

BOARD MEETING DATE: October 5, 2018

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the September 7, 2018 meeting.

RECOMMENDED ACTION:

Approve Minutes of the September 7, 2018 Board Meeting.

Denise Garzaro
Clerk of the Boards

DG

FRIDAY, SEPTEMBER 7, 2018

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

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

Mayor Ben Benoit
Cities of Riverside County

Council Member Joe Buscaino
City of Los Angeles

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

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Larry McCallon
Cities of San Bernardino County

Mayor Pro Tem Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (Arrived at 9:15 a.m.)
County of Orange

Supervisor V. Manuel Perez
County of Riverside

Council Member Dwight Robinson
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

Supervisor Hilda L. Solis
County of Los Angeles

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

- Pledge of Allegiance: Led by Council Member Cacciotti.
- Opening Comments

Dr. Lyou announced that he attended the Climate Reality Leadership Corps training held August 28-30, 2018 at the Los Angeles Convention Center and shared photos and presentation slides from the event. One item of note is the increase in temperatures over the last decade and he questioned whether there could be a connection to ozone levels. He added that the South Coast Air Basin has exceeded the 2015 8-hour ozone standard for the last 80 days. He asked staff if their forecasting has taken into account increased temperatures and a longer smog season.

Mr. Nastri acknowledged that staff has started to analyze the impacts of increased temperatures and how that might affect the ability for the region to reach attainment. He asked staff to further detail the efforts in this regard and noted that staff will report to the Board after a thorough review of the issue.

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources, explained that staff is researching whether warmer weather and more stagnant conditions over the last three years are a weather anomaly or are in fact the “new normal” and to what extent it may be due to the expected changes you would see from climate change. Counting the number of consecutive days of ozone exceedances is not the best metric for gauging ozone trends. By that measure, last year was better than this year. In fact, the opposite is true, with much higher ozone peaks occurring last year than this year. He added that these issues are an ongoing area of focus as future air quality projections are made and the next AQMP is developed.

Council Member Cacciotti detailed the public transit route he takes to attend each Board meeting. He shared photos of the trip and encouraged the utilization of mass transit.

Supervisor Solis noted the efforts within Los Angeles County to promote the use of electric buses and rail systems.

Chairman Burke inquired about increasing the number of Career Development interns from two to six under Item 10. Bayron Gilchrist, General Counsel responded that increasing the number of allocated positions may be addressed during consideration of the agenda item.

(Supervisor Nelson arrived at 9:15 a.m.)

- Swearing in of Newly Appointed Board Member V. Manuel Perez

Chairman Burke administered the oath of office to Supervisor V. Manuel Perez who was appointed to the Board by the Riverside County Board of Supervisors for a term ending January 15, 2022. Supervisor Perez expressed appreciation for the opportunity to serve on the Board.

CONSENT CALENDAR

1. Approve Minutes of July 6, 2018 Board Meeting
2. Set Public Hearing October 5, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations:

Certify Final Subsequent Environmental Assessment and Amend Rule 2001 – Applicability and Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx)

Budget/Fiscal Impact

3. Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, Reimburse General Fund for Administrative Costs, and Purchase Electric School Buses
4. Recognize Revenue from CARB for Carl Moyer Program and EFMP; Transfer and Appropriate Funds, Amend Contract for Implementing Assistance and Reimburse General Fund for Administrative and Outreach Costs for EFMP
5. Amend Contract Awards for Mobile Source Emissions Reduction Projects
6. Appropriate Funds, and Issue RFP to Assess Potential Cost and Economic Impacts of Proposed Facility-Based Mobile Source Control Measures on Warehouses and Distribution Centers
7. Appropriate Funds and Execute Contract for Planning, Organizing, and Facilitating SCAQMD's Martin Luther King, Jr. Day of Service Forum and Cesar Chavez Day of Remembrance
8. Issue RFP for Legislative Representation in Washington, D.C.

