

MEETING, SEPTEMBER 1, 2017

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765.

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Wayne Nastri, Executive Officer

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 19)

Note: Consent Calendar items held for discussion will be moved to Item No. 20

1. Approve Minutes of July 7, 2017 Board Meeting **Garzaro/2500**

2. Set Public Hearing October 6, 2017 to Consider Adoption of
and/or Amendments to SCAQMD Rules and Regulations **Nastri/3131**

Certify Final Environmental Assessment and Amend **Fine/2239**
Rule 1168 – Adhesive and Sealant Applications

The proposed amendments will implement, in part, the 2016 Air Quality Management Plan Control Measure CTS-01-Further Emission Reductions from Coatings, Solvents, Adhesives, and Sealants, which targets a 1 ton per day VOC emission reduction by 2023. The amendments include: revision of VOC content limits for various categories; reporting and labeling requirements; clarification of rule language and applicability; language that distinguishes when products are regulated by the California Air Resources Board Consumer Products Regulation or Rule 1168; harmonization of language and requirements with regulations (state and national) affecting the same products; removal or restriction of certain exemptions; and prohibition of Group II exempt compounds as defined in Rule 102. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rule 1168 – Adhesive and Sealant Applications; and 2) Amending Rule 1168 – Adhesive and Sealant Applications. (Review: Stationary Source Committee, September 15, 2017)

Budget/Fiscal Impact

3. **Execute Contract to Cosponsor Versatile Plug-In Auxiliary Power Systems Demonstration** **Miyasato/3249**

In December 2015, the Board awarded a contract to the Electric Power Research Institute, Inc., (EPRI) to cosponsor development and demonstration of a Versatile Plug-In Auxiliary (VAP) System. EPRI is now requesting to use the previously approved cost-share for the second phase of the VAP System demonstration to evaluate the benefits and impacts of electric auxiliary power on emissions and fuel usage in various on-board and stationary applications. Up to three units will undergo baseline tests at Southern California Edison's EV Technical Center prior to field demonstration within SCAQMD. This action is to execute a contract with EPRI to demonstrate up to three VAP systems in various applications in an amount not to exceed \$125,000 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, July 21, 2017; Recommended for Approval)

4. **Execute Contract to Demonstrate Low NOx Combustion Technology on Refinery Boiler** **Miyasato/3249**

The 2016 AQMP identifies development and implementation of new technologies to further reduce NOx emissions from stationary combustion sources as a key strategy. It is also equally important to assess new technologies to prevent or mitigate any negative impact on air quality and public health. ClearSign Combustion Corporation recently submitted an unsolicited proposal that addresses these needs using a low NOx, non-Selective Catalytic Reduction combustion technology. Staff recommends cost-sharing the proposed project to demonstrate retrofitting their Duplex low NOx combustion technology without the use of reagents, such as ammonia or urea, on a refinery boiler. This action is to execute a contract with ClearSign to cost-share this project in an amount not to exceed \$320,000 from the Rule 1118 Mitigation Fund (54). (Reviewed: Technology Committee, July 21, 2017; Recommended for Approval)

5. **Approve Additional Funds for Replacement of Onboard CNG Fuel Tanks on School Buses and Authorize Execution of Grant Agreements** **Minassian/2641**

Since 2001, the SCAQMD has replaced over 1,600 pre-1994 diesel school buses primarily with CNG school buses. In April 2012, the Board issued a Program Announcement using \$3 million from the Carl Moyer Program AB 923 Fund (80) to replace onboard CNG fuel tanks on a first-come, first-served basis for public school buses at least 14 years old. In November 2016, the Board approved an additional \$2 million to continue the Program, and these funds are now exhausted. This action is to approve an additional \$3 million from the Carl Moyer Program AB 923 Fund (80) to continue on a first-come, first-served basis the replacement of onboard CNG fuel tanks for public school buses. (Reviewed: Technology Committee, July 21, 2017; Recommended for Approval)

6. **Amend Contracts to Continue Implementation of Enhanced Fleet Modernization Program and Transfer Funds** **Minassian/2641**

