

BOARD MEETING DATE: October 6, 2017

AGENDA NO. 24

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting on Friday, September 8, 2017. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Dr. William A. Burke, Chair  
Administrative Committee

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### **Committee Members**

Present: Dr. William A. Burke/Chair (videoconference), Mayor Pro Tem Ben Benoit/Vice Chair (videoconference), Council Member Judith Mitchell, and Dr. Clark E. Parker, Sr. (videocoference)

Absent: None

### **Call to Order**

Chair Burke called the meeting to order at 10:00 a.m.

### **DISCUSSION ITEMS:**

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** As noted on the travel report, Dr. Burke and Dr. Parker met with congressional staff to discuss air quality issues and federal funding in Washington, D.C., June 27-28, 2017. Council Member Mitchell attended the July CARB Board meeting in Sacramento, July 26-27, 2017 and will attend the September CARB Board meeting in Sacramento, September 27-29, 2017.

3. **Report of Approved Out-of-Country Travel:** Executive Officer Wayne Nastri reported that he and Council Member Mitchell had recently attended the Asilomar Conference in Monterey, CA which primarily focused on transportation solutions as they relate to air pollution. Conference organizers have extended an invitation to Board Members to participate in viewing a demonstration in the Netherlands that would focus on Rotterdam where they are looking at zero-emission technologies, October 11-14, 2017. Dr. Matt Miyasato commented that Volvo has electric buses in service in Germany and in the Netherlands, and Seimens has offered to host the Board Members to see their test track in West Germany if they are interested. Dr. Parker asked if staff could also visit the refinery in England that has converted from hydroflouric to sulfuric acid. Mr. Nastri responded that he would be happy to have further discussions on the topic, but it may not be necessary to visit the refinery. Dr. Burke approved the European travel.

Moved by Mitchell; seconded by Parker, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker  
Noes: None  
Absent: None

4. **Review October 6, 2017 Governing Board Agenda:** Mr. Nastri reported there are Set Hearings for Rule 415 (Odors from Rendering Facilities); Rule 1420 (Emissions Standard for Lead); as well as Rule 1180 (Refinery Fenceline and Community Air Monitoring).
5. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Chief Administrative Officer Michael O’Kelly presented the status report on past and future Information Management projects. Mr. O’Kelly introduced Ron Moskowitz, the new Assistant Deputy Executive Officer (ADEO)/Information Management.

Dr. Burke commented that the link that was recently sent to him for website review wasn’t easy to access and that once the entire revised website is completed, the Board Members should review the website prior to its release to the public. He further commented that the website should be made more public-friendly.

Mr. O’Kelly reported that the GIS project is moving forward and Mr. Moskowitz will be meeting with ESRI in the near future. The permit systems online application process will be deployed within the next 30-60 days. The Information Technology (IT) Review had been delayed until the new Information Management ADEO came on board. The IT review is a comprehensive review of the IT infrastructure at the SCAQMD, identifying best practices and where changes

should be made. The agenda tracking system is running parallel to postings for the Board meetings of October and November. Council Member Mitchell commented that one of the priorities for the new Information Management ADEO would be to ensure that project money is well spent. Dr. Burke and Dr. Parker concurred. (No motion required.)

### **ACTION ITEMS:**

6. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):**  
Dr. Parker has selected a second Board Consultant, Kana Miyamoto.

Moved by Mitchell; seconded by Burke, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker  
Noes: None  
Absent: None

7. **Issue Purchase Order for Ingres Relational Database Management System Software Support:** Mr. O’Kelly reported that this item is requesting authority to issue a one-year purchase order for software maintenance licensing and support for the database system that the SCAQMD uses for the CLASS system. The one-year agreement will provide cost savings and flexibility to potentially make a move next year, but in the interim, it is important to issue the purchase order now to continue moving forward with the current system. Dr. Parker inquired if the SCAQMD is tied to the current system and if it would be difficult to change to a different system. Mr. Moskowitz responded it would be a significant change due to 30 applications currently running under the CLASS system. It would take one to two years to actually migrate to a different system.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker  
Noes: None  
Absent: None

8. **Recognize Revenue and Appropriate Funds for Improving Interpretation of PM2.5 Measurements from Satellites:** Assistant Deputy Executive Officer/TAO Jason Low reported that the SCAQMD was awarded a grant from NASA to work with Research Triangle Institute and Goddard Space Flight Center to use a low cost PM2.5 sensor network to help improve the interpretation of PM2.5 surface measurements from satellites. SCAQMD’s role is to select a PM sensor and to work with citizen-scientists to deploy and operate the network, and make the data available. If successful, this project can be further eligible for a three-year

extension with additional funding. The recommended action is to recognize \$75,884 into the General Fund and also into the Science & Technology Advancement budget for recognition and appropriation. Dr. Parker inquired about the dollars received and the effort required. Dr. Low responded that the number of sensors that will be deployed are up to 25, and as part of the collaborative effort with the citizen-scientists, the operation of the sensors is generally maintenance-free. Dr. Burke inquired if these sensors are similar in cost to home units. Dr. Low responded they are approximately \$200 which includes data transfer to the web. Vice Chair Benoit commented that he has a sensor at home, and believes that it is a great way to gather data and he fully supports this project.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker

Noes: None

Absent: None

9. **Authorize Purchase of Toxic Vapor Analyzers and Remove Various Fixed Assets from SCAQMD Inventory:** Bay Gilchrist, Deputy Executive

Officer/Compliance & Enforcement reported that this request is to purchase Toxic Vapor Analyzers (TVAs) and also to remove old TVAs from the inventory. TVAs are routinely used by staff to monitor for hydrocarbons and to verify compliance at refineries, landfills, oil and gas operations, and to investigate complaints.

Currently, the SCAQMD has an inventory of 26 TVAs that are 15 years old, with eight being in a state of disrepair. The remaining units are still in use, but may not be supported by the manufacturer. Funding was approved in the FY 2017-18 budget. Thermal Environmental Instruments has offered an \$8,000 trade-in allowance for the inoperable TVAs, with that money applied to the purchase of the new TVAs in an amount not to exceed \$161,000.

Moved by Benoit; seconded by Parker, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker

Noes: None

Absent: None

10. **Amend Governing Board Meeting Procedures:** General Counsel Kurt Wiese reported that at the September Board meeting, the Board considered proposed amendments to the Board Meeting Procedures. Staff presented the meeting procedures to the Board at the July Board meeting, at an August 10 Public Workshop and at the September Board meeting. At the September Board meeting, Board Members raised several issues and directed staff to return the item to the Administrative Committee. Issues included: defining disruption as willfully

speaking off-topic; the deadline for submitting speaker cards; a reduction in the total amount of speaker time based on the number of speakers that signed up to address an item; and a suggestion that speakers who were part of a group could be given the option to choose a spokesperson for a longer individual time. An extensive discussion ensued. Committee Members offered a range of potential options that could provide fairness to public speakers, reasonable timeliness of meeting proceedings, and potential discretionary direction of the Chair in response to 'good cause' under real-time circumstances. In response to a query by the Committee Chair, Mr. Wiese summarized speaker-card deadlines followed at the four county boards for comparison. Committee Members gave examples of speaker card and testimony procedures followed at their other board positions. Vice Chair Benoit supported the potential for some discretion, but still called for the proposed amended procedures to include a hard deadline to stop accepting cards. Dr. Burke advised Mr. Wiese to consult with Council Member Mitchell and make sure her concerns are addressed and integrated into the policy, and to bring this item back to the October Administrative Committee.

#### **WRITTEN REPORT:**

11. **Local Government & Small Business Assistance Advisory Group Minutes for the June 9, 2017 Meeting:** Mr. Alatorre reported that this item is a written report.

#### **OTHER MATTERS:**

12. **Other Business**  
There was no other business.
13. **Public Comment**  
There were no public comments.
14. **Next Meeting Date**  
The next regular Administrative Committee meeting is scheduled for Friday, October 13, 2017.

#### **Adjournment**

The meeting adjourned at 10:56 a.m.

#### **Attachment**

Local Government & Small Business Assistance Advisory Group Minutes for the June 9, 2017 Meeting



# South Coast Air Quality Management District

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## **LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY JUNE 9, 2017 MEETING MINUTES**

### **MEMBERS PRESENT:**

Ben Benoit, Mayor Pro Tem, City of Wildomar and LGSBA Vice Chairman  
Rachelle Arizmendi, Mayor Pro Tempore, City of Sierra Madre  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, Metal Finishers of Southern California/All Metals  
LaVaughn Daniel, DancoEN  
John DeWitt, JE DeWitt, Inc.  
Bill LaMarr, California Small Business Alliance  
Eddie Marquez, Paramount Petroleum  
David Rothbart, Los Angeles County Sanitation District

### **MEMBERS ABSENT:**

Janice Rutherford, Supervisor, Second District, San Bernardino County  
Felipe Aguirre  
Todd Campbell, Clean Energy  
Maria Elena Kennedy, Kennedy Communications  
Rita Loof, RadTech International  
Cynthia Moran, Council Member, City of Chino Hills

### **OTHERS PRESENT:**

David Czmanske, Board Member Consultant (*Cacciotti*)  
Andrew Silva, Board Member Consultant (*Rutherford*)

### **SCAQMD STAFF:**

Michael O'Kelly, Chief Administrative Officer  
Derrick Alatorre, Deputy Executive Officer  
Philip M. Fine, Ph.D., Deputy Executive Officer  
Fabian Wesson, Assistant Deputy Executive Officer/Public Advisor  
Nancy Feldman, Principal Deputy District Counsel  
Ian MacMillan, Planning & Rules Manager  
Vasken Yardemian, Sr. Staff Specialist  
Elaine-Joy Hills, AQ Inspector II  
Lori Langrell, Secretary  
Kendall Langrell, Student Intern  
Clea Lerner, Student Intern  
Mitchell McMahon, Student Intern

### **Agenda Item #1 - Call to Order/Opening Remarks**

Chair Ben Benoit called the meeting to order at 11:30 a.m.

