

BOARD MEETING DATE: February 3, 2017

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the January 6, 2017 meeting.

**RECOMMENDED ACTION:**

Approve Minutes of the January 6, 2017 Board Meeting.

Denise Garzaro,  
Clerk of the Boards

DG

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**FRIDAY, JANUARY 6, 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

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  
County of Orange

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

Council Member Dwight Robinson  
Cities of Orange County

Members absent:

Council Member Joe Buscaino  
City of Los Angeles

Supervisor Janice Rutherford  
County of San Bernardino

Vacant:

County of Riverside

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

- Pledge of Allegiance: Led by Mayor Cacciotti.
- Opening Comments

Chairman Burke. Expressed the Board's sadness on the passing of their colleague, John Benoit. He introduced a video that was compiled in his memory.

Chairman Burke presented a plaque to Mayor Pro Tem Ben Benoit in memory of Supervisor John Benoit's years of service on the Board; and requested that a letter be sent requesting that the Coachella Valley Link multimodal transportation corridor, which is funded in part by AB 1318 monies, be renamed in his honor to recognize Supervisor Benoit's efforts and commitment to ensure the funds made a meaningful impact on the communities of the Coachella Valley.

Mayor Cacciotti. Noted that additional charging infrastructure at District headquarters that was previously approved by the Board, is currently being put in place and asked staff for an update on the status of that project. He requested that a letter be sent to Ford Motor Company to encourage them to utilize electric technology on police interceptor vehicles.

Supervisor Kuehl. Expressed her enthusiasm for the opportunity to serve on the Board.

Councilwoman Mitchell. Announced that she attended a luncheon hosted by the Environmental Justice Community Partnership on January 5, 2017 where Angelo Logan and Father John Moretta were honored for their commitment to working on issues pertinent to EJ communities.

Dr. Lyou. Thanked staff for hosting the EJ event; and requested that staff brief the Stationary Source Committee on work related to refinery monitoring which indicates that refineries may be emitting higher levels than previously reported.

- Swearing In of Newly Appointed Board Member Sheila Kuehl

Chairman Burke administered the oath of office to Supervisor Sheila Kuehl, who was appointed by the Los Angeles County Board of Supervisors, for a term ending January 15, 2019.

**CONSENT CALENDAR**

1. Approve Minutes of December 2, 2016 Board Meeting

**Budget/Fiscal Impact**

2. Authorize Purchase of Core Network Upgrade
3. Adopt Resolution Approving Establishment of IRS-approved Section 401(a) Money Purchase Plan and Approval of Administrative Service Provider
4. Appropriate Funds and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services
5. Special Meeting of Brain & Lung Tumor and Air Pollution Foundation
6. Approve Contract Awards and Modifications Approved by MSRC

**Items 7 through 12 - Information Only/Receive and File**

7. Legislative, Public Affairs and Media Report
8. Hearing Board Report
9. Civil Filings and Civil Penalties Report
10. Lead Agency Projects and Environmental Documents Received by SCAQMD
11. Rule and Control Measure Forecast
12. Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2016-17

Mayor Pro Tem McCallon announced that he serves as an alternate member on the Board of Directors of OmniTrans which is involved with Item No. 6. Supervisor Nelson announced that he serves on the Board of Directors of the Orange County Transportation Authority which is involved with Item No. 6.

Agenda Items 1, 5 and 11 were withheld for comment and discussion.

MOVED BY BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEMS 2 THROUGH 4, 6 THROUGH 10 AND 12, APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

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

NOES: None

ABSENT: Buscaino and Rutherford

13. Items Deferred from Consent Calendar

1. Approve Minutes of December 2, 2016 Board Meeting

Dr. Lyou noted that the reason for his recusal on Item No. 14 of the Minutes was not reflected correctly, and indicated that the Minutes should be amended to note that he was abstaining on Item No. 14 due to a financial interest in Google.