9. Issue Purchase Order for Ingres Relational Database Management System Software Support
10. Amend Classification of Career Development Intern, and Adopt New Classification of Source Testing Manager
11. Approve Contract Awards and Modifications and Approve Fund Transfer for Miscellaneous and Direct Expenditures Costs in FY 2018-19 as Approved by MSRC

Items 12 through 19 - Information Only/Receive and File

12. Legislative, Public Affairs and Media Report
13. Hearing Board Report
14. Civil Filings and Civil Penalties Report
15. Lead Agency Projects and Environmental Documents Received by SCAQMD
16. RFPs Scheduled for Release in September
17. Rule and Control Measure Forecast
18. Status Report on Major Ongoing and Upcoming Projects for Information Management
19. FY 2017-18 Contract Activity

BOARD CALENDAR

21. Administrative Committee
22. Legislative Committee
23. Mobile Source Committee

- 24. Stationary Source Committee -- July
- 25. Stationary Source Committee -- August
- 26. Technology Committee
- 27. Mobile Source Air Pollution Reduction Review Committee
- 28. California Air Resources Board Monthly Report

Dr. Lyou announced his abstention on Item No. 3 because IQAir North America is a potential source of income to him; on Item No. 5 because the City of Long Beach is a potential source of income to him; and on Item No. 11 because U.S. Gain and the City of Los Angeles are potential sources of income to him.

Supervisor Rutherford recused himself on Item No. 5 because of campaign contributions from Bogh Engineering.

Supervisor Perez announced his abstention on Item No. 5 because of campaign contributions from Amazing Coachella dba Peter Rabbit Farms within the past 12 months.

Council Member Mitchell noted that she is a Board Member of the CARB which is involved with Item No. 4; and serves as an alternate delegate for the Los Angeles County Sanitation District which is involved with Item No. 11.

Council Member Buscaino announced that he serves on the Board of Directors for the Los Angeles County Sanitation District and is a Council Member for the City of Los Angeles which is involved with Item No. 11; Council Member Cacciotti announced that he is a Council Member for the City of South Pasadena which is involved with Item No. 11; Supervisor Nelson announced that he serves on the Board of Directors for the Orange County Transit Authority and Metrolink which is involved with Item No. 11; Mayor McCallon announced that he serves on the Board of Directors for the Southern California Regional Rail Authority and is the Mayor of the City of Highland, which is involved with Item No. 11; and Supervisor Solis announced that she serves on the Board of Directors for the Los Angeles County Sanitation District and is a Supervisor for Los Angeles County which is involved with Item No. 11.

Agenda Items 2, 6 and 22 were withheld for comment and discussion.

2. Set Public Hearing October 5, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations:

Certify Final Subsequent Environmental Assessment and Amend Rule 2001 – Applicability and Rule 2002 – Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x)

The following individuals addressed the Board on Agenda Item 2.

Curtis Coleman, Southern California Air Quality Alliance

Bill Quinn, California Council for Environmental and Economic Balance

Asked that the Board delay setting the hearing on the proposed rule amendments until more basic structures of the New Source Review program are developed and stakeholders have had an adequate opportunity to provide input.

Bridget McCann, Western States Petroleum Association, asked that the hearing be delayed until the New Source Review program is developed and a programmatic CEQA analysis is completed.

Dr. Parker asked staff to address the concerns expressed by the speakers.

Mr. Nastri noted the complexities involved with transitioning facilities out of the RECLAIM program and asked Dr. Fine to respond.

Dr. Fine noted that staff has been working diligently with the working group, U.S. EPA and stakeholders to address the issues. He explained that the proposed amendments to the rules will provide regulatory certainty and an optional flexible path until the issues with NSR are resolved. He added that staff will continue to work with stakeholders prior to the public hearing.

MOVED BY MITCHELL, SECONDED BY SOLIS, AGENDA ITEMS 1 THROUGH 5, 7 THROUGH 21 AND 23 THROUGH 28 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, AND MSRC REPORTS, AND ADOPTING RESOLUTION NO. 18-13 AMENDING SCAQMD'S SALARY RESOLUTION TO ESTABLISH THE NEW CLASSIFICATION OF SOURCE TESTING MANAGER AT AN ANNUAL SALARY RANGE OF \$104,926 - \$138,367, BY THE FOLLOWING VOTE:

AYES: Benoit, Buscaino, Burke, Cacciotti, Lyou (*except Items #3, #5 and #11*), McCallon, Mitchell, Nelson, Parker, Perez (*except Item #5*), Robinson, Rutherford (*except Item #5*) and Solis

NOES: None

ABSTAIN: Lyou (*Items #3, #5 and #11 only*), Perez (*Item #5 only*), and Rutherford (*Item #5 only*)

20. Items Deferred from Consent Calendar

6. Appropriate Funds, and Issue RFP to Assess Potential Cost and Economic Impacts of Proposed Facility-Based Mobile Source Control Measures on Warehouses and Distribution Centers

Dr. Lyou asked for clarification on how cost savings and health and economic benefits will be addressed in the study.