### **Agenda Item #2 – Approval of May 12, 2017 Meeting Minutes/Review of Follow-Up/Action Items**

Chair Benoit called for approval of the May 12, 2017 meeting minutes.

The minutes were approved unanimously.

### **Agenda Item #3 – Follow Up/Action Items**

Mr. Derrick Alatorre indicated there were two items arising out of the May 12<sup>th</sup> meeting. The first was to agendize a presentation on public outreach, and what efforts to the printing industry may look like. Mr. Alatorre indicated printing operations fall under Rule 1130, which was not included in the AQMP, and there is no plan on revising the rule at this time. Outreach efforts would begin again once the rule comes back targeting for VOC emission reduction. Second, Chair Benoit expressed a request to have a presentation on issues with low NOx burners, and outreach to those who have those burners. This item will be agendized for the July meeting.

### **Agenda Item #4 – FY 2017-18 General Fund Budget and Fee Adjustment**

Mr. Mike O’Kelly presented an overview of the General Fund Budget and Fee Adjustment.

Mr. Paul Avila asked how dependent the District is on long term grant funding, and if the audits are completed by internal or external staff. Mr. O’Kelly responded that the District’s core operations are funded on Section 103 and 105 grant moneys and permit/emission fees which fund inspections, monitoring, inspections, plan development, etc.. The District’s audit services are completed by independent auditors and are done every three years, as required by law for any government agency.

Mr. Bill LaMarr asked if the District is going to revisit raising rates soon due to rising retirement plan costs. Mr. O’Kelly replied that the District tries to cut costs before recommending fee increases. Generally, it is an accommodation of the two. Mr. LaMarr further asked if any decision regarding fee increase, downsizing, etc. would be a part of the public process with the Governing Board. Mr. O’Kelly indicated that the last four years it was balanced out, and the District is continually looking at staffing levels, hiring practices, and the following year.

Mr. David Rothbart inquired regarding the overall need to increase fees, what is driving the shortfall. Mr. O’Kelly responded the retirement system employer contribution was 21-23%, but that number today is increasing to 34%, so the same employee is getting approximately double. State law in 2013 reduced the benefit formula for new employees, as well as some changes in 2012. Mr. Rothbart further asked regarding CalPERS, whether the investment portfolio is political or not, and if it is something that is significant to the District. Mr. O’Kelly replied the SCAQMD participates in the San Bernardino County Employees Retirement Association plan, and you don’t hear the same news arising out of the county plans, and it functions more as an investment environment.

Mr. Rothbart inquired whether Title V facility fees are going up more than other fees because of the U.S. EPA audit. Mr. O’Kelly indicated that the District has under-collected on permit processing fees. The District received settlement monies, which created a surplus, and covered the shortfall by penalties and settlements. When U.S. EPA auditors indicated the costs of the facility must be covered, there was a risk that they could go back and recoup from prior years. We committed to raise up to cost recovery

standards, approximately \$1.5 million of fees not recovered by Title V facilities. Title V facilities represent about 389 out of 27,000 facilities.

Mr. Rothbart asked with fees being raised, if permits can be issued quicker. Mr. O’Kelly indicated that currently there are 24 vacant engineering positions, with 14 positions approved to be filled. The backlog is coming down, and will be significantly better.

Mr. John DeWitt asked what a Title V facility is. Mr. Alatorre indicated they are the larger polluters in the District. Mr. DeWitt further asked when the District will be at a better level with regard to the backlog, and if 30 days for a permit to be processed is reasonable. Mr. O’Kelly replied that engineering staff indicated the backlog is down to 3,800, but there will always be permits in the pipeline, and some will take time. Chair Benoit mentioned that there are different factors that can affect the turnaround time for a permit.

Mr. Avila asked what happens if a permit goes unpaid for 30, 60, or 90 days, and the business continues to operate, what the fees are for being late, and if there is mandatory retirement at 65. Mr. O’Kelly replied there is no mandatory retirement age. Ms. Donna Peterson responded new permit fees are paid up front. Annual fees are billed 60 days in advance, and at the due date become delinquent. At 30 days post delinquency, there is a late penalty of 50% of the renewal fee to reinstate the permit, and after one year the permit becomes non-reinstateable. Mr. Alatorre advised that our Small Business Assistance staff calls companies three months after expiration, prior to the permits becoming non-reinstateable, providing the facility a chance to start the renewal process, or appeal to the Fee Review Committee. If it is a District error, the late fees can be waived.

