

BOARD MEETING DATE: December 7, 2018

AGENDA NO. 19

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting on Friday, November 9, 2018. 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 Ben Benoit/Vice Chair
Mayor Pro Tem Judith Mitchell (videoconference)
Dr. Clark E. Parker, Sr. (videoconference)

Absent: None

Call to Order

Dr. Burke called the meeting to order at 10:27 a.m.

DISCUSSION ITEMS:

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** As noted on the travel report, Mayor Pro Tem Mitchell will attend the monthly CARB Board meeting as the SCAQMD Board representative in Sacramento on November 15-16, 2018.
3. **Report of Approved Out-of-Country Travel:** None to report.
4. **Review November 2, 2018 Governing Board Agenda:** None to report.
5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** None to report.

6. **Annual Audited Financial Statements for FY Ended June 30, 2018:** Assistant Deputy Executive Officer/Finance Sujata Jain introduced Helen Chu, BCA Watson & Rice auditor, who provided an update on the financial statements and single audit results. There were no material weaknesses, or significant deficiencies.
7. **SCAQMD's FY 2018-19 First Quarter ended September 30, budget vs. Actual (Unaudited):** Ms. Jain provided a general overview on the 1st Quarter Budget vs. Actual, revenues, expenditures and the updated General Fund Five-Year Projection. Dr. Burke inquired about the FY 2018-19 capital expenditure projection. Ms. Jain responded that the projection was \$1.4 million.
8. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Assistant Deputy Executive Officer/Information Management Ron Moskowitz reported the new mobile application went into production last week and is now available in the Apple App Store. The Microsoft Office 365 project's implementation plan has been finalized and staff is in the process of securing licensing. Two of the remaining six EGIS milestones have been completed. Dr. Burke inquired about poor wireless reception in the main auditorium. Mr. Moskowitz responded that another test will be conducted to check for dead spots in the auditorium.

ACTION ITEMS:

9. **Transfer and Appropriate Funds, Recognize Revenue, Approve Positions, Issue Solicitations and Purchase Orders, and Execute Contracts and Agreements for Mid-Year Budget Adjustments, AB 617 Implementation, Volkswagen Mitigation Projects, and China Partnership for Cleaner Shipping; and Amend Salary Resolution:** Chief Operating Officer Jill Whynot reported that this item has three parts. The first is to reinstate items that were cut from the budget and add other items that are necessary to implement important programs such as the initiative with China to get cleaner ships to come to the Ports. With no fiscal impact, it also includes the request to change the title of the Assistant Deputy Executive Officer of Information Management to add Chief Information Officer to the title. The second part is a major adjustment for the second year of AB 617, and the third part is to add resources to implement incentive programs for the VW mitigation program. Dr. Burke inquired about the cost and justification of adding two additional program supervisor positions for the mid-year budget adjustment. Ms. Whynot responded that assistance is needed to augment staff's capabilities for the initiative to partner with China for cleaner ships. The annual cost for the positions include benefits and overhead. Dr. Burke inquired about the funding for AB 617. Ms. Whynot responded that the money is coming from the Greenhouse Gas Fund that funds the AB 617 program and the Board will be asked to recognize the funds, which will come

from CARB. Dr. Parker inquired about expanding the Long Beach field office. Ms. Whynot responded that there are refinery inspectors in the Long Beach field office and additional staff may be added to assist in the AB 617 monitoring and other efforts. Dr. Parker inquired if other field offices are maintained. Ms. Whynot responded not at this time, but that it is under consideration.

Moved by Benoit; seconded by Parker, unanimously approved.