In February 2017, the Board recognized an additional \$5 million from CARB to continue implementation of the Enhanced Fleet Modernization Program (EFMP). The Board also approved contracts with consulting firms to provide assistance with implementation of the EFMP including case management, outreach and vehicle emissions testing. The Program has been highly successful. Consequently, this action is to amend contracts with consulting firms in an amount not to exceed \$500,000 from the HEROS II Special Revenue Fund (56) to continue program implementation, including the addition of a new outreach strategy involving vehicle emissions monitoring in disadvantaged communities to identify high-emitting vehicles for potential voluntary replacement with cleaner, more fuel-efficient vehicles. These actions are to also transfer up to \$850,000 (comprising the above amendments and a prior \$350,000 amendment for Opus Inspection approved in February 2017) as a temporary loan from the Clean Fuels Program Fund (31) into the HEROS II Special Revenue Fund (56), until receipt of the CARB revenue. (Reviewed: Technology Committee, July 21, 2017; Recommended for Approval)

7. **Issue RFP for Legislative Representation in Sacramento, California** **Alatorre/3122**

The current contracts for legislative representation in Sacramento, California expire on December 31, 2017. This action is to issue an RFP for legislative consulting services for SCAQMD in Sacramento for 2018. The RFP will also indicate that the services contract(s) may be extended for up to two additional one-year terms. Total expenditures for the contract(s) shall not exceed \$350,000 for the initial one-year period. (Reviewed: Administrative Committee, July 14, 2017; Recommended for Approval)

8. **Execute Contract for Insurance Brokerage Services** **O'Kelly/2828**

The current contract for insurance brokerage services expires September 30, 2017. On May 5, 2017, the Board approved release of an RFP to solicit proposals from firms interested in providing these services for the next three-year period. This action is to execute a contract with Alliant Insurance Services, Inc. from October 1, 2017 through September 30, 2020 for an amount not to exceed \$149,960 for the three-year period. Funding for the first year of this contract has been included in the FY 2017-18 Budget, and will be requested in successive fiscal years for subsequent annual payments. (Reviewed: Administrative Committee, July 14, 2017; Recommended for Approval)

9. **Approve Position Reclassifications in Information Management and Compliance & Enforcement** **O'Kelly/2828**

The Technical & Enforcement and Office, Clerical and Maintenance MOU provides for employee-initiated classification studies, as well as determinations by management to reclassify employees. An outside consultant, Koff & Associates, has completed evaluations of requests for classification studies, for positions in Information Management and Compliance & Enforcement. Based on the analysis of the studies, and in consultation with union representatives for the bargaining units, staff recommends Board approval for the following reclassifications: positions in the Computer Operator and Telecommunications series in Information Management, and one Office Assistant in Compliance & Enforcement. This action will result in an annual cost increase of approximately \$155,292. Sufficient funding for this annual cost increase exists in the FY 2017-18 Budget. This action is also to amend the Salary Resolution for a Director of Communications position, which was previously approved by the Board. (Reviewed: Administrative Committee, July 14, 2017; Recommended for Approval)

10. **Close and Transfer Residual Balances from Five Special Revenue Funds and One Enterprise Fund** **O'Kelly/2828**

SCAQMD maintains multiple funds as a means of accounting for revenues that have restricted or designated purposes. As discussed during the FY 2017-18 General Fund Budget Hearing process, staff is performing a review of all funds to determine the appropriate disposition of monies. This action is to recommend the close and transfer of five special revenue funds and one enterprise fund as part of the first step of the review process. (Reviewed: Administrative Committee, July 14, 2017; Recommended for Approval)

11. **Approve Contract Awards and Modification and Issue Solicitation Approved by MSRC** **Pettis**

The MSRC previously released an RFP to solicit technical advisor services. The MSRC unanimously awarded the contract to Raymond Gorski as part of their FYs 2016-18, 2018-19, and 2019-20 AB 2766 Discretionary Fund Work Programs. Additionally, as part of their FYs 2016-18 Work Program, the MSRC approved new contracts under the Major Event Center Transportation and Natural Gas Infrastructure Programs. The MSRC also approved a modification to a contract under the Near-Zero Engine Incentive Program as part of their FYs 2014-16 Work Program, and the release of an Invitation to Negotiate for a Local Government Partnership Program as part of their FYs 2016-18 Work Program. At this time the MSRC seeks Board approval of the contract awards and modification and to release the solicitation. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, August 17, 2017; Recommended for Approval)

