

MEETING, APRIL 5, 2019

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 15)

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

1. Approve Minutes of March 1, 2019 Board Meeting **Garzaro/2500**

2. Set Public Hearings May 3, 2019 to: **Nastri/3131**
 - A. Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA; Amend Regulation III; Amend Rule 209; and Adopt Executive Officer’s FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget **Nastri/3131**

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget includes implementation of the phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. In addition, staff is proposing amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5% consistent with the Consumer Price Index; 2) new or increased fees including toxics fees which are necessary to provide more specific cost recovery for agency activities by the agency; and 3) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact; and 4) a clarification on how permit transfers are considered when there is a change of owner/operator. The fee increases were presented at a public consultation meeting on March 22, 2019; and the fee increases and proposed budget will be presented at a Budget Study Session, Budget Advisory Committee meeting, and a public consultation meeting in April with recommendations and comments provided to the Board. This action is to: 1) Determine that the proposed amendments to Regulation III - Fees and Rule 209 – Transfer and Voiding of Permits are exempt from the California Environmental Quality Act; 2) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 3) Amend Regulation III; and 4) Amend Rule 209. (Review: Special Board Meeting/Budget Study Session, April 12, 2019)

- B. Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 - Pleasure Craft Coating Operations **Rees/2856**

The proposed amendments would revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit for products that may be marketed for both marine and pleasure craft coatings use. The proposed amendments would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendments would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings. This action is to adopt the Resolution: 1) Certifying the Revised Final Environmental Assessment for Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and rescission of Rule 1106.1 – Pleasure Craft Coating Operations; 2) Amending Rule 1106 – Marine Coating Operations; and 3) Rescinding Rule 1106.1 – Pleasure Craft Coating Operations. (Reviewed: Stationary Source Committee, March 15, 2019)

Budget/Fiscal Impact

3. Execute Contracts to Conduct Natural Gas Engine and Vehicle Research Projects **Miyasato/3249**

The DOE, National Renewable Energy Laboratory (NREL), CEC and SCAQMD partnered to launch a research effort to increase efficiency of natural gas engines for medium- and heavy-duty engines and vehicles. In September 2018, NREL issued an RFP to solicit proposals to conduct natural gas engine and vehicle research projects to achieve these goals. Staff identified four proposals that align well with AQMP priorities to reduce NOx and PM emissions from transportation sources. This action is to execute contracts in an amount not to exceed \$1,700,000 from the Clean Fuels Program Fund (31) to cost-share these four projects. (Reviewed: Technology Committee, March 15, 2019; Recommended for Approval)

4. Issue RFP to Establish Endowment to Support Graduate Student Scholarship Fund **Miyasato/3249**

Staff seeks to issue an RFP to solicit bids to support university graduate student scholarships that will, in part, train students entering the workforce, along with guidance from SCAQMD, on the emerging issues and latest research related to air quality and climate change. Relevant areas of study will include, but are not limited to: emissions and air quality impacts, health impacts of air pollution, climate change impacts, sustainable transportation and energy, and improving policy to achieve clean air standards and stabilize GHG emissions. This action is to issue an RFP to solicit bids to establish a university graduate scholarship endowment on air quality and climate change research. (Reviewed: Technology Committee, March 15, 2019; Recommended for Approval)

5. **Transfer and Appropriate Funds, Issue Solicitations, and Execute Purchase Orders and Contracts for AB 617 Implementation** **Low/2269**

In January and June 2018, the Board recognized revenue from CARB for AB 617 expenditures. Based on an assessment of the AB 617 program including input from multiple community steering group meetings, there is a need to reallocate funds and realign expenditures between Offices and Major Objects. These actions are to transfer and appropriate funds, issue solicitations, and execute contracts and purchase orders for equipment and services to implement the AB 617 program in the three Year 1 communities. (Reviewed: Administrative Committee, March 8, 2019; Recommended for Approval)

6. **Execute Contract for Consultant Services for SCAQMD's High School Air Quality Educational Program** **Alatorre/3122**

