourage earlier change-out of higher-emitting equipment, drive technology development and cost reductions, and enhance public acceptability of new technologies; and

**Modify the following paragraph on Page 6 as indicated, adding the bold, underline text and removing the strikethrough text –**

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in §30.5 (4)(D)(i) of the Governing Board Procedures, that the modifications which have been made to the 2016 AQMP subsequent to the publication of the notice of public hearing **are a logical outgrowth of the proposed 2016 AQMP do not significantly change the meaning of the proposed project within the meaning of the Health and Safety Code §40726** and would not constitute significant new information requiring recirculation of the Draft PEIR pursuant to CEQA Guidelines §15088.5; and

**Modify the following paragraph on Page 8 as indicated, adding the bold, underline text and removing the strikethrough text –**

WHEREAS, the SCAQMD held six public workshops/CEQA Scoping meetings on the Draft 2016 AQMP in July 2016, four public hearings throughout the four-county region in November 2016, 15 AQMP Advisory Group meetings, 16 Scientific, Technical, and Modeling, Peer Review Advisory Group meetings over a 3-year period, **one public hearing in February 2017**, and one adoption hearing in **February March** 2017 pursuant to Section 40466 of the Health and Safety Code; and

**Add the following bold, underline text as indicated on Page 10 –**

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds that the mobile source control measures contained in Appendix IV-A of the 2016 AQMP are technically feasible and cost-effective and requests that CARB consider them in any future incentives programs or rulemaking.

**BE IT FURTHER RESOLVED, that the mobile source incentive program for heavy-duty vehicles outlined in the 2016 AQMP place priority on the most cost-effective technologies to reach short-term air quality goals such as current and emerging near-zero emission natural gas engine technologies.**

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board hereby requests that CARB commit to submitting contingency measures as required by Section 182(e)(5) as necessary to meet the requirements for demonstrating attainment of the 8-hour ozone standards.

**Add the following bold, underline text as indicated on Page 17 –**

**BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to modify the 2016 AQMP NOx RECLAIM measure (CMB-05) to achieve the five (5) tons per day NOx emission reduction commitment as soon as feasible, and no later than 2025, and to transition the RECLAIM program to a command and control regulatory structure requiring BARCT level controls as soon as practicable, and to request staff to return in 60 days to report feasible target dates for sunseting the RECLAIM program.**<sup>1</sup>

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<sup>1</sup> Changes to CMB-05 can be found on pages 4-11, 4-15, IV-A-2, IV-A-67, IV-A-70 of the Final AQMP.

**Modify the following paragraphs on Page 18 as indicated, adding the bold, underline text and removing the strikethrough text –**

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to finalize the 2016 AQMP including the main document, appendices, and related documents as adopted at the ~~February~~ March 3, 2017 public hearing.

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board, whose members reviewed, considered and approved the information contained in the documents listed herein, adopts the 2016 AQMP dated ~~February~~ March 3, 2017 consisting of the document entitled 2016 AQMP as amended by the final changes set forth by the SCAQMD Governing Board and the associated documents listed in Attachment 1 to this Resolution.

2. Make the following changes in Attachment 2 – Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan, Page 17 (Section 3.2):

Nine mitigation measures are identified in the Mitigation Monitoring and Reporting Plan section of this document (e.g., HZ-7 through HZ-15) to address the hazards impacts for these affected facilities and sites. The analysis in the Draft Program EIR concluded that if the operators of the affected facilities and sites comply with mitigation measures HZ-7 through HZ-15, then the hazards impacts associated with implementing the 2016 AQMP at the affected facilities and sites would be reduced to less than significant levels. Therefore, mitigation measures HZ-7 through HZ-15 are incorporated into the project to mitigate these effects.

3. Amend the Final Program Environmental Impact Report for the 2016 AQMP as shown below:

**Page 6-27 (Section 6.4.5.1)**

**6.4.5.1 Proposed Project Impacts**

**Construction Impacts:** Implementation of the proposed project control measures associated with air pollution control technologies and exhaust standards would not result in noise and vibration impacts because construction activities would occur within appropriately zoned industrial and commercial areas, impacts would be temporary and limited to construction activities, and construction noise/vibration impacts to sensitive receptors would not be expected. However, transportation-related construction activities often occur during the evening/nighttime hours to minimize traffic impacts during the more heavy traffic periods. Therefore, the noise and vibration impacts during construction activities are considered significant.