Items 12 through 19 - Information Only/Receive and File

12. Legislative, Public Affairs and Media Report **Alatorre/3122**
- This report highlights the June and July 2017 outreach activities of the Legislative, Public Affairs and Media Office, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, Media Relations, and Outreach to Business, Federal, State, and Local Government. (No Committee Review)
13. Report to Legislature and CARB on SCAQMD's Regulatory Activities for Calendar Year 2016 **Alatorre/3122**
- The SCAQMD is required by law to submit a report to the Legislature and CARB on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by SCAQMD, number of permits issued, denied, or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015 - Backstop Provisions. (No Committee Review)
14. Hearing Board Report **Prussack/2500**
- This reports the actions taken by the Hearing Board during the period of June 1 through July 31, 2017. (No Committee Review)
15. Civil Filings and Civil Penalties Report **Wiese/3460**
- This reports the monthly penalties from June 1 through June 30, 2017, and legal action filed by the General Counsel's Office from June 1 through June 30, 2017. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, July 21, 2017)
16. Lead Agency Projects and Environmental Documents Received by SCAQMD **Nakamura/3105**
- This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between June 1, 2017 to July 31, 2017, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, July 21, 2017, for the June 1 to June 30, 2017 portion of the report; the July 1 to July 31, 2017 portion had no committee review)
17. Rule and Control Measure Forecast **Fine/2239**
- This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2017. (No Committee Review)

18. Status Report on Major Ongoing and Upcoming Projects for Information Management **O'Kelly/2828**

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, July 14, 2017)

19. FY 2016-17 Contract Activity **O'Kelly/2828**

This report lists the number of contracts let during FY 2016-17, the respective dollar amounts, award type, and the authorized contract signatory for SCAQMD. This report includes the data provided in the March 2017 Report covering contract activity for the first six months of FY 2016-17. (No Committee Review)

20. Items Deferred from Consent Calendar

BOARD CALENDAR

21. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**

22. Legislative Committee **Chair: Mitchell Alatorre/3122**

Receive and file; and take the following actions as recommended:

Agenda Item	Recommendation
AB 246 (Santiago) Hazardous waste: facilities: permits: fence-line monitoring systems	Work with Author
AB 1036 (McCarty) Organic Waste: composting	Oppose
SB 615 (Hueso) Salton Sea restoration	Support with Amendments
SB 701 (Hueso) Salton Sea Obligations Act of 2018	No Recommendation

23. Mobile Source Committee (Receive & File) **Chair: Parker Fine/2239**

24. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopoulos/3123**

25. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**

26. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Liaison: Benoit Minassian/2641

27. California Air Resources Board Monthly Report (Receive & File) Board Rep: Mitchell Garzaro/2500

Staff Presentation/Board Discussion

28. Status Report on Regulation XIII – New Source Review Tisopoulos/3123

This report presents the federal Final Determination of Equivalency for January 2015 through December 2015. As such, it provides information regarding the status of Regulation XIII – New Source Review in meeting federal NSR requirements and shows that SCAQMD’s NSR program is in final compliance with applicable federal requirements from January 2015 through December 2015. (Reviewed: Stationary Source Committee, July 21, 2017)

PUBLIC HEARING

29. Determine that Proposed Amendments to Rule 1401 Are Exempt from CEQA and Amend Rule 1401– New Source Review of Toxic Air Contaminants Nakamura/3105

In June 2015, Rule 1401 – New Source Review of Toxic Air Contaminants, was amended to incorporate the 2015 Revised OEHHA Health Risk Assessment Guidelines (2015 OEHHA Guidelines). The amendments allowed spray booths and retail gasoline dispensing facilities to use the previous guidelines to allow staff additional time to better understand potential permitting impacts. Based on analysis of SCAQMD permits, implementation of the 2015 OEHHA Guidelines is expected to have minimal impacts to new or modified spray booths or gasoline dispensing facilities. Staff recommends that these two source categories begin using the SCAQMD’s Risk Assessment Procedures (Version 8.1) which incorporate the 2015 OEHHA Guidelines for spray booths and gasoline dispensing facilities, revised emission factors and speciation profiles for gasoline dispensing facilities, and updated meteorological data. The proposed changes will also update the list of toxic air contaminants. This action is to adopt the Resolution to: 1) Determine that the proposed amendments to Rule 1401 - New Source Review of Toxic Air Contaminants are exempt from the requirements of the California Environmental Quality Act; 2) Amend Rule 1401 - New Source Review of Toxic Air Contaminants; and 3) Receive and file the SCAQMD Risk Assessment Procedures for Rules 1401, 1401.1 and 212 (Version 8.1). (Reviewed: Stationary Source Committee, July 21, 2017)