Dr. Fine noted that the proposed RFP is in response to direction given by the Board in May 2017. He explained that experts in the logistics field will conduct a comprehensive analysis of the logistics industry to see what potential impacts a potential ISR rule would have on that industry. Analyzing the benefits of improved air quality and health would require a different set of experts, but some of that analysis can be performed by District staff, similar to the analysis that was done for the AQMP.

Dr. Parker asked if the study will address the same issues as those at the Ports and if truck traffic as a function of facility square footage will be addressed.

Mr. Nastri responded that the Ports approach involves a voluntary MOU. The analysis for warehouses would differ from the Ports as it will include truck traffic and warehouse square footage data.

Supervisor Nelson commented on the importance of efforts to gain support at the congressional level for the regulation of trucks. He expressed concerns about ISRs and economic impacts.

Mr. Nastri explained that in order to reach upcoming attainment goals, staff understands the importance of gaining support at the state, federal and international levels. He noted the importance of the socioeconomic study to address the issues that have been raised and to provide information to the Board.

Mayor McCallon noted the importance of providing an analysis of the entire supply chain which includes impacts to the Ports.

Supervisor Rutherford questioned whether the study would be able to capture the economic benefits to the community such as new sidewalks, and parks as a result of new warehouse development. She noted the importance of a comprehensive study that addresses all economic impacts.

Mayor Pro Tem Mitchell noted that ISRs were included in the adoption of the AQMP and the District is required by law to take all feasible measures to reach attainment. The San Joaquin Valley Air Pollution Control District has already developed rules for new warehouse development which can serve as a resource for SCAQMD rule development. She commented on the importance of providing incentives to promote cleaner mobile source technologies.

The following individuals addressed the Board on Agenda Item 6.

Carlo De La Cruz, Sierra Club

Yassi Kavezade, Sierra Club

Commented on the importance of studying the overall benefits of cleaning the air and not only the economic impacts to businesses. They expressed support for expanding the study to address the economic benefits of improved health for businesses and residents who live near warehouses.

Kathleen Dale, Sierra Club, noted the importance of expanding the scope of the study to address the concerns addressed today. She commented on an academic study that addressed the effects and consequences of local development incentives and recommended partnering with academic institutions for the analysis.

Demi Espinoza, Safe Routes to School and National Partnership, noted health and safety concerns for children who attend schools near warehouses and live in disadvantaged communities.

Cody Rosenfield, Coalition for Clean Air, expressed concern that the RFP is too narrow and should be expanded to include participation by academic institutions and community stakeholders. He noted the importance of quality of life issues that are often not addressed in these types of studies.

Sheheryar Kaoosji, Warehouse Worker Resource Center, expressed support for the need to account for the overall health impacts of warehouses. She noted that lower wage workers without health insurance live in these disadvantaged areas and suffer from the effects of air pollution

from truck traffic. She added the importance of analyzing the different economic circumstances of warehouse workers, truck drivers and warehouse owners when developing regulations.

Council Member Robinson commented on the economic challenges facing companies in Southern California and the need to balance economic impacts and regulations on businesses. He commented on the voluntary efforts at the Ports and expressed concerns about the inability of truck manufacturers to keep up with the demand for zero-emission trucks. He added that consumer demand has created a need for more logistics centers and goods distribution channels.

Supervisor Solis thanked the individuals who presented testimony. She expressed concern about the health impacts to disadvantaged communities near warehouses and expressed support for expanding the study to include academic and health care professionals, as well as stakeholders. She urged support for not only electrification of mass transit, but also on local freeways.

Mr. Nastri commented on the efforts and participation of the Sierra Club, SCAG and stakeholders in the working group process. He noted that the District has trained academic economists and experts that focus on air quality and health impacts. The RFP will bring in outside experts that know the operational aspects of the logistics industry.

Dr. Fine explained that the RFP is based on direction from the Board in May 2017 to gather preliminary information on the logistics industry to assist in the development of ISRs. In the event any ISRs are proposed, a comprehensive economic assessment would be performed. Other studies addressing health impacts will be brought back to the Board.

