

## **MEETING, JUNE 1, 2018**

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

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Staff/Phone (909) 396-

## **CONSENT CALENDAR (Items 1 through 15)**

Note: Consent Calendar items held for discussion will be moved to Item No. 16

1. Approve Minutes of May 4, 2018 Board Meeting **Garzaro/2500**
2. Set Public Hearing July 6, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations **Nastri/3131**  
  
Determine that Proposed Amendments to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces are Exempt from CEQA and Amend Rule 1111 **Nakamura/3105**

At the Public Hearing to adopt amendments to Rule 1111 on March 2, 2018, the Board directed staff to propose additional labeling requirements to better inform consumers when a unit is subject to a mitigation fee. PAR 1111 will add labeling requirements for any furnace that is utilizing the mitigation fee alternate compliance option because the unit is not certified to meet the 14 ng/J certification limit. In addition to adding information to the existing labeling required for each furnace and its shipping container, PAR 1111 also requires that the consumer brochure and technical specification sheet for the furnace, as well as the manufacturer's website, include language to inform consumers about units that do not meet the 14 ng/J certification limit and are subject to a mitigation fee. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces. (Reviewed: Stationary Source Committee, April 20 and May 18, 2018)

**Budget/Fiscal Impact**

3. **Execute Contracts to Implement Recommendations to Enhance Socioeconomic Assessments for AQMP** **Fine/2239**

Two RFPs were released on March 2, 2018 to assist in the implementation of two major recommendations by Abt Associates, Inc. intended to enhance SCAQMD's socioeconomic assessments for future AQMPs. The purpose of the first RFP was to conduct a literature review and provide recommendations on analyzing public welfare benefits of clean air (e.g., agriculture, ecology, recreational visibility, and building materials benefits). The second RFP solicited proposals to conduct a literature review and empirical study of residential visibility benefits, and to provide recommendations on the quantification and valuation of these benefits. Using the prescribed evaluation criteria to consider cost and technical qualifications, Industrial Economics, Inc. (IEC) received the highest overall score for its submitted proposals in response to both RFPs. This action is to execute contracts with IEC in an amount not to exceed \$146,508: 1) for the review of public welfare benefits in the amount of up to \$49,289; and 2) for the review and study of residential visibility benefits in the amount of up to \$97,219. Funding is available in the Planning, Rule Development and Area Sources FY 2017-18 Budget. (Reviewed: Administrative Committee, May 11, 2018; Recommended for Approval)

4. **Execute Contract for Heavy-Duty Hydrogen Vehicle Fueling Station and Receive and File California Fuel Cell Partnership Board Meeting Agenda and Activity Updates** **Miyasato/3249**

On April 6, 2018, the CEC awarded \$8 million to Equilon Enterprises LLC for construction and operation of a renewable hydrogen vehicle refueling station at the Port of Long Beach. Equilon will own and operate the 1,000 kilogram per day truck refueling station on land sub-leased from Toyota, which (under a separate contract with FuelCell Energy) will generate hydrogen using a trigeneration system using biogas to produce up to 1.27 tons per day of renewable hydrogen. In addition to refueling Toyota vehicles at 700 bar, SCAQMD cofunding will be used to refuel heavy-duty vehicles at 350 bar, supporting various fuel cell demonstration vehicles by multiple operators in the local ports. These actions are to execute a contract with Equilon Enterprises LLC, dba Shell Oil Products US, in an amount not to exceed \$1.2 million from the Clean Fuels Program Fund (31) as well as receive and file the April 2018 California Fuel Cell Partnership Executive Board Meeting Agenda and recent activity updates. (Reviewed: Technology Committee, May 18, 2018; Recommended for Approval)

5. **Adopt Resolution Recognizing Revenue and Accepting Terms and Conditions for Funding Agricultural Replacement Measures for Emission Reductions Program and Reimburse General Fund for Administrative Costs** **Minassian/2641**

