

BOARD MEETING DATE: February 1, 2019

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the January 4, 2019 meeting.

**RECOMMENDED ACTION:**

Approve Minutes of the January 4, 2019 Board Meeting.

Denise Garzaro  
Clerk of the Boards

DG

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**FRIDAY, JANUARY 4, 2019**

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

Dr. Joseph K. Lyou  
Governor's Appointee

Mayor Larry McCallon  
Cities of San Bernardino County

Mayor Judith Mitchell  
Cities of Los Angeles County – Western Region

Supervisor V. Manuel Perez  
County of Riverside

Council Member Dwight Robinson  
Cities of Orange County

Supervisor Janice Rutherford  
County of San Bernardino

Members absent:

Council Member Joe Buscaino  
City of Los Angeles

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

Supervisor Janice Hahn  
County of Los Angeles

Supervisor Shawn Nelson  
County of Orange

**CALL TO ORDER:** Chairman Burke called the meeting to order at 9:00 a.m.

- Pledge of Allegiance: Led by Chairman Burke.
- Opening Comments

Mayor Mitchell announced that on December 20, 2018 that she, along with SCAQMD staff, attended a press conference for the delivery of the first fully electric medium heavy-duty truck from Daimler Trucks to Penske Truck Leasing. She highlighted the collaboration of these two companies to bring forth innovative technology that will result in cleaner commercial vehicles.

Chairman Burke acknowledged the passing of David Czamanske, Board Consultant to Council Member Cacciotti, and expressed condolences to his family on behalf of the Board.

- Swearing in of Reappointed Board Member Ben Benoit

Chairman Burke administered the oath of office to Mayor Benoit who was reappointed to the Board by the Riverside City Selection Committee for a term ending January 15, 2023. Mayor Benoit expressed appreciation for the opportunity to continue to serve on the Board.

**CONSENT CALENDAR**

1. Approve Minutes of December 7, 2018 Board Meeting
2. Execute Contracts for Emission Reduction Projects Using Incentive Funding from SCAQMD Special Revenue Funds, and Reimburse General Fund for Administrative Costs for Contract Administration
3. Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders, Approve Positions for Rule 1180 Implementation and Amend Contract
4. Approve Transfer of Monies from General Fund to Health Effects Research Fund
5. Execute Contract for Biennial Audit of Motor Vehicle Registration Revenues for FYs 2015-16 and 2016-17
6. Authorize Purchase of Telecommunication Services

7. Approve List of Prequalified Vendors for Document Conversion Services
8. Execute Contract for Janitorial Services at Diamond Bar Headquarters
9. Amend Career Development Intern Classification, Adopt New Job Classification, and Approve Staffing Changes to Upgrade Two Positions
10. Issue Purchase Order to Promote "The Right to Breathe" Video

**Items 11 through 16 – Information Only/Receive and File**

11. Legislative, Public Affairs and Media Report
12. Hearing Board Report
13. Civil Filings and Civil Penalties Report
14. Lead Agency Projects and Environmental Documents Received by SCAQMD
15. Rule and Control Measure Forecast
16. Status Report on Major Ongoing and Upcoming Projects for Information Management

Mayor Mitchell announced her abstention on Item No. 6 because of a financial interest in AT&T.

Dr. Lyou announced his abstention on Item No. 2 because Bloom Energy, Clean Energy Fuels, Port of Long Beach, Southern California Gas Company, Transpower, USC and BYD Motors are potential sources of income to him; and on Item No. 6 because of a financial interest in AT&T, and on Item No. 10 because of a financial interest in Google.

Supervisor Perez noted that he is a member of the Coachella Valley Association of Governments which is involved with Item No. 2.

Due to a number of requests to speak received on Consent Calendar items 2, 3, 4, 7, 9, and 11, the vote on the Consent Calendar was deferred until after those comments were made.

17. Items Deferred from Consent Calendar

Dr. Lyou left the room during discussion of Item Nos. 2, 3, 4, 7, 9 and 11.

2. Execute Contracts for Emission Reduction Projects Using Incentive Funding from SCAQMD Special Revenue Funds, and Reimburse General Fund for Administrative Costs for Contract Administration

Supervisor Perez noted the importance of awarding contracts to companies that support local jobs and benefit Environmental Justice communities.