Dr. Parker asked staff to address the Board's authority regarding the regulation of mobile and stationary sources.

Barbara Baird, Chief Deputy Counsel, explained that the District has authority under state law to adopt rules to reduce emissions for indirect sources and the Federal Clean Air Act defines indirect sources as sources which attract mobile sources. The District does not have authority to set emission standards specifically for mobile sources.

Mayor McCallon emphasized the importance of using outside economists to look at regional and economic impacts to specific areas. He noted that during his tenure as president of SCAG he found the information provided by economists to be useful.

MOVED BY MITCHELL, SECONDED BY SOLIS, AGENDA ITEM 6 APPROVED, AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Perez, Robinson, Rutherford and Solis

NOES: Nelson

ABSENT: None

22. Legislative Committee

Supervisor Rutherford noted that she is opposed to a ballot measure that would increase taxes and asked what majority of votes is needed for such measure to pass.

Ms. Baird explained that a confidential memo previously provided to the Board members went into detail about this topic and indicated that there is a potential that it could be passed with a majority vote.

Chairman Burke asked if the proposal was for a half cent increase.

Mr. Nastri explained that the current approach would request a quarter cent sales tax. He added that members of the Assembly and Legislature suggested that a higher amount be proposed to increase the amount of funds that could be utilized for clean air efforts.

Chairman Burke acknowledged the need to provide flexibility in the amount of sales tax that will be proposed. Chairman Burke moved to authorize up to one cent sales tax for the ballot measure.

Supervisor Perez commented on the difficulty of passing a sales tax measure and recommended flexibility in the amount of the proposed tax while discussions continue with Legislators in Sacramento.

MOVED BY BURKE, SECONDED BY MITCHELL, AGENDA ITEM 22 APPROVED RECEIVING AND FILING THE LEGISLATIVE COMMITTEE REPORT WITH THE RECOMMENDATION THAT UP TO A ONE CENT SALES TAX BE PROPOSED FOR A SALES TAX MEASURE, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Parker, Perez and Solis

NOES: McCallon, Nelson, Robinson and Rutherford

ABSENT: None

Agenda Item	Recommendation
Proposed Sales Tax Increase Legislative Concept for Approval	Sponsor in Concept

Staff Presentation/Board Discussion

29. Status Report on Regulation XIII – New Source Review

The presentation on Item No. 29 was waived.

INFORMATION ONLY; RECEIVE AND FILE.

30. Update on Development of Facility-Based Mobile Source Measures in 2016 AQMP

Dr. Sarah Rees, Assistant DEO/Planning, Rule Development and Area Sources, gave an update on development of facility-based mobile source measures.

Council Member Cacciotti asked about interagency coordination in regards to the Ports MOU, whether U.S. EPA and CARB were involved, and whether those parties should be included as signatories to the Ports MOU as the Ports had suggested. He also questioned whether Metrolink and other commuter rail yards will be included in the rulemaking and commented on the efforts that Metrolink has made to utilize cleaner trains and electrification.

Dr. Rees explained the necessity to reach a timely MOU with the Ports in order to receive SIP credit, and that adding additional parties as signatories to the MOU would likely increase the time it would take to develop the MOU. She indicated that it is not clear whether U.S. EPA would be willing to sign the MOU. In response to the rail yards, she noted that the current focus is on freight rail yards which produce the most significant emissions.

Dr. Lyou inquired about the Ports concern about their ability to quantify emission reductions and committing to quantifiable emission reductions in the MOU.

Dr. Rees commented on the ongoing discussions with the Ports and their efforts under the Clean Air Action Plan. She added that if significant progress does not occur, staff will report back to the Mobile Source Committee.

Council Member Buscaino commented on the importance of holding the Ports accountable for their earlier commitments for voluntary measures to achieve emissions reductions and, if necessary, the need to move forward with regulations in the event issues cannot be adequately resolved. He asked that staff report back to the Board if they are unable to reach agreement with the Ports.

The following individuals addressed the Board on Agenda Item 30.

Carlo De La Cruz, Sierra Club, thanked the Board for initiating the facility-based mobile source measures for the five sectors and noted the importance of engaging local community stakeholders impacted by specific facility-based measures in the process.