4. Amend the control measures in the 2016 AQMP as shown below:

**MOB-04:**

Change proposed MOB-04 to read as follows: Undertake a stakeholder process and draft for consideration an indirect source rule for commercial airports within the South Coast Basin by February 1, 2019 to control emissions of NOx, PM 2.5, lead, and diesel particulate matter from non-aircraft sources.

**MOB-07 and MOB-08:**

Add the following language to proposed MOB-07 and MOB-08: Direct SCAQMD staff to seek necessary legislative authority to authorize the SCAQMD to require the accelerated purchase and use of near-zero and zero emission heavy duty on-road vehicles for public fleets within the South Coast Basin. Amend the District's fleet rules to require accelerated purchase and use of near-zero and zero emission heavy duty on-road public vehicles within the South Coast Basin no later than two years after the SCAQMD obtains any necessary legislative authority to control emissions of NOx, PM 2.5, and diesel particulate matter.

(Board approved amendments to control measures MOB-04, MOB-07 and MOB-08 can be found in Chapter 4 (pages -29, -31, -56 and -59) and Appendix IV-A (pages -142, -155, and -161) of the Final 2016 AQMP.)

THE MOTION WAS SECONDED BY MAYOR CACCIOTTI AND CARRIED BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, Mitchell, Parker, Robinson and Rutherford

NOES: McCallon and Nelson

ABSENT: None

36. Adopt Rule 1430 – Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

Staff waived the oral presentation on Item No. 36.

The public hearing was opened and the following individual addressed the Board on Agenda Item 36.

CURTIS COLEMAN, Southern California Air Quality Alliance

Thanked staff for the collaborative efforts throughout the rule development process.


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

MOVED BY NELSON, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 36 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 17-3 CERTIFYING THE FINAL ENVIRONMENTAL ASSESSMENT FOR PROPOSED RULE 1430, AND ADOPTING RULE 1430, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker and Robinson

NOES: None

ABSENT: Rutherford

37. Approve and Adopt Technology Advancement Office Clean Fuels Program 2016 Annual Report and 2017 Plan Update and Resolution, and Receive and File and Approve and Adopt Revised Membership of Technology Advancement and Clean Fuels Advisory Groups 

Staff waived the oral presentation on Item No. 37.

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

MOVED BY BENOIT, SECONDED BY MITCHELL, AGENDA ITEM 37 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 17-6 APPROVING THE TECHNOLOGY ADVANCEMENT OFFICE CLEAN FUELS PROGRAM ANNUAL REPORT FOR 2016 AND ADOPTING THE CLEAN FUELS PROGRAM PLAN UPDATE FOR 2017, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson and Rutherford

NOES: None

ABSENT: None

38. Annual RECLAIM Audit Report for 2015 Compliance Year

Staff waived the oral presentation on Item No. 38.

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

MOVED BY CACCIOTTI, SECONDED BY  
ASHLEY, AGENDA ITEM NO. 38 APPROVED,  
BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino,  
Cacciotti, Kuehl, Lyou, McCallon,  
Mitchell, Nelson, Parker,  
Robinson and Rutherford

NOES: None

ABSENT: None

**OTHER BUSINESS**

39. Approve Schedule of Activities to Implement Draft Financial Incentives Funding Action Plan for 2016 AQMP (*Continued from the February 3, 2017 Board Meeting*)

Staff waived the oral presentation on Item No. 39.

The following individuals addressed the Board on Item No. 39.

Noel Muyco, Southern California Gas Company, expressed support for the District's efforts to develop a funding plan and pursue funding sources to augment regulatory measures with financial incentives to obtain near-term emission reductions necessary to meet federal ozone standards by 2023 and 2031. They also support the designation of incentive dollars for deployment of near-zero heavy-duty trucks that meet CARB's low-NOx standard. He urged a fuel neutral approach and noted their interest in participating in the financial incentives funding working group to identify cost-effective and feasible advanced technologies.

Bill LaMarr, California Small Business Alliance, explained the efforts that small businesses have made to reformulate products and utilize cleaner technologies; and stressed that imposing additional costly technologies on small businesses which will not result in substantial emission reductions is unduly burdensome. He expressed support for an incentives-based approach to achieve emission reduction targets and noted his willingness to work with staff to identify reliable funding sources.



Curt Coleman, Southern California Air Quality Alliance, commented on the Alliance's willingness to work with the Board and staff to implement this Plan.