The Budget Act of 2017 allocated \$135 million to be administered by CARB for FY 2017-18 grants to air districts under the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. CARB has allocated \$1,878,800 to the SCAQMD under this program. This action is to adopt a Resolution recognizing revenue up to \$1.9 million from CARB into the Carl Moyer Program Fund (32) and accept terms and conditions of the FY 2017-18 FARMER Grant. This action is to also reimburse the General Fund for administrative costs to implement the FARMER Program. (Reviewed: Technology Committee, May 18, 2018; Recommended for Approval)

6. **Establish Special Revenue Fund, Recognize Revenue, and Issue Solicitations and Purchase Orders for Community Air Monitoring Stations Near Petroleum Refineries** **Low/2269**

In December 2017, the Board approved Rule 1180, which requires major petroleum refineries to fund the installation and operation of refinery-related community air monitoring stations by January 1, 2020. These actions are to establish the Rule 1180 Special Revenue Fund (78), recognize revenue for Rule 1180 payments up to \$7,508,861 into the Rule 1180 Special Revenue Fund (78), and issue solicitations and purchase orders for data telemetry server software necessary for the planning and implementation of the community air monitoring stations near petroleum refineries. (Reviewed: Administrative Committee, May 11, 2018; Recommended for Approval)

7. **Execute Contract for Removal and Replacement of Parking Structure Waterproof Coating** **Olvera/2309**

The vehicular traffic waterproofing membrane on the parking structure at SCAQMD's Headquarters was applied during construction of the building in 1991. Due to age and normal wear and tear, the structural integrity of the coating is in decline. This action is to execute a contract with Kitson Contracting Inc. for the removal and replacement of the parking structure waterproof coating in an amount not to exceed \$334,400 from District General's FY 2018-19 Budget. (Reviewed: Administrative Committee, May 11, 2018; Recommended for Approval)

8. **Recognize Revenue and Appropriate Funds for AB 617 Implementation** **Whynot/3104**

In January 2018, the Board recognized \$10.7 million upon receipt from CARB and approved the appropriations of funds into the FY 2017-18 Budget for AB 617 implementation. This action is to recognize up to an additional \$100,000 upon receipt in the General Fund and to appropriate funds in the FY 2017-18 or FY 2018-19 Budget for AB 617. (Reviewed: Administrative Committee, May 11, 2018; Recommended for Approval)

9. Approve Contract Awards and Modification as Approved by MSRC **Pettis**

As part of their FYs 2016-18 Work Program, the MSRC approved new contracts under the Natural Gas Infrastructure, Local Government Partnership, and County Transportation Commission Partnership Programs. The MSRC also approved a modification to a contract under the Major Event Center Transportation Program as part of their FYs 2016-18 Work Program. At this time the MSRC seeks Board approval of the contract awards and modification. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, May 17, 2018; Recommended for Approval)

**Items 10 through 15 - Information Only/Receive and File**

10. Legislative, Public Affairs and Media Report **Alatorre/3122**

This report highlights the April 2018 outreach activities of the Legislative, Public Affairs and Media Office, which include: Environmental Justice Update, Community Events/Public Meeting, Business Assistance, Media Relations, and Outreach to Business, Federal, State, and Local Government. (No Committee Review)

- 11.. Hearing Board Report **Prussack/2500**

This reports the actions taken by the Hearing Board during the period of April 1 through April 30, 2018. (No Committee Review)

12. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This reports the monthly penalties from April 1, 2018 through April 30, 2018, and legal actions filed by the General Counsel's Office from April 1, 2018 through April 30, 2018. An Index of District Rules is attached with the penalties report. (Reviewed: Stationary Source Committee, May 18, 2018)

13. 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 April 1, 2018 and April 30, 2018, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, May 18, 2018)

14. Rule and Control Measure Forecast **Fine/2239**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for 2018. (No Committee Review)

15. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**

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, May 11, 2018)

16. Items Deferred from Consent Calendar

### **BOARD CALENDAR**

*Note: The May meeting of the Legislative Committee was canceled. The next meeting of the Legislative Committee is scheduled for June 8, 2018.*

- 17A. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**
- 17B. Special Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**
18. Investment Oversight Committee (Receive & File) **Chair: Cacciotti Jain/2804**
19. Mobile Source Committee (Receive & File) **Chair: Parker Fine/2239**
20. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopulos/3123**
21. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**
22. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Benoit Minassian/2641**
23. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell Garzaro/2500**