David Pettit, Natural Resources Defense Council, commented that diesel trucks are the largest source of NOx emissions at the Ports and urged the Board to take action to adopt an enforceable MOU to receive SIP credit.

Mark Lopez, East Yard Communities for Environmental Justice, expressed support for ISRs, noted the detrimental health impacts experienced by residents living near rail yards and the Ports, and encouraged the Board to require regulation in this area.

Alfonso Mota commented on the increase in pollution and health conditions as a result of the construction of warehouses in the Inland Empire. He expressed support for ISRs and cleaner vehicle and infrastructure technologies. He also supported holding working group meetings in the communities impacted by emissions.

Kathleen Dale, Sierra Club, noted that she is part of the working group for warehouse ISRs and thanked the Board for involving stakeholders in the process. She expressed concern about using outdated 2014 warehouse facilities data from

SCAG and urged support for strong ISRs, including implementing a fee-approach to emissions reductions.

Yassi Kavezade, Sierra Club,

Andrea Villarde, Center for Community Action and Environmental Justice

Noted that the South Coast Basin has exceeded the ozone standards for the last 80 days and expressed concern for the health impacts to surrounding communities. They expressed support for ISRs and urged for community meetings to be held in areas most impacted by poor air quality at times that are more accessible to the local community.

Cody Rosenfield, Coalition for Clean Air, expressed concerns that the Ports have not committed to quantifiable outcomes for the Clean Air Action Plan. He supports ISRs for warehouses and rail yards and recommended that staff provide a comprehensive list of proposed regulatory options to stakeholders.

Chris Cannon, Port of Los Angeles, noted the Ports continued commitment to an MOU implementing Clean Air Action Plan programs. He commented on the progress the Ports have made in exceeding NOx emissions reduction goals five years in advance, noting that together they have reduced NOx emissions by sixty percent.

Adrian Martinez, Earthjustice, noted that while the Ports have reduced their emissions, further reductions are needed. He urged the Board to move as quickly as possible to implement ISRs for the Ports, warehouses and new development. He noted the urgency in meeting clean air standards.

Mayor Pro Tem Mitchell recommended a combining of community meetings for AB 617 and ISRs and increased collaboration with local officials and planning staff.

Dr. Lyou expressed appreciation for all who came out to testify. He expressed support for merging ISR meetings with AB 617 meetings in the communities and inquired if staff could develop a list of regulatory approaches for warehouses and rail yards.

Mr. Nastri explained staff's involvement in commenting on air quality impacts as part of the CEQA process for new developments. He noted the challenge of scheduling multiple working group and community meetings and the need to streamline efforts. He added that the steering committee for AB 617 will be broad and include elected officials, community stakeholders and business representatives. With regard to regulatory approaches for ISRs, staff has developed a list of options that would be useful in working group meetings.

Supervisor Solis inquired about the use of outside organizations to assist in outreach to communities. She noted that Los Angeles County has successfully

used outside groups to facilitate community meetings.

Mr. Nastri responded that staff will continue to research options to expand outreach to communities. One option that has been considered is allowing individuals to participate via video conference.

INFORMATION ONLY; NO ACTION NECESSARY.

PUBLIC HEARINGS

31. Certify Final Environmental Assessment and Amend Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

Susan Nakamura, Assistant DEO/Planning, Rule Development and Area Sources, gave the staff presentation on Item No. 31.

The public hearing was opened and the following individuals addressed the Board on Item 31.

Wesley Turnbow, Metal Finishing Association of CA (MFASC)

Bryan Leiker, MFASC

Jerry Wahlin, MFASC

Justin Guzman, MFASC

Brian Ward, MFASC

Jeff Hannapel, National Association for Surface Finishing

Javier Gonzalez, Aircraft X-Ray

Adriana Rojas, General Brite Plating

Dolores Saucedo, General Brite Plating

Kashiram Patel, General Brite Plating

Russell Lee

Eric Hernandez, General Brite Plating

Eric McIntosh, General Brite Plating

Freddy Munoz, Metal Surfaces Inc.

Daniel Garcia, Metal Surfaces Inc.

Sam Bell, Metal Surfaces Inc.

Oscar Diaz, General Brite Plating

Hersh Patel, General Brite Plating

Willy Ayala, General Brite Plating

Tiffany Hernandez, Metal Surfaces Inc.