Mr. Eddie Marquez inquired if a company can continue to operate, but not use their equipment. Ms. Nancy Feldman replied once a permit is expired the company can be subject to civil penalties.

#### **Agenda Item #5 – Facility-Based Mobile Source Measures Update**

Mr. Ian MacMillan provided an update on progress to implement the Facility Based Mobile Source Measures adopted in the Final AQMP.

Mr. DeWitt asked why the District does not ask the people who install the equipment to comply with the rules, and what is the true cost.

Mr. LaMarr commented that the District’s method of assessing economic impacts is different than the private sector. It isn’t so much about what is an accepted standard of what you are going to use, but what you’re saying is the way it should be done. The real costs of small businesses have never been truly measured, the low hanging fruit is achieving emission reductions, and as emissions decline it is because the rules are doing their job.

Dr. Phil Fine indicated several years ago the District had outside experts come in to perform an analysis of how socioeconomic studies are done, and study the impacts on small businesses. Recommendations were made, and the District is building them in to look at total benefits and economic impacts. The tools to do this have not been developed yet to use in rulemaking, but small businesses will have a seat at the table. Lastly, pertaining to the rule, companies are not always willing to share their actual costs either due to competitive issues or coupling equipment upgrades with other items. How do you separate the costs of the rule versus other things? We are not saying it can’t be done, but in trying to do it, there may be complications.



Mr. Rothbart asked since talking about mobile sources, if funding does not come in, and we have to move to a backstop that needs to be a rule, how does the District have the ability to regulate those sources? Dr. Fine replied that we do have some mobile source fleet rule authority and indirect source rule authority. Part of the AQMP was seeking to enhance the fleet rule side. The State has authority directly over on-road and off-road sources, and some indirect source rule authority. The District is working closely with CARB and U.S. EPA on all these issues and seeing what these regulations could look like, but the first step is to see if it is necessary.

Mr. LaMarr commented as a follow-up to Mr. DeWitt's comment regarding cost-effectiveness, that he is encouraged on wanting to do more, stating that as we get to rulemaking for the AQMP and facility-based measures, we have to find something better or more precise than just discounted cash flow, especially for small businesses. Maybe we can have a conversation or series of conversations on this subject going forward, identifying actual costs. Dr. Fine responded we are working in that direction to quantify and measure direct costs on small business, and offer some financial incentives to bridge that gap.

#### **Agenda Item #6 – Conduct Commercial Leaf Blower Exchange Program**

Mr. Vasken Yardemian provided an overview of the Leaf Blower Exchange Program kicking off in the summer of 2017.

Mr. Avila asked what is done with the old leaf blowers. Mr. Yardemian replied they are permanently destroyed through a recycler.

Mr. LaMarr inquired how the District accounts for the emission reductions that result from lawn mowers and leaf blowers, given their limited reductions, if they are banked or retired, and how progress is measured. Mr. Yardemian responded they are part of Rule 2202 used for mobile source reductions to have emission equivalency.

Mr. LaMarr asked if 1,000 pounds of emissions is reduced. Dr. Matt Miyasato replied that inventories, as we found out in the recent AQMP, we rely on CARB's inventory for off-road equipment, as technologies are updated. CARB is very interested in the lawn mower and leaf blower exchange programs, and have updated and incorporated it into our inventory. They are monitoring it, and we are reporting progress. Mr. LaMarr further inquired if these are shut down emissions. Dr. Miyasato indicated no, the State is responsible for categorizing as we update technology, and fold those reductions in. We are seeing the population converting to battery electric, and the State is taking credit for it as they have established and put it into our mode.

#### **Agenda Item #7 –Monthly Report on Small Business Assistance Activities**

Mr. LaMarr asked about the Dry Cleaner Grant Program section in the Small Business Assistance report, what it meant by "discontinued" for hydrocarbon cleaners (page 2 of the report). Ms. Elaine-Joy Hills responded that it means that the hydrocarbon funds have been expended, but the professional wet cleaning and CO<sub>2</sub> machine monies are still available.

#### **Agenda Item #8 - Other Business**

Mr. Geoff Blake asked about emails he receives from staff on Rule 1147 and Rule 1402, if anyone else has the problem of being blocked, and how can this be resolved. Mr. LaMarr commented that he is also

unable to open the email when there is a large attachment. Mr. Alatorre replied that staff will ask our Information Management department.

**Agenda Item #9 - Public Comment**

No comments.

**Adjournment**

The meeting adjourned at 1:00 p.m.