Yvonne Watson inquired about the status of the items dating back to December on the schedule including to provide input to NACAA on the need for funding at the national level. She expressed concern with reliance on federal funding and the Plan's heavy reliance on incentives.

Mike Carroll, Regulatory Flexibility Group, and Bill Quinn, California Council for Environmental and Economic Balance, noted their willingness to work with staff to move forward with the action plan in order to aggressively pursue all avenues, including incentives, to meet air quality goals.

Tom Hibbison encouraged the use of methods that promote business growth, while ensuring clean air is a priority.

Mr. Nastri addressed the questions that were raised during public testimony, explaining that staff has been working with U.S. EPA and also worked with NACAA to identify several key issues to convey to the incoming administration including the need for increased funding for Clean Air Act requirements. He explained that staff and the Board have been aggressive in making sure that the District's concerns are being heard and addressed in Washington D.C. and Sacramento.

Dr. Lyou stressed the importance of setting specific goals and objectives to track the progress of implementation; and expressed enthusiasm for the collaboration that will occur with industry on this Plan.

MOVED BY CACCIOTTI, SECONDED BY  
BENOIT, AGENDA ITEM NO. 39 APPROVED,  
BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino,  
Cacciotti, Kuehl, Lyou, McCallon,  
Mitchell, Nelson, Parker,  
Robinson and Rutherford

NOES: None

ABSENT: None

40. Approve Amendments to SCAQMD Salary Resolution, and Agreements with Executive Officer and General Counsel

Kurt Wiese, General Counsel, provided a background for the item that seeks approval of an increase in Executive Officer's salary and proposes changes to the severance amount paid to Executive Management staff upon termination.

MOVED BY BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 40 APPROVED, ADOPTING RESOLUTION NO. 17-5 AMENDING THE SALARY RESOLUTION, TO APPROVE, FOR DESIGNATED DEPUTIES, AMENDMENTS TO THE SEVERANCE PROVISIONS IN THE SALARY RESOLUTION, BY THE FOLLOWING VOTE:

AYES: Ashley, Benoit, Burke, Buscaino, Cacciotti, Kuehl, Lyou, Mitchell and Parker

NOES: McCallon, Nelson, Robinson and Rutherford

ABSENT: None

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

Darrell Park expressed concern with the settlement agreement with SoCalGas resulting from the Aliso Canyon gas leak that called for the termination of the Order for Abatement issued by the Hearing Board; and highlighted the insufficiencies of the funds that have been set aside for the health study.

Florence Gharibian, Del Amo Action Committee, urged for the rulemaking to address modified hydrofluoric acid from the Torrance Refinery to be considered as soon as possible.

Chairman Burke noted that the Board would be holding an investigational hearing regarding the Torrance Refinery on April 1, 2017.

Todd Campbell, Clean Energy, expressed support for the AQMP that the Board adopted. He added that he worked with Dr. Chung Liu in the past and spoke about his great leadership.

Councilwoman Mitchell spoke about the impact Dr. Liu's had during his tenure at the District, and, after his retirement, as her Board Consultant where he specialized in CARB matters. She asked that the meeting be adjourned in his memory.

### **CLOSED SESSION**

The Board recessed to closed session at 12:35 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 actions are:

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

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

- 54957(b)(1) as specified below:

#### **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Executive Officer

Following closed session, District Counsel Kurt Wiese announced that there were no reportable actions taken in closed session.

**ADJOURNMENT**

There being no further business, the meeting was adjourned by Kurt Wiese at 1:40 p.m. in memory of Dr. Chung Liu.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on March 3, 2017.

Respectfully Submitted,

Denise Garzaro  
Clerk of the Boards

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

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

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**ACRONYMS**

AQMP = Air Quality Management Plan  
CARB = California Air Resources Board  
CEQA = California Environmental Quality Act  
DEO = Deputy Executive Officer  
EIR = Environmental Impact Report  
EV = Electric Vehicle  
FY = Fiscal Year  
MSRC = Mobile Source (Air Pollution Reduction) Review Committee  
NACAA = National Association of Clean Air Agencies  
NOx = Oxides of Nitrogen  
PHEV = Plug-In Hybrid Electric Vehicle  
PM = Particulate Matter  
RECLAIM = REgional CLean Air Incentives Market  
RFP = Request for Proposals  
U.S. EPA = United States Environmental Protection Agency