

## **MEETING, JANUARY 4, 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
- Swearing in of Reappointed Board Member Ben Benoit **Burke**

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Staff/Phone (909) 396-

**CONSENT CALENDAR (Items 1 through 16)<sup>1</sup>**

Note: Consent Calendar items held for discussion will be moved to Item No. 17

1. Approve Minutes of December 7, 2018 Board Meeting **Garzaro/2500**

**Budget/Fiscal Impact**

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 **Rees/2856**

In January 2018, the Board released an RFP to solicit stationary and mobile source projects that will result in emission reductions of NOx, VOC, and PM, in accordance with the approved control strategy in the 2016 AQMP. Project funding is proposed from existing special revenue funds related to mitigation fees, settlements, or grants from other agencies, and was approved for up to \$61 million. Twenty-six proposals are being recommended for a total amount not to exceed \$47,385,792. The remaining balance of the \$61 million allocated for this RFP will be reserved to expand or continue implementation of the awarded projects or for other future needs. This action is to execute contracts for air quality emission reduction projects in a total amount not to exceed \$47,385,792. This action is to also reimburse the General Fund up to 6.25 percent for administration of the projects. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

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<sup>1</sup> Note: At its December 7, 2018 meeting, the Board set a public hearing for February 1, 2019 to amend Rule 1403 – Asbestos Emissions from Renovation/Demolition Activities.

3. **Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders, Approve Positions for Rule 1180 Implementation and Amend Contract** **Low/2269**

In June 2018, the Board recognized over \$7 million in revenue into the Rule 1180 Special Revenue Fund (78) for the installation and operation of community air monitoring stations near refineries by January 1, 2020. These actions are to transfer and appropriate up to \$1,996,656 into Science & Technology Advancement's FYs 2018-19 and/or 2019-20 Budgets, issue solicitations and purchase orders for equipment, and add new positions necessary for the implementation of this program. This action is to also amend a contract with FluxSense Inc. for up to \$110,000 to conduct additional community-scale air toxics ambient monitoring. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

4. **Approve Transfer of Monies from General Fund to Health Effects Research Fund** **Jain/2804**

In 2008, the Board established a Health Effects Research Fund initially funded at \$1.5 million from the BP Arco Settlement Fund. The Board further authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received that exceeds \$4 million in receipts to the Health Effects Research Fund. This action is to transfer 20 percent of annual penalty money received in FY 2017-18 that exceeds \$4 million to the Health Effects Research Fund. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

5. **Execute Contract for Biennial Audit of Motor Vehicle Registration Revenues for FYs 2015-16 and 2016-17** **Jain/2804**

Health and Safety Code Section 44244.1 requires any agency receiving fee revenues pursuant to Section 44243 or 44244 to be subject to an audit of each program or project funded at least once every two years. On September 7, 2018, the Board approved the release of an RFP to select an auditor to perform the biennial audit for FYs 2015-16 and 2016-17. This action is to award a contract to the firm of Simpson & Simpson, Certified Public Accountants. Local governments, the MSRC and SCAQMD will pay the cost of their own audits in the amounts of \$89,240, \$7,000 and \$4,560 respectively. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

6. Authorize Purchase of Telecommunication Services

**Moskowitz/3329**

On October 5, 2018, SCAQMD released an RFP to select a vendor(s) capable of providing telecommunication services to the SCAQMD in the most cost-effective manner and if possible, qualifying vendors capable of providing telecommunication services through a competitive bid process that will be used to make buying decisions that are in the best interest of the SCAQMD. These telecommunications services include local, long distance, and toll-free; private IP (PIP)/frame relay network; dedicated T1 lines, MPLS two bundled IP T1's 3MB, and Ethernet PVL 100MB; primary internet access 200MB (with a redundant connection backup internet access 100MB); phone switch maintenance; and wireless voice and data. This action is to obtain approval to purchase telecommunications services from the selected vendor(s) for a period of three-years. Funds for this expense are included in the FY 2018-19 Budget (\$750,000), and will be included in subsequent fiscal year budget requests, with the total value of the contract at \$2,250,000.00. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

7. Approve List of Prequalified Vendors for Document Conversion Services

**Moskowitz/3329**

On October 5, 2018, the Board approved the release of an RFQ to select a vendor capable of providing document conversion services to digitize paper documents. As a result of successful responses to this RFQ, four vendors were identified as capable of providing these services. This action is to approve four vendors to provide document conversion services for a two-year period. Funds for the services will be identified, and approved as needed, as specific projects are defined. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

8. Execute Contract for Janitorial Services at Diamond Bar Headquarters

**Olvera/2309**

The current contract for Diamond Bar headquarters janitorial services expires on February 28, 2019. On September 7, 2018, the Board approved release of an RFP to solicit proposals from firms interested in providing these services. This action is to execute a three-year contract with Santa Fe Building Maintenance for a total amount not to exceed \$1,717,845. Funding has been included in the FY 2018-19 Budget and will be requested in subsequent fiscal years. (Reviewed: Administrative Committee; December 14, 2018; Recommended for Approval)