Supervisor Kuehl noted her abstention on Item 1 as she was not present at the December 2, 2016 Board Meeting.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM 1, WITH THE MODIFICATION AS SET FORTH BELOW, BY THE FOLLOWING VOTE:

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

NOES: None

ABSTAIN: Kuehl

ABSENT: Buscaino and Rutherford

Amend Page 5 of the Minutes of the December 2, 2016 Board Meeting as follows:

Supervisor Antonovich announced his abstention on Item No. 8 because of campaign contributions from Robertson's Ready Mix. Dr. Lyou announced his abstention on Item No. 8 because United Parcel Service, Inc. is a potential source of income to him; and on Item No. 14 because **of an economic interest in Google.**  
~~is a potential source of income to him.~~

5. Special Meeting of Brain & Lung Tumor and Air Pollution Foundation

Harvey Eder, Public Solar Power Coalition, addressed the Board on Agenda Item No. 5 noting that it is important for the District to get involved with health issues relating to the brain and lungs. He highlighted an article relating cell phone microwaves to brain cancer.

MOVED BY BENOIT, SECONDED BY  
LYOU, AGENDA ITEM 5 APPROVED AS  
RECOMMENDED, BY THE FOLLOWING  
VOTE:

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

NOES: None

ABSENT: Buscaino and Rutherford

11. Rule and Control Measure Forecast

Jim Stewart, Sierra Club, addressed the Board on Agenda Item No. 11 explaining that the measures set forth on the 2017 Rule Forecast report are inadequate to meet air quality concerns in the Basin. He stressed the importance of rules to address pollution from RECLAIM, CMB-02, warehouses, and the Ports and is concerned that the Ports have recently projected no emission reductions. He requested Ports be added to the 2017 rule calendar.

Mr. Nastri explained that the AQMP includes a commitment to evaluate the RECLAIM program and the potential for it to be sunseted. With regards to the Ports, staff will continue to work closely with both the Ports of Los Angeles and Long Beach with focus being an approach that takes into account both the regulatory aspect as well as the voluntary participation aspect of meeting necessary emission reduction targets. He added that the Ports are aware that if the strict deadlines for progress are not met, formal rulemaking action will begin immediately, with no time lost. Indirect source measures are being handled in a similar fashion.

Dr. Phillip Fine, DEO Planning and Rules, noted that many of the rulemaking efforts that Dr. Stewart mentioned are listed on the long-term forecast calendar; however those rulemaking efforts are anticipated to take more than the next 12 months so they will likely come to the Board for consideration in 2018, adding that the AQMP includes schedules for reporting to the Board.

Chairman Burke mentioned the meeting of the Marine Port Committee held in December and asked staff to comment.

Mr. Nastri stated that the Ports, which were previously resistant, agreed to work with SCAQMD.

Supervisor Nelson expressed concern with the District's ability to make a true impact at the Ports when so much of what is involved there falls under the purview of the federal government, including emissions from ships, locomotives and diesel trucks. Federal enforcement is needed.

Mr. Nastri expressed that the impact we can make is by working with the Ports as evidenced by them over-delivering on the last set of commitments. He confirmed that federal regulators are responsible for planes, ships and trucks at the Ports; and explained that as evidenced by the recent decision by U.S. EPA to initiate rulemaking for heavy-duty ultra-low NOx trucks, in response to a multi-state, multi-agency petition urging for that regulation, the District can make an impact by taking a leadership role. He noted the importance of continuing to work with industry to ensure that progress is being made towards emission reduction goals.

Dr. Parker commented on the previous backstop measures in place for the Ports that were predicated upon the Ports meeting certain milestones in order to avoid specific rulemaking; and inquired what types of similar mechanisms will be in the upcoming AQMP.

Henry Hogo, Assistant DEO Science and Technology Advancement, replied that both the 2007 and 2012 AQMP set forth specific targets for the Ports which have been met, and projections show that they will continue to meet those out to the year 2023, also taking into account an increase in emissions from growth of the Ports over time. He added that while there are no new proposals for additional reductions at this time, staff will continue to engage with the Ports to ensure they are able to honor new commitments in the Clean Air Action Plan to meet regional emission targets.

Councilwoman Mitchell recalled some of the discussion that occurred at the recent meeting of the Marine Port Committee. The first step is to work on voluntary reductions. If the targets are not met, we would go to rulemaking. She noted that the Clean Air Action Plan needs to be specific on targets and emission reductions so we can track and go to

rulemaking if the reductions and timelines are not met. She added that an additional point that was covered at that meeting was the need to replace older model trucks at the Ports with cleaner trucks.