At the February 1, 2019 meeting, the Board approved the release of an RFP to solicit proposals from individuals and organizations to provide assistance with SCAQMD's High School Air Quality Educational Program. Four proposals were submitted to the Administrative Committee for consideration at its March 8, 2019 meeting. After the Committee interviewed representatives of each of the firms, Lee Andrews Group was selected for recommendation to the full Board. This action is to execute a contract with Lee Andrews Group for an amount not to exceed \$500,000 for a one-year contract with an option for up to two one-year term renewals, upon satisfactory performance, at the Board's discretion. Funding for the initial year will be from the BP Arco Settlement Project Fund (46). Funding for the two optional years will be subject to future Board approval. (Reviewed: Administrative Committee, March 8, 2019; Recommended for Approval)

7. **Remove Various Fixed Assets from SCAQMD Inventory** **Jain/2804**

SCAQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every six months. This action is to approve removal of surplus equipment determined to be obsolete, non-operational and not worth repairing. (Reviewed: Administrative Committee, March 8, 2019; Recommended for Approval)

8. **Approve Contract Award and Modification and Issue Solicitation Approved by MSRC** **Winterbottom**

As part of their FYs 2018-21 Work Program, the MSRC approved a new contract to provide special transit service to Dodger Stadium in 2019. The MSRC also approved a modification to a contract under the County Transportation Commission Partnership Program as part of their FYs 2016-18 Work Program. Finally, the MSRC approved the release of a Program Announcement for a Major Event Center Transportation Program as part of their FYs 2018-21 Work Program. At this time the MSRC seeks Board approval of the contract award and modification, and to release the solicitation. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, March 21, 2019; Recommended for Approval)

Items 9 through 15 - Information Only/Receive and File

9. **Legislative, Public Affairs, and Media Report** **Alatorre/3122**
- This Report highlights the February 2019 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State, and Local Government. (No Committee Review)
10. **Hearing Board Report** **Prussack/2500**
- This reports the actions taken by the Hearing Board during the period of February 1 through February 28, 2019. (No Committee Review)
11. **Civil Filings and Civil Penalties Report** **Gilchrist/3459**
- This reports the monthly penalties from February 1 through February 28, 2019, and legal actions filed by the General Counsel's Office from February 1 through February 28, 2019. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, March 15, 2019)
12. **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 February 1, 2019 and February 28, 2019, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, March 15, 2019)
13. **Report of RFPs Scheduled for Release in April** **Jain/2804**
- This report summarizes the RFPs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of April. (Reviewed: Administrative Committee, March 8, 2019)
14. **Rule and Control Measure Forecast** **Fine/2239**
- This report highlights SCAQMD rulemaking activities and public hearings scheduled for 2019. (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, March 8, 2019)

16. Items Deferred from Consent Calendar

BOARD CALENDAR

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

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

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

Agenda Item – March 8, 2019 Recommendation

SB 210 (Leyva) Heavy-Duty Vehicle Inspections and Maintenance Program Support

AB 210 (Voepel) Smog Check: Exemption Oppose

AB 285 (Friedman) California Transportation Plan Work with Author

Agenda Item – February 8, 2019 Recommendation

SB 1 (Atkins) California Environmental, Public Health, and Workers Defense Act of 2019 Support

AB 142 (C. Garcia) Lead-acid Batteries Support

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 Berry/2363**

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

PUBLIC HEARING

24. Certify Final Subsequent Environmental Assessment and Amend Rule 1134 – Emissions of Oxides of Nitrogen from Stationary Gas Turbines **Nakamura/3105**