Brad Kerr

Elíseo Barajas

Alan Olick, General Brite Plating

Dilip Patel, General Brite Plating

Silvia Ramirez, General Brite Plating

Jordan Pohl, General Brite Plating

Flor Maravilla

Ricardo Rangel
Lucina Dominguez
David Trinidad, General Brite Plating
Ed Appleton, Metal Finishing Marketers
Sonia Balcazar, Anaplex Corporation
Geraldo Gomez
Trino Gonzalez, General Brite Plating
Salvador Duran, General Brite Plating
Joseph Mercado, General Brite Plating

Expressed concerns about the cost of implementing the proposed rule requirements and the resulting closure of metal finishing businesses and potential job loss.

Richard Boyd, CARB, expressed support for the rule amendment which will reduce emissions of hexavalent chromium from chrome plating and chromic acid anodizing facilities and address public health concerns. He added that CARB is committed to working with the District to evaluate potential alternatives to hexavalent chromium. (Submitted Written Comments)

Florence Gharibian, Del Amo Action Committee, expressed concerns that the rule amendments do not adequately protect the people living near these facilities and lack clear enforcement requirements. She urged the Board to continue the hearing to allow further discussion of the rule language. (Submitted Written Comments)

*John Sermeno

*Robina Suwol, California Safe Schools

*Jane Williams, California Communities Against Toxics

Expressed opposition to the rule because it does not provide enough protection from exposure to hexavalent chromium. They noted that the rule language omitted parks as sensitive receptors and contains inconsistencies in the distance of tanks to schools. *(Submitted Written Comments)

Bill Pearce, The Boeing Company, thanked staff for their work during the rulemaking process and asked if staff would consider reevaluation of the new parametric monitoring requirements.

Felipe Aguirre, Comite Pro Uno, expressed concerns about hexavalent chromium emissions in the community of Maywood and near schools. (Submitted Written Comments)

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

Dr. Lyou noted the extensive efforts that have been undertaken throughout the rule development process to include input from all stakeholders including several long discussions in the Stationary Source Committee. He stressed the

need for regulations that support stricter controls and enforcement action to address hexavalent chromium emissions.

Mayor Pro Tem Mitchell commented that the rule development process has spanned one and half years. She acknowledged the economic impact to industry and stressed the need to balance that with protecting public health. She also noted that she understands the anticipated initial capital cost to businesses to be between \$22,000 and \$38,000 per year.

Dr. Fine noted that those costs include both annualized capital costs and ongoing maintenance costs.

Mayor Pro Tem Mitchell noted that staff has worked to address many of the issues that have been raised and have provided a number of mechanisms by which facilities can comply with the rule. She noted the need for controls on equipment because of the dangers to public health. She added that more companies are beginning to use trivalent chromium as an alternative to hexavalent chromium and noted that staff has approached the Department of Defense regarding the potential to utilize this alternative.

Mr. Nastri noted the extensive rule development process and the mechanisms that are in place to assist with implementation of the rule. He referenced a socio-economic study that was performed by the District and confirmed by third-party review and expressed the need to address the 300 tanks currently uncontrolled within the District.

Chairman Burke inquired about monitoring efforts around these facilities.

Mr. Nastri responded that monitoring is in place in certain areas and additional monitoring will be deployed through the AB 617 program and through a potential future rule adoption as well. He asked Dr. Ghosh to address the non-cancer and cancer effect comments.

Dr. Jo Kay Ghosh, Health Effects Officer, explained that one of the chief assumptions for any carcinogen – not just for hexavalent chromium – is that there is no safe level. There is a specific threshold called reference exposure levels that are specifically for non-cancer health effects. The reference exposure level for hexavalent chromium is 200 nanograms per cubic meter which is much higher than some of the levels that were detected during the monitoring conducted in the cities of Paramount and Compton.

In response to Dr. Parker's inquiry regarding the cost of compliance, Dr. Fine explained that facilities agree with the costs, and the estimate revenue is from best available data from Dunn and Bradstreet. The cost is facility-dependent but on average the annual cost ranges from \$22,000 to \$36,000. He noted the extensive discussions that staff has had with a number of facilities to clarify the rule requirements and that affordability of controls has been considered.

Mr. Nastri noted that this item has been discussed at the Stationary Source Committee five times and each time staff has addressed all concerns.