Dr. Lyou expressed concern that the approach in the proposed 2016 AQMP results in Port emissions and emission reductions not becoming part of the baseline emission inventory. He encouraged having emission reduction commitments for the Ports in the AQMP.

Supervisor Kuehl asked about the District's authority to enforce commitments that are not met.

Kurt Wiese, General Counsel, cautioned against protracted discussion by the Board of a matter that was not agendized.

Councilwoman Mitchell suggested that the matter be placed on the appropriate committee agenda so that further discussion could occur.

Chairman Burke confirmed that the matter would be referred to the Marine Port Committee with the intent to bring the item to the full Board.

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

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

NOES: None

ABSENT: Buscaino and Rutherford

### **BOARD CALENDAR**

14. Administrative Committee
15. Legislative Committee
16. Marine Port Committee
17. Mobile Source Air Pollution Reduction Review Committee
18. California Air Resources Board Monthly Report

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEMS 14 THROUGH 18, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE MSRC AND CARB REPORTS AND APPROVING THE 2017 LEGISLATIVE GOALS AND OBJECTIVES, BY THE FOLLOWING VOTE:

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

NOES: None

ABSENT: Buscaino and Rutherford

**Staff Presentation/Board Discussion**

19. Update on Draft Financial Incentives Funding Action Plan for 2016 AQMP

Henry Hogo, Assistant DEO Science and Technology Advancement, gave a presentation regarding the Funding Action Plan that was developed as a companion piece to the 2016 AQMP to look for opportunities to obtain the estimated funds needed to get the emissions reductions that are being proposed in the AQMP.

Councilwoman Mitchell inquired about the proposed timeline for obtaining the funding, how staff plans to proceed and to what extent the Board will be involved in that process.

Mr. Hogo explained that once the desired opportunities have been selected, staff can better identify which items to prioritize, and a timeline will then be established. He added that there will be opportunities for stakeholder input throughout the process.

Mr. Nastri added that there are opportunities at the federal and state level and that coalition building will be very important. He described efforts staff is pursuing at the state level.

Chairman Burke commented that the large amount of grants disbursed each year by the U.S. Department of Energy, primarily to universities and educational venues, for climate change research, may now be redirected to the local level to assist in the implementation of programs which would allow for clean air projects. He encouraged future collaboration and discussion on ways to receive a portion of those funds, as well as transportation funds.

Dr. Lyou stressed the importance of taking time to fully vet the options and to prioritize where to best focus the District's efforts. He added that the best opportunities at this time are likely at the state level, and a coalition is needed to work with the legislature.

Supervisor Kuehl commented that perhaps some adjustment to the language used with items will be necessary with the incoming administration. She gave the example of "climate change" being a potentially undesirable term. She asked for clarification of bond authority.

Mr. Nastri explained that the Draft Funding Plan includes state ballot measures and the possibility of seeking authority for the District to do bond measures. He elaborated on working with coalitions as we explore the possible funding options.

The following individuals addressed the Board regarding Agenda Item 19.

Allis Druffel, California Interfaith Power and Light urged for an AQMP focused on pollution reduction, safe communities and the creation of clean energy jobs; and asked that language regarding the types of projects to be funded in EJ communities be explored and RECLAIM program be sunset. (Submitted Written Comments)

David Pettit, Natural Resources Defense Council, commented on the high level of uncertainty of obtaining the funds listed in the Incentive Plan as a result of impending changes to the federal government. He noted the failure of DERA funds and stressed the short time to meet attainment and ramifications if deadlines are not met.

Bill Quinn, California Council for Environmental and Economic Balance, expressed support for incentive-based approaches that do not put the region at a competitive disadvantage; expressed an interest in serving on the incentive funding working group to better investigate potential funding sources; and requested clarification on the purpose of the draft incentive plan as it relates to the AQMP.

Evan Gillespie, Sierra Club, explained they are not opposed to incentives, but it is critical that the District exercises its full authority to pursue regulatory measures first. He stressed the need for additional regulations to reduce pollution at refineries and to sunset the RECLAIM program. He expressed opposition to the proposals in the incentive plan that pass the cost of cleaning the air to low- and middle-income families who bear the brunt of unhealthy pollution.