OTHER BUSINESS

30. Amend Governing Board Meeting Procedures

Wiese/3460

This action is to amend the Governing Board Meeting Procedures, primarily to add provisions to address public decorum and meeting disruptions. In addition, the amendments will clarify the time limits for public comment and address recent changes in the law applicable when members of the public use translators to assist with providing public comment. In addition, the amendments will, in certain areas, conform the procedures to long-standing Board practice. A public consultation meeting was held on August 10, 2017, to consider key proposals and revisions are being recommended in response to public comments received at the meeting. (No Committee Review)

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

BOARD MEMBER TRAVEL – (*No Written Material*)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION - (*No Written Material*)

Wiese/3460

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session 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:

- Aerocraft Heat Treating Co., Inc. v. SCAQMD, Los Angeles Superior Court Case No. TC028725;
- SCAQMD v. Anaplex, Los Angeles Superior Court Case No. BC608322 (Paramount Hexavalent Chromium);
- In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement);
- Arizona v. Bahr, United States Supreme Court Case No. 16-1369 (Contingency Measures);
- Beck v. SCAQMD, WCAB Case Nos. ADJ1914537 and ADJ9748689;
- In the Matter of SCAQMD v. Browning-Ferris Industries of California, Inc. dba Sunshine Canyon Landfill, Hearing Board Case No. 3448-14;
- Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS161399 (RECLAIM);
- Communities for a Better Environment v. South Coast Air Quality Management District, Los Angeles Superior Court Case No. BS169841; Safe Fuel and Energy Resources California, et al. v. South Coast Air Quality Management District, Los Angeles Superior Court Case No. BS169923 (Tesoro);
- People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;

- In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case);
- In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement);
- Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Contra Costa County Superior Court Case No. MSN14-0300 (formerly South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS 143381) (SCIG); and
- SCAQMD v. EPA, U.S. Court of Appeals, D.C. Circuit, Case No. 15-1115 (consolidated with 15-1123, Sierra Club, et al. v. EPA) (Out-of-Area RFP).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (one case).

CONFERENCE WITH NEGOTIATORS

It is also necessary to recess to closed session pursuant to Government Code Section 54957.6 to confer regarding upcoming labor negotiations with:

- designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: A. John Olvera; Represented Employees: Teamsters Local 911 and SCAQMD Professional Employees Association]; and to confer with:
- labor negotiators regarding unrepresented employees [Agency Designated Representative: A. John Olvera; Unrepresented Employees: Designated Deputies and Management and Confidential employees].

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any listed item before or during consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers may be limited to three (3) minutes each.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under Public Comments may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NGV = Natural Gas Vehicle
AQIP = Air Quality Investment Program	NOx = Oxides of Nitrogen
AQMP = Air Quality Management Plan	NSPS = New Source Performance Standards
AVR = Average Vehicle Ridership	NSR = New Source Review
BACT = Best Available Control Technology	OEHHA = Office of Environmental Health Hazard Assessment
Cal/EPA = California Environmental Protection Agency	PAMS = Photochemical Assessment Monitoring Stations
CARB = California Air Resources Board	PAR = Proposed Amended Rule
CEMS = Continuous Emissions Monitoring Systems	PEV = Plug-In Electric Vehicle
CEC = California Energy Commission	PHEV = Plug-In Hybrid Electric Vehicle
CEQA = California Environmental Quality Act	PM10 = Particulate Matter \leq 10 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM2.5 = Particulate Matter \leq 2.5 microns
CNG = Compressed Natural Gas	PR = Proposed Rule
CO = Carbon Monoxide	RECLAIM=Regional Clean Air Incentives Market
CTG = Control Techniques Guideline	RFP = Request for Proposals
DOE = Department of Energy	RFQ = Request for Quotations
EV = Electric Vehicle	SCAG = Southern California Association of Governments
FY = Fiscal Year	SIP = State Implementation Plan
GHG = Greenhouse Gas	SOx = Oxides of Sulfur
HRA = Health Risk Assessment	SOON = Surplus Off-Road Opt-In for NOx
LEV = Low Emission Vehicle	SULEV = Super Ultra Low Emission Vehicle
LNG = Liquefied Natural Gas	TCM = Transportation Control Measure
MATES = Multiple Air Toxics Exposure Study	ULEV = Ultra Low Emission Vehicle
MOU = Memorandum of Understanding	U.S. EPA = United States Environmental Protection Agency
MSERCs = Mobile Source Emission Reduction Credits	VOC = Volatile Organic Compound
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	ZEV = Zero Emission Vehicle
NATTS =National Air Toxics Trends Station	
NESHAPS = National Emission Standards for Hazardous Air Pollutants	