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

10. **Issue RFP for Engineering Consultant to Assess BARCT for Proposed Rule 1109.1 – NO_x Emission Reductions for Refinery Equipment:** Planning and Rules Manager Michael Krause highlighted the goals of the RFP for Proposed Rule 1109.1 that seeks to select an independent third party consultant with technical expertise with NO_x control equipment in the refinery industry to review staff's upcoming proposed BARCT analysis including the feasibility of the emission limits, emission reductions, and cost effectiveness of control. Susan Stark, representing Marathon Petroleum Corporation, requested that the Western States Petroleum Association (WSPA) be included in the bid review panel, that site visits be extended to other facilities, and that the contractor be experienced with the equipment and costs to the refining industry.

Moved by Benoit; seconded by Mitchell, unanimously approved.

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

11. **Execute Contract for Operation of Diamond Bar Headquarters Cafeteria:** Assistant Deputy Executive Officer/Administrative & Human Resources John Olvera reported that as a result of an RFP process and with California Dining Services receiving the highest rating, staff recommends entering into a no-cost contract with California Dining Services for a three-year term beginning January 2019.

Moved by Parker; seconded by Mitchell, unanimously approved.

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

12. **Issue RFP for Consultant Services for SCAQMD Environmental Justice Outreach and Initiatives:** Deputy Executive Officer/Legislative, Public Affairs & Media Derrick Alatorre reported that this item is to issue an RFP to seek proposals to augment staff's efforts for environmental justice programs. In addition, the contractor will also assist in the environmental justice community partnership program.

Moved by Mitchell; seconded by Parker, unanimously approved.

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

WRITTEN REPORT:

13. **Local Government & Small Business Assistance Advisory Group Minutes for the September 14, 2018 Meeting**
Mr. Alatorre reported that this item is a written report.

OTHER MATTERS:

14. **Other Business**
There was no other business.
15. **Public Comment**
Ms. Raleigh Gerber, Clean Energy, invited all to view the low-NOx natural gas truck on display in the SCAQMD's parking lot. Mr. Harvey Eder, Public Solar Power Coalition, expressed his concern in reference to renewable natural gas high methane levels in the atmosphere. Mr. Eder also stated that agendas for committee meetings today were not properly posted. Chief Deputy Counsel Barbara Baird responded that the agenda notices have been properly posted as confirmed by staff. Dr. Burke expressed his concern that Mr. Eder's comments, with respect to emissions from natural gas not being calculated in a manner that is appropriate, have not been addressed. Executive Officer Wayne Natri responded that he believes that the SCAQMD is evaluating the calculations correctly and the risk is not as high as Mr. Eder implies. Dr. Burke inquired whether an independent third-party has ever been considered to evaluate our determination. Mr. Natri responded that we rely on U.S. EPA, CARB and other organizations.

16. **Next Meeting Date**

The next regular Administrative Committee meeting is scheduled for December 14, 2018 at 10:00 a.m.

Adjournment

The meeting adjourned at 11:09 a.m.

Attachment

Local Government & Small Business Assistance Advisory Group Minutes for the September 14, 2018 Meeting



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, SEPTEMBER 14, 2018 MEETING MINUTES

MEMBERS PRESENT:

Ben Benoit, Mayor Pro Tem, City of Wildomar and LGSBA Chairman
Felipe Aguirre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, URCA Union Roofing Contractors Association

MEMBERS ABSENT:

Dr. Clark E. Parker, Sr., Senate Rules Committee Appointee
Janice Rutherford, Supervisor, Second District, San Bernardino County
Rachelle Arizmendi, Mayor Pro Tempore, City of Sierra Madre
Todd Campbell, Clean Energy
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Cynthia Moran, Council Member, City of Chino Hills
David Rothbart, Los Angeles County Sanitation District

OTHERS PRESENT:

Ruthanne Taylor Berger, Board Member Consultant (*Benoit*)
Mark Abramowitz, Board Member Consultant (*Lyou*)
David Czmanske, Board Member Consultant (*Cacciotti*)
Marc Ang, Asian Industry B2B
Andy Silva, San Bernardino County

SCAQMD STAFF:

Jill Whynot, Chief Operating Officer
Derrick Alatorre, Deputy Executive Officer
Fabian Wesson, Asst. Deputy Executive Officer/Public Advisor
Nancy Feldman, Principal Deputy District Counsel
Naveen Berry, Assistant Deputy Executive Officer
Vicki White, Technology Implementation Manager
Kathryn Higgins, Program Supervisor
Philip Barroca, Program Supervisor
Elaine-Joy Hills, AQ Inspector II
Stacy Garcia, Secretary
Aisha Reyes, Senior Office Assistant

Agenda Item #1 - Call to Order/Opening Remarks

Chair Ben Benoit called the meeting to order at 11:33 a.m.

Agenda Item #2 – Approval of July 13, 2018 Meeting Minutes/Review of Follow-Up/Action Items

Chair Benoit called for approval of the July 13, 2018 meeting minutes. The minutes were approved unanimously.

Mr. Derrick Alatorre indicated there were no action items that arose out of the July 13, 2018 meeting. Mr. Alatorre announced that the Clean Air Awards are on October 5, 2018.

Agenda Item #3 – Follow Up/Action Items

Ms. Rita Loof requested an update on Rule 219, including outreach and a report on activities. Mr. Alatorre indicated that he has asked however, staff is not yet ready, but he'll continue to check.

Action Item: Check with staff when a presentation on Rule 219 may be provided.

Agenda Item #4 – Renewable Fuels Presentation

Mr. Philip Barroca presented on the status of renewable natural gas and renewable diesel production and use.

Mr. Paul Avila inquired about the status of ethanol use. Mr. Barroca responded that ethanol has not produced the level of NO_x reductions that are needed in the South Coast basin.

Ms. Loof referred to the chart on slide 8 of Mr. Barroca's presentation and asked how the negative carbon reduction is possible. Mr. Barroca said that not all greenhouse gases are created equal. When you are making the fuel from the high methane sources, you are having a 20:1 type of ratio apply because you are taking methane away, and it produces a fuel that will be used in an internal combustion engine that will, in turn, be producing CO₂.

Mr. Eddie Marquez asked about carbon sequestration as it applies to methane, and if the same can apply to other renewables such as renewable diesel. Mr. Barroca responded that the feedstocks for renewable diesel are the same type of biomass feedstocks that would also result in methane reduction, and that there would be a carbon sequestering effect.

Mr. Bill LaMarr stated that California has had about a million acres burned because of wildfires, and it was estimated that it released about 10 to 15 million metric tons of carbon. Mr. LaMarr asked if it would make more sense for state and air agencies to explore forest management. Mr. Barroca stated that agriculture and trees are separate forms of biomass. The trees in California represent one of the largest sources of biomass available to convert into a fuel. Mr. LaMarr stated that this year, forest fires have been a major contributor to emissions, including criteria pollutants when considering all the structures that burned. Mr. Naveen Berry indicated that the anaerobic digestion and paralyzer pathways available for renewable natural gas will help assist in dealing with fuel available for forest fires. Chair Benoit added that the conversation regarding forest management is happening in Sacramento.

Mr. Avila asked about Hydrotreated Vegetable Oil (HVO) and Waste Vegetable Oil (WVO) on pages 9-10 of the presentation, specifically if they get manufactured and can be used for commercial purposes. Mr. Berry responded that those are varied feedstocks that are used to make biodiesel and preliminary

assessments show that they may cause an increase in NO_x emissions. Mr. Avila asked what renewable natural gas was, to which Mr. Barroca explained that it's manufactured from renewable sources. Chair Benoit further added that green waste and food waste would be renewable natural gas.

Ms. Loof commented about stationary sources and how the focus in presentations appears to be more on mobile sources, fuels and NO_x emission reductions rather than volatile organic compounds (VOCs).

Agenda Item #5 – Update on SCAQMD's Incentive Programs

Ms. Vicki White presented on the various incentive programs offered and the current levels of usage within the South Coast basin.