Angela Johnson Meszaros, Earthjustice, explained that she believes it will be problematic to get the legislature to pass a vehicle tax; refineries should be required to add controls before taxes are pursued. She cautioned against implementing regressive taxes on those that can least afford it. She urged requiring emission reductions at refineries, the Ports and for indirect sources.

Dr. Jim Stewart, Sierra Club, expressed concern that the Draft AQMP does not show that emission reductions needed by 2023 will be met, and the amount of incentive funding is unrealistic. He advocated for direct regulation.

Harvey Eder, Public Solar Power Coalition, stressed the importance of total solar conversion to meet necessary emission reductions. He mentioned efforts to form a public/private partnership for more EVs and solar storage for low income people.

Tajarri Nenson, Lizette Hernandez, Diego Alaniz, Cristian Garza, Ruben Garza, Marina Barragan and Raul Zendejas, Sierra Club My Generation, expressed opposition to the proposals in the incentive plan that pass the cost of cleaning up the air to low- and middle-income families who bear the full impact of pollution and negative health effects. Many of them shared their personal and family experiences and urged strong regulatory measures that do more to provide a solution to the region's poor air quality.

Dr. Lyou suggested that the language in the guiding principles in the Draft Funding Plan more clearly state that those who pollute the most, pay the most, and the people who can least afford to pay should not have to.

Mayor Pro Tem McCallon noted that staff was presenting a list of potential sources of funding and none of them have been approved or implemented; and expressed his opinion that increases in property tax or car registration fees would not succeed.

INFORMATION ONLY; NO ACTION NECESSARY.

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

Terry Stern, Rheem Sales Company, explained that Rheem manufactures HVAC and hot water products, indicating that their company has products available that currently meet low NOx emission requirements that will be the focus of Rule 1111 scheduled to be brought to the Board in 2017. They are willing to license their technology to other manufacturers, and stated that changes to the rule would affect product availability due to the long lead time to change the manufacturing line.

Chairman Burke asked about the cost of water heaters and stated staff is looking at solar water heaters in the Plan.

Harvey Eder, Public Solar Power Coalition, stated that comments he made on the Plan and associated documents were not adequately addressed, and urged the District to focus on immediate total solar conversion.

In response to Dr. Burke's request for a response from staff regarding the inclusion of solar power technology in the AQMP, Dr. Fine explained that discussion and analysis of solar-powered technologies are included in the Plan. However, in terms of cost-effectiveness for NOx reductions, solar-power on its own does not rank high because the reductions are not sufficient to meet attainment goals. He added that in order to potentially utilize solar power, staff is researching its use in conjunction with other technologies, including solar hot water heating, to see if cost-effective reductions through incentives and regulation can be implemented.

Chairman Burke and Mayor Cacciotti stressed the importance of including solar power and battery storage in the Plan.

Yvonne Watson commented on the hardships faced by those suffering with respiratory illnesses.

Patty Senecal, WSPA, described the methods that are currently used for reporting of refinery emissions, including that those methods are approved by U.S. EPA, CARB and SCAQMD and are audited annually. WSPA is committed to working collaboratively with the District to learn more about new monitoring technologies.

Dr. Lyou stressed the importance of obtaining accurate emission inventories and encouraged that to be a top priority.

### **CLOSED SESSION**

The Board recessed to closed session at 11:30 a.m., pursuant to Government Code sections:

- 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The actions are:

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

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

SCAQMD v. Anaplex, Los Angeles Superior Court Case No. BC608322 (Paramount Hexavalent chromium); and

In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement).

Following closed session, Chief Deputy Counsel Barbara Baird announced that there were no reportable actions taken in closed session.

**ADJOURNMENT**

There being no further business, the meeting was adjourned by Barbara Baird at 12:45 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on January 6, 2017.

Respectfully Submitted,

Denise Garzaro  
Clerk of the Boards

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

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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  
DERA = Diesel Emissions Reduction Act  
EJ = Environmental Justice  
EV = Electric Vehicle  
FY = Fiscal Year  
NOx = Oxides of Nitrogen  
PM2.5 = Particulate Matter  $\leq$  2.5 microns  
RECLAIM = REgional CLean Air Incentives Market  
U.S. EPA = United States Environmental Protection Agency