### **Staff Presentation/Board Discussion**

24. Status Report on Permit Backlog Reduction Effort (*Presentation in lieu of Board Letter*) **Tisopulos/3123**

Staff will provide an update on the permit application backlog reduction and automation efforts to date. (Reviewed: Stationary Source Committee, May 18, 2018)

**PUBLIC HEARING**

25. Adopt Executive Officer's FY 2018-19 Proposed Budget **Jain/2804**

The Executive Officer's Proposed Budget for FY 2018-19 has been developed and is recommended for adoption. The proposed Budget, which is balanced, includes implementation of the phased-in fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts and, pursuant to Rule 320, an increase of most fees by 3.4% adopted by the Board on May 4, 2018. The proposed Budget also includes the impact of amendments to Regulation III that were approved by the Board on May 4, 2018. The proposed budget has been presented at a Budget Study Session (Special Board Meeting), a Board Retreat (Special Board Meeting), a Budget Advisory Committee meeting and at one public consultation meeting in April with recommendations and comments provided to the Board. (Reviewed: Budget Study Session (Special Board Meeting), April 13, 2018 and Board Retreat (Special Board Meeting), May 11, 2018)

**OTHER BUSINESS**

26. Issue RFP to Seek Contractors to Assist in Planning, Organizing, and Facilitating Two Annual Community Air Quality Events **Alatorre/3122**

Every year SCAQMD conducts two important community air quality events to celebrate the lives and legacies of Dr. Martin Luther King, Jr., and Cesar Chavez. These two events not only celebrate the lives of these two important Americans, but also serve to educate the public on air quality and health. This action is to issue an RFP to solicit proposals for qualified contractors to assist in planning, organizing, and facilitating SCAQMD's Martin Luther King, Jr. Day of Service Forum and Cesar Chavez Day of Remembrance. (Reviewed: Special Administrative Committee, May 25, 2018; Recommended for Approval)

**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.

**CONFLICT OF INTEREST DISCLOSURES – (No Written Material)**

Under the approval authority of the Executive Officer, the District will enter into contracts with American Honda Motor Company (C173431) and Honda of Pasadena (C18280), as well as sponsorship agreements with Toyota and the Western Riverside Council of Governments (C18293). American Honda Motor Company, Toyota Motor North America, and the County of Riverside, which is represented by the Western Riverside Council of Governments, are potential sources of income for Governing Board Member Joseph Lyo, which qualify for the remote interest exception of Section 1090 of the California Government Code. Dr. Lyo abstained from any participation in the making of the contracts or sponsorship agreements.

**CLOSED SESSION - (No Written Material)**

**Gilchrist/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:

- In the Matter of SCAQMD v. Aircraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement);
- SCAQMD v. Anaplex, Los Angeles Superior Court Case No. BC608322 (Paramount Hexavalent Chromium);
- In the Matter of SCAQMD v. Browning-Ferris Industries of California, Inc. dba Sunshine Canyon Landfill, SCAQMD 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 re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case);
- Fast Lane Transportation, Inc., et al. v. City of Los Angeles, et al., Court of Appeals, First Appellate District, Case No. A148993 (formerly Contra Costa County Superior Court Case No. MSN14-0300) (SCIG);
- Johnson Controls, Inc., v. SCAQMD, Los Angeles Superior Court Case No. BS173108;
- Rainbow Transfer/Recycling, Inc. v South Coast Air Quality Management District, et al., Los Angeles Superior Case No. BS171620; In the Matter of SCAQMD v. Rainbow Transfer/Recycling, Inc., SCAQMD Hearing Board Case No. 4394-2;
- 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 – 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 (four cases).

- State of California and California Air Resources Board, et al. v. United States Environmental Protection Agency and E. Scott Pruitt, U.S. Court of Appeals, D.C. Circuit, Case No. 18-1114.

**ADJOURNMENT**



**\*\*\*PUBLIC COMMENTS\*\*\***

Members of the public are afforded an opportunity to speak on any agenda item before 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 will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar and three (3) minutes or less for other agenda items.

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