Mr. La Marr asked if the new funding in fiscal year 2017/2018 are monies that we actually have. Ms. White responded yes.

Mr. Avila asked if any program covers heavy equipment such as cranes. Ms. White responded that the Carl Moyer Program offers grants for heavy equipment and also includes engine repowering.

Mr. Alatorre stated that in regards to Assembly Bill 134 (AB 134), the Community Air Protection Program, \$250 million was allocated statewide in 2017 and SCAQMD got \$107.5 million. For 2018/2019, \$245 million is being allocated and we are still waiting to see how much SCAQMD will get.

Mr. Avila asked if the purpose of the mitigation trust for the Volkswagen settlement was because there were more Volkswagens sold around this area. Ms. White said that the South Coast basin did have the biggest percentage of vehicles that were in violation, but that it was a nationwide settlement.

Mr. Alatorre confirmed with Ms. White that Volkswagen was able to use some of the settlement money to put in infrastructure, such as charging stations.

Mr. LaMarr asked what is being done with the non-compliant Volkswagen vehicles. Ms. White responded that the vehicles are not allowed to be driven in California unless they were fixed through the recall process.

Ms. Loof asked what the CARB reserve of \$63 million on the Volkswagen Mitigation Program is being used for and how much the administrative costs are. Ms. White said that CARB needs to monitor the progress of the program, and they want to reserve funds to use if needed for other projects to meet the 10 thousand NO_x commitment. The amount of administrative costs given to the air districts will be 10% and CARB will have 15%. The administrative costs also cover all of the reporting requirements to the trust. SCAQMD is discussing with CARB to hopefully get more support.

Ms. Loof asked what funds are available for stationary sources. Ms. White said that \$245 million from Senate Bill 865 has been set aside for incentives and includes stationary source incentives.

Mr. Berry said that most of the funds were designated for mobile sources; however, there was a request for proposal (RFP) earlier this year to fund stationary projects.

Mr. Geoffrey Blake asked what type of technology SCAQMD is using to improve efficiency in regards to Transport Refrigeration Units (TRUs). Ms. White indicated that TRUs are tractors with refrigerated containers in them. SCAQMD is replacing them with electric motors to provide the cooling, they will need to be plugged in, and funding will be available for the chargers.

Mr. La Marr stated that he recognizes that SCAQMD staff is committed to seeking incentive funding for stationary sources, but wants to hear that SCAQMD has actually secured funding. Mr. Berry responded that the incentive funds are typically for projects for reductions, and that is the way that CARB has structured them. The legislators have provided a strong path for mobile source reduction.

Mr. Alatorre said that in regards to implementing Assembly Bill 617 (AB 617), the first year was mobile sources, but in the upcoming years, there will be a shift from strictly mobile to more stationary sources and there will need to be a mitigation plan.

Ms. Loof commented that once the amendments to Rule 1469 go into effect, businesses will lose the opportunity to get funding.

Agenda Item #6 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

Mr. Avila requested information on the City of Irwindale dropping its lawsuit against Sriracha and why SCAQMD got involved. Mr. Avila also requested a draft of the legislation on the sales tax measure. Mr. Alatorre said there is no draft yet. Mr. Avila requested the poll on the sales tax measure, to which Mr. Alatorre stated that would not be a problem.

Action Item: Provide Mr. Avila with information regarding the Sriracha case and the poll on the sales tax measure.

Mr. Avila then introduced Mark Ang from the Asian Industry B2B, who was in the audience.

Chair Benoit mentioned the upcoming Environmental Justice Conference on September 26, 2018.

Agenda Item #8 - Public Comment

Mr. Andy Silva announced that on September 27, 2018, CARB will vote on the AB 617 communities. Mr. Alatorre stated that it will be either on September 27th or 28th, 2018.

Agenda Item #9 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, October 12, 2018 at 11:30 a.m.

Adjournment

The meeting adjourned at 1:03 p.m.