Bruce Berwager, Beta Offshore, LLC, expressed concern that the selection process for awarding contracts does not align with the intent of AB 617 which requires air districts that are in non-attainment to adopt an expedited schedule for the implementation of BARCT by each industrial source. He expressed concern that the incentive funds are not being used where the greatest industrial source emission reductions can be achieved on an accelerated schedule as intended by AB 617. He noted that the proposal submitted by Beta Offshore would achieve more than ten percent of the District's 2024 NOx reduction goal for stationary sources and urged reconsideration of their project.

Greg Sutliff, Alcal Specialty Contracting, Inc., expressed appreciation for the proposed partial funding of two projects submitted by Alcal Specialty Contracting and noted the difficulty to secure co-funding partners in a short time frame. He requested that the Board consider awarding the full requested funds for both projects or to eliminate the requirement for co-funding partners.

Carlo De La Cruz, Sierra Club, expressed opposition to investing in fossil fuel and natural gas technology and recommended funding battery electric and zero-emission technology projects.

Harvey Eder, Public Solar Power Coalition, noted that he had submitted a proposal that was deemed illegible and therefore was not considered. He noted that he has spoken with BYD Auto Company about solar powered vehicles and expressed support for immediate total solar conversion.

Alex Solis, Comite Civico Del Valle, requested further consideration of the Residential Energy Efficiency Retrofit Project in Coachella Valley as it will directly benefit disadvantaged communities by creating jobs and reducing emissions of PM2.5 and GHGs.

3. Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders, Approve Positions for Rule 1180 Implementation and Amend Contract
4. Approve Transfer of Monies from General Fund to Health Effects Research Fund
7. Approve List of Prequalified Vendors for Document Conversion Services
9. Amend Career Development Intern Classification, Adopt New Job Classification, and Approve Staffing Changes to Upgrade Two Positions
11. Legislative, Public Affairs and Media Report

Mr. Eder urged for further studies related to the health effects of natural gas, benzene and formaldehyde. He expressed concerns about the legal implications of shredding public documents and also urged support for public solar power and research into the implications of climate change.

MOVED BY BENOIT, SECONDED BY LYOU,  
AGENDA ITEMS 1 THROUGH 16 APPROVED  
AS RECOMMENDED, BY THE FOLLOWING  
VOTE:

AYES: Benoit, Burke, Lyou (*except Items #2, #6 & #10*), McCallon, Mitchell (*except Item #6*), Parker, Perez, Robinson and Rutherford

NOES: None

ABSTAIN: Lyou (*Items #2, #6 & #10 only*) and Mitchell (*Item #6 only*)

ABSENT: Buscaino, Cacciotti, Hahn and Nelson

### **BOARD CALENDAR**

18. Administrative Committee
19. Special Administrative Committee

- 20. Legislative Committee
- 21. Stationary Source Committee
- 22. California Air Resources Board Monthly Report

Dr. Lyou introduced an amendment to the minutes of the December 19, 2018 Stationary Source Committee to address the omission of a discussion regarding an extension of the public comment period for refinery fence-line monitoring plans.

MOVED BY BENOIT, SECONDED BY MITCHELL, AGENDA ITEMS 18 THROUGH 22, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE AND CARB REPORTS WITH THE MODIFICATION TO THE DECEMBER 19, 2018 STATIONARY SOURCE COMMITTEE MEETING SUMMARY AS SET FORTH BELOW, AND APPROVING THE 2019 LEGISLATIVE GOALS AND OBJECTIVES, BY THE FOLLOWING VOTE:

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

NOES: None

ABSENT: Buscaino, Cacciotti, Hahn and Nelson

**Amend Page 5 of the December 19, 2018 Stationary Source Committee Meeting Summary as follows:**

**5. Other Business**

~~There was no other business.~~

Dr. Lyou asked staff about requests from the public to extend the comment deadline for draft refinery monitoring plans. Staff replied that the comment deadline had been extended until January 11.

## **PUBLIC HEARINGS**

23. Certify Final Environmental Assessment and Adopt Rule 1118.1 - Control of Emissions from Non-Refinery Flares (*Continued from December 7, 2018 Board Meeting*)

Michael Krause, Planning and Rules Manager, gave the staff presentation on Item No. 23.

Chairman Burke commented that the general public perception of flaring is negative and asked why there is no specific educational outreach to address flaring.

Mayor Mitchell explained that a landfill in her community was the subject of attention when they had to flare excess methane, and when the methane supply diminished, the facility could no longer produce electricity with methane, as they had been previously.