The adoption Resolution of the Final 2016 AQMP directed staff to achieve additional NOx emission reductions and to transition the RECLAIM program to a command-and-control regulatory structure as soon as practicable. Proposed Amended Rule 1134 applies to RECLAIM and non-RECLAIM stationary gas turbines and is being amended to update NOx emission limits to reflect current BARCT, establish ammonia emission limits, and provide implementation timeframes to facilitate the transition of the NOx RECLAIM program to a command-and-control regulatory structure. The proposed amended rule also establishes provisions for monitoring, reporting, and recordkeeping. Other provisions are incorporated to remove obsolete provisions and provide clarifications. This action is to adopt the Resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1134 – Emissions of Oxides of Nitrogen from Stationary Gas Turbines, and 2) Amending Rule 1134 – Emissions of Oxides of Nitrogen from Stationary Gas Turbines. (Reviewed: Stationary Source Committee, February 15, 2019)

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 a contract with the Century Villages at Cabrillo (Contract No. C19319). Dr. William A. Burke's spouse is a member of the Board of Directors for the Century Villages at Cabrillo. However, officers and employees of nonprofit entities qualify for a remote interest exception to Section 1090 of the California Government Code. Dr. Burke abstained from any participation in the making of the contract.

Under the approval authority of the Executive Officer, the District will enter into a license agreement with Southern California Edison (Contract No. C134652). Southern California Edison is a potential source of income for Governing Board Member Joseph Lyou, which qualifies for the remote interest exception of Section 1090 of the California Government Code. Dr. Lyou abstained from any participation in the making of the license agreement.

CLOSED SESSION - (*No Written Material*)

Gilchrist/3459

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. Aerocraft 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, Court of Appeals, Second Appellate District, Case No. B294732;
- 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);
- In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, SCAQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No. 4861;
- In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement);
- State of California, et al. v. U.S. EPA, et al., U.S. Court of Appeals, D.C. Circuit, Case No. 18-1114 (mid-term evaluation for light-duty vehicles);
- People of the State of California, ex rel South Coast Air Quality Management District v. The Sherwin-Williams Company, an Ohio Corporation, and Does 1 through 50, Inclusive, Los Angeles Superior Court Case No. PSCV 00136; and
- Allan Kalpakoff v. SCAQMD, et al., Los Angeles Superior Court Case No. PSCV 00136.

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 (two cases).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 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.

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 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

AQIP = Air Quality Investment Program

AQMP = Air Quality Management Plan

AVR = Average Vehicle Ridership

BACT = Best Available Control Technology

BARCT = Best Available Retrofit Control Technology

Cal/EPA = California Environmental Protection Agency

CARB = California Air Resources Board

CEMS = Continuous Emissions Monitoring Systems

CEC = California Energy Commission

CEQA = California Environmental Quality Act

CE-CERT =College of Engineering-Center for Environmental Research and Technology

CNG = Compressed Natural Gas

CO = Carbon Monoxide

DOE = Department of Energy

EV = Electric Vehicle

FY = Fiscal Year

GHG = Greenhouse Gas

HRA = Health Risk Assessment

LEV = Low Emission Vehicle

LNG = Liquefied Natural Gas

MATES = Multiple Air Toxics Exposure Study

MOU = Memorandum of Understanding

MSERCs = Mobile Source Emission Reduction Credits

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

NATTS =National Air Toxics Trends Station

NESHAPS = National Emission Standards for Hazardous Air Pollutants

NGV = Natural Gas Vehicle

NOx = Oxides of Nitrogen

NSPS = New Source Performance Standards

NSR = New Source Review

OEHHA = Office of Environmental Health Hazard Assessment

PAMS = Photochemical Assessment Monitoring Stations

PEV = Plug-In Electric Vehicle

PHEV = Plug-In Hybrid Electric Vehicle

PM10 = Particulate Matter \leq 10 microns

PM2.5 = Particulate Matter \leq 2.5 microns

RECLAIM=Regional Clean Air Incentives Market

RFP = Request for Proposals

RFQ = Request for Quotations

SCAG = Southern California Association of Governments

SIP = State Implementation Plan

SOx = Oxides of Sulfur

SOON = Surplus Off-Road Opt-In for NOx

SULEV = Super Ultra Low Emission Vehicle

TCM = Transportation Control Measure

ULEV = Ultra Low Emission Vehicle

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compound

ZEV = Zero Emission Vehicle