Supervisor Solis questioned the effectiveness of protection for facilities located within 100 feet of a sensitive receptor. She expressed concern for the seeming misinformation conveyed by a number of small businesses that they believe that their facilities will have to close if the rule is adopted. She stated the importance of addressing the negative health impacts and conveying a clear message to impacted companies and employees.

Chairman Burke referred the item back to the Stationary Source Committee and directed staff to bring the proposed amended rule to the December Board meeting.

AT THE CHAIRMAN'S DISCRETION, THE PUBLIC HEARING TO CONSIDER PROPOSED AMENDED RULE 1469 WAS CONTINUED TO THE DECEMBER 7, 2018 BOARD MEETING TO ALLOW FOR FURTHER DISCUSSION AT THE STATIONARY SOURCE COMMITTEE.

PLEASE NOTE THAT SUBSEQUENTLY THE CHAIRMAN REQUESTED THE HEARING ON PAR 1469 BE HELD AT THE NOVEMBER 2 BOARD MEETING AND A "SET HEARING" FOR THIS ITEM IS ON THE OCTOBER 5 BOARD MEETING AGENDA.

32. Receive and File 2017 Annual Report on AB 2588 Program; and Approve Updates to Facility Prioritization Procedure, Supplemental Guidelines for AB 2588 Program, and Guidelines for Participating in Rule 1402 Voluntary Risk Reduction Program

The presentation on Item No. 32 was waived.

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

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 32 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti,
Lyou, McCallon, Mitchell, Nelson,
Parker, Perez, Robinson, Rutherford
and Solis

NOES: None

ABSENT: None

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

Lesly Figueroa, Leadership Council for Justice and Accountability, expressed disappointment that none of the “Year 1” AB 617 communities are located in the Coachella Valley. She expressed concerns with the methodology used for the Eastern Coachella Valley which did not accurately account for pollution sources in agricultural communities.

Supervisor Perez thanked the individuals who presented testimony and encouraged their continued advocacy for their communities. He noted that he lives in the Coachella Valley and understands the concerns of the community and offered to meet with interested groups to further discuss their concerns.

Dr. Lyou noted that CARB will be making a decision on “Year 1” priority communities on September 27, 2018 and encouraged community members to work with staff to position a Coachella Valley community for consideration for the “Year 2” selections. He added that it might be prudent to schedule a tour of the Coachella Valley if the Board holds its annual Board Retreat in that area next spring.

Mayor Pro Tem Mitchell noted that AB 617 will likely continue for many years. She encouraged community organizers to work on an action plan for the next round of community selections.

Mayor Benoit thanked the individuals who presented testimony and encouraged the community efforts to focus on the need to select communities in the Coachella Valley in future years.

Bill LaMarr, California Small Business Alliance, thanked the Board for delaying consideration of amendments to Rule 1469 and stressed that those business owners who testified are experts in the field and their opinions should be regarded.

CLOSED SESSION

The Board recessed to closed session at 1:30 p.m., pursuant to Government Code sections:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- 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:

Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS161399 (RECLAIM);

People of the State of California, ex rel. SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;

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

Johnson Controls, Inc. v. SCAQMD, Los Angeles Superior Court Case No. BS173108;

South Coast Air Quality Management District v. Top Shelf Consulting LLC, Los Angeles Superior Court, Case No. BC676606; In re: Top Shelf Consulting, LLC, U.S. Bankruptcy Court, Central District of California (Los Angeles), Case No. 2:18-bk-11975-ER (Bankruptcy case); and

In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the SCAQMD (one case)—Letter from Steven J. Olson, O'Melveny & Myers LLP, on behalf of ExxonMobil Corporation, dated August 22, 2018.

Following closed session, Mr. Gilchrist announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board's office and made available to the public upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned by Mr. Gilchrist at 2:30 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on September 7, 2018.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
DEO = Deputy Executive Officer
EJ = Environmental Justice
FY = Fiscal Year
GHG = Greenhouse Gas
ISR = Indirect Source Rule
MOU = Memorandum of Understanding
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
NOx = Oxides of Nitrogen
NSR = New Source Review
RFP = Request for Proposals
SCAG = Southern California Association of Governments
SIP = State Implementation Plan
U.S. EPA = United States Environmental Protection Agency