Dr. Parker noted that flaring reduces pollutants that are released and is used as a preventive safety measure. He noted that flaring by refineries is often perceived by the public as negative and an indication that something is wrong at the refinery. He added that additional educational outreach regarding flaring would be beneficial.

Mr. Nastri responded that staff often addresses concerns regarding flaring at community meetings and added that staff plans to present a proposed educational outreach program that addresses air quality to the Board. Information regarding the impact of flaring could be included in this program.

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources, explained that refinery flaring is not covered under this rule but is regulated under Rule 1118. He added that when the Board amended Rule 1118 in 2017, staff committed to proposing further amendments to minimize flaring and to enhance the existing flare notification system, including increased educational outreach.

Dr. Lyou noted that flaring is a complicated issue and there must be a balance between reducing and/or eliminating certain flaring and flaring for safety issues. He emphasized the benefits of educating the public on the complexities of flaring and asked staff to explain the reduction of refinery flaring since the adoption of Rule 1118.

Dr. Laki Tisopoulos, DEO/Engineering and Permitting, responded that Rule 1118 eliminated routine flaring at refineries. He added that flaring cannot be completely eliminated because it is necessary for safety, however, flaring has been reduced significantly.



The public hearing was opened and the following individuals addressed the Board on Item 23.

John McNamara, CR&R, commented on the success of their green waste digester in Riverside which produces biogas renewable fuel. He noted that they do not agree that ammonia will result in increased NOx emissions and stated that he will reach out to staff to discuss that issue.

David Rothbart, Southern California Alliance of Publically Owned Treatment Works, expressed support for the rule and thanked staff for their efforts during rule development. He commented on the challenges of treating gas for beneficial use and added that most flaring for non-refineries and treatment plants is clean and takes place in an enclosed area. He requested SCAQMD support for legislative changes to increase the ability for beneficial use of gas instead of flaring.

Chris Hall, Drilling and Production Company, commented on the challenges of finding beneficial uses for stranded oil field waste and asked the Board for assistance with the legislature and other agencies to change PUC regulations to allow access to the electric grid and to recognize waste gas as comparable to a renewable fuel source.

Michael Salman, University of California, Los Angeles, expressed support for the rule due to the included proposed technology assessment that will provide an opportunity to investigate new beneficial use technologies at oil and gas sites and that staff will consider amendments for more beneficial use when the technology assessment is presented to the Stationary Source Committee in 24 months.

Ivan Tether, California Independent Petroleum Association, noted that oil field flares are essential for safety as well as oil production. He suggested that any operational curtailment be addressed through permit limits or Hearing Board action. He expressed concern that restricting flare operations could negatively impact well-paying jobs in the oil and gas production industry, increase emissions, and result in the need for more foreign oil. He noted the challenges involved with gaining access to the electric grid and also requested support for legislative changes. (Submitted Written Comments)

Bill La Marr, California Small Business Alliance, expressed support for the technology assessment included in the rule and asked for the District's support to advocate with the PCC for the development of programs and policies that support the beneficial use of excess gas.

Mr. Eder urged the phase out of all fossil fuels and replace with total solar power conversion. He added that solar power is cost effective and a better alternative to natural gas.

Kris Flaig, City of Los Angeles, Bureau of Sanitation, thanked staff for their efforts throughout the rule development process and expressed the commitment by the City of Los Angeles to utilize beneficial use technology wherever practicable.

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

Mayor Benoit expressed appreciation to staff and stated that this rule proposal has been to the Stationary Source Committee multiple times. He added that the technology assessment will support new beneficial use technologies.

Dr. Lyou asked Mayor Benoit if he would amend his motion to broaden the technology assessment to include all non-refinery flares covered by the proposed rule and not just focus on oil and gas sites. He asked staff to report back on the technology assessment and provide more information on the issues brought up in public comments regarding the limitations on the sale of electricity and advocacy to the PUC.

Mayor Benoit amended his motion to include the suggestion made by Dr. Lyou.

Mr. Nastri responded that staff could provide a report on the items Dr. Lyou raised at the Stationary Source Committee or Legislative Committee.

MOVED BY BENOIT, SECONDED BY MITCHELL, AGENDA ITEM NO. 23 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 19-1 CERTIFYING THE FINAL ENVIRONMENTAL ASSESSMENT FOR PROPOSED RULE 1118.1 – CONTROL OF EMISSIONS FROM NON-REFINERY FLARES AND ADOPTING RULE 1118.1 WITH THE MODIFICATION TO THE RESOLUTION TO EXPAND THE TECHNOLOGY ASSESSEMENT TO INCLUDE ALL NON-REFINERY FACILITIES, BY THE FOLLOWING VOTE:

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

NOES: None

ABSENT: Buscaino, Cacciotti, Hahn and  
Nelson

24. Determine that Proposed Amendments to Rule 1325 – Federal PM2.5 New Source Review Program Are Exempt from CEQA and Amend Rule 1325

The presentation on Item No. 24 was waived.

The public hearing was opened and the following individual addressed the Board on Item 24.

Mr. Eder commented that the rule amendment should not be exempt from CEQA and expressed support for solar power conversion. He added that the health costs related to PM2.5 should be considered in the decision making process.

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

Dr. Lyou asked staff to clarify that the proposed amendments are expanding the definition of precursors for PM2.5 to include ammonia and VOC's. Dr. Fine responded that the definition was correct in one section, but omitted in another section of the rule and the amendment will correct that omission.

MOVED BY LYOU, SECONDED BY  
MITCHELL, AGENDA ITEM NO. 24  
APPROVED AS RECOMMENDED,  
ADOPTING RESOLUTION NO. 19-2  
DETERMINING THAT PROPOSED AMENDED  
RULE 1325 – FEDERAL PM2.5 NEW SOURCE  
REVIEW PROGRAM IS EXEMPT FROM THE  
REQUIREMENTS OF CEQA AND AMENDING  
RULE 1325, BY THE FOLLOWING VOTE:

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

NOES: None

ABSENT: Buscaino, Cacciotti, Hahn and  
Nelson

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

Steven Goldsmith, Torrance Refinery Action Alliance, expressed support for the phase out of modified hydrofluoric acid at refineries and noted the health consequences to the public in the event of an accidental release.

Al Sattler expressed appreciation to Chairman Burke for acknowledging the passing of David Czamanske and noted that he supported many environmental causes in his lifetime. He also commended the business owner who commented on the need for projects to reduce the company's NOx emissions. He urged moving away from fossil fuels as soon as possible.

Marilyn Kamimura, Clean Air Coalition of North Whittier and Avocado Heights (Submitted Written Comments)

Rebecca Overmyer-Velazquez, Clean Air Coalition of North Whittier and Avocado Heights (also spoke on behalf of William Chen)

Cynthia Simonton

Maria Avila, resident of Hacienda Heights

Expressed concerns about the proposed expansion of the Quemetco battery recycling facility due to the negative health effects of lead contamination and noted that a number of elected officials have expressed concern for environmental violations from the facility over the years and urged the Board to oppose the proposed expansion and continued operation of the facility.

Mary Valdamar, Chicano Indigenous Community for Cultured Conscience Advocacy and Action (ChICCCAA)

Jason Martinez, ChICCCAA

Jonas Fernandez, Sierra Club

Yassi Kavezade, Sierra Club

Hanna Velez, Young Medical Scholars, New View Bridge High School

Ricardo Hernandez, resident of Perris

Ricardo Caballero, resident of Perris

Jessie Parks

Diana Contreras, resident of Rancho Cucamonga

Expressed concern about increased air pollution in the Inland Empire due to the increase of truck traffic and construction of warehouses. They urged the Board to continue to support zero-emission technology as well as adopt stricter policies and enforcement measures to support clean air. They noted the health effects associated with poor air quality in the areas most impacted by the construction of new warehouses and advocated for a strong indirect source rule for warehouses.

Mr. Eder expressed concerns about health effects from air pollution and encouraged solar electric trucks, solar technology and research into the effects of climate change.

## **CLOSED SESSION**

The Board recessed to closed session at 11:30 a.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:

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);

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; and

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

### 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 11:55 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on January 4, 2019.

Respectfully Submitted,

Denise Garzaro  
Clerk of the Boards

Date Minutes Approved: \_\_\_\_\_

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Dr. William A. Burke, Chairman

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**ACRONYMS**

CARB = California Air Resources Board  
CEQA = California Environmental Quality Act  
CIPA = California Independent Petroleum Association  
FY = Fiscal Year  
GHG = Greenhouse Gas  
MSRC = Mobile Source (Air Pollution Reduction) Review Committee  
PM2.5 = Particulate Matter  $\leq$  2.5 microns  
NOx = Oxides of Nitrogen  
PUC = Public Utilities Commission  
RFP = Request for Proposals  
VOC = Volatile Organic Compound