9. Amend Career Development Intern Classification, Adopt New Job Classification, and Approve Staffing Changes to Upgrade Two Positions **Olvera/2309**

The Career Development Intern program provides young adults who have transitioned from the foster care system with on-the-job training and experience, to prepare them for future job opportunities. This action is to amend the classification to establish a new salary schedule. This action is also to adopt the new classification of Monitoring Operations Manager; add a Public Affairs Manager position and a Senior Information Technology Specialist position; and delete a Community Relations Manager position and an Information Technology Specialist II position. Funding for these actions is included in the FY 2018-19 Budget. (Reviewed: Administrative Committee, December 14, 2018; Recommended for Approval)

10. Issue Purchase Order to Promote "The Right to Breathe" Video **Atwood/3687**

This action is to add \$500,000 to SCAQMD's Google AdWords campaign to promote the new "The Right to Breathe" video. Funding for this effort will come from the BP ARCO Settlement Projects Special Revenue Fund (46). (Reviewed: Special Administrative Committee, December 18, 2018; Recommended for Approval)

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

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

This report highlights the November 2018 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)

12. Hearing Board Report **Prussack/2500**

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

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

This reports the monthly penalties from November 1 through November 30, 2018, and legal actions filed by the General Counsel's Office from November 1 through November 30, 2018. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, December 19, 2018)

14. 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 November 1, 2018 and November 30, 2018, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (No Committee Review)

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

This report highlights SCAQMD rulemaking activities and public hearings scheduled for 2019, and provides a summary of implementation of the 2016 AQMP. (No Committee Review)

16. 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, December 14, 2018)

17. Items Deferred from Consent Calendar

## **BOARD CALENDAR**

*Note: The Mobile Source and Technology Committees did not meet in December. The next regular meetings of the Mobile Source and Technology Committees are scheduled for January 18, 2019. The December meeting of the Mobile Source Air Pollution Reduction Review Committee (MSRC) was canceled. The next meeting of the MSRC is scheduled for January 17, 2019.*

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

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

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

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

<b>Agenda Item</b>	<b>Recommendation</b>
2019 Legislative Goals and Objectives	Approve

21. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopoulos/3123**

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

## **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*) **Nakamura/3105**

Proposed Rule 1118.1 applies to RECLAIM and non-RECLAIM facilities that operate non-refinery flares located at landfills, wastewater treatment plants, oil and gas production facilities, organic liquid loading stations, and tank farms. The proposed rule will implement, in part, the 2016 AQMP Control Measure CMB-03 - Emission Reductions from Non-Refinery Flares and facilitate the transition of the NOx RECLAIM program to a command-and-control regulatory structure. Proposed Rule 1118.1 establishes emission limits for NOx, VOC, and CO for new flares, and a capacity threshold for existing flares. In addition, some new flares at oil and gas production facilities will have additional limitations. Proposed Rule 1118.1 also establishes provisions for source testing, monitoring, reporting, recordkeeping, and provides exemptions for low-use and low-emitting flares. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Rule 1118.1 - Control of Emissions from Non-Refinery Flares, and 2) Adopting Proposed Rule 1118.1 - Control of Emissions from Non-Refinery Flares. (Reviewed: Stationary Source Committee, October 19 and December 19, 2018)

24. Determine that Proposed Amendments to Rule 1325 – Federal PM2.5 New Source Review Program Are Exempt from CEQA and Amend Rule 1325 **Nakamura/3105**

Rule 1325 establishes requirements for new and modified sources to ensure compliance with federal PM2.5 NSR requirements. Rule 1325 was amended in 2016 to expand the definition of “precursors” to include VOC and ammonia (NH3), as required under U.S. EPA’s 2016 implementation rule for PM2.5 State Implementation Plans and a court decision requiring states to regulate PM2.5 under the same part of the Federal Clean Air Act as PM10. The 2016 amendment expanded the definition of “precursors,” however, it did not expand the definition of “regulated NSR pollutant” to explicitly reference the PM2.5 precursors VOC and NH3. Proposed Amended Rule 1325 will address this deficiency by referencing “precursors” in the definition of “regulated NSR pollutant.” In addition, other revisions are made to improve clarity. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 1325 - Federal PM2.5 New Source Review Program are exempt from the California Environmental Quality Act, and 2) Amending Rule 1325 – Federal PM2.5 New Source Review Program. (Reviewed: Stationary Source Committee, November 16, 2018)

## **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 contract modifications with the Southern California Gas Company (Contract No. C156671) and the California Air Resources Board (Contract No. C172091), and a contract renewal with Southern California Edison (Contract No. C18205). The Southern California Gas Company, the California Air Resources Board, and Southern California Edison are potential sources of income for Governing Board Member Joseph Lyou which qualify for the remote interest exception of Section 1090 of the California Government Code. Dr. Lyou abstained from any participation in the making of the contract modifications and contract renewal.

Under the approval authority of the Executive Officer the District will enter into a contract renewal with Southern California Edison (Contract No. C18205). Southern California Edison made a campaign contribution to Governing Board Member Janice Rutherford in the amount of \$4,400 on May 7, 2018. Supervisor Rutherford abstained from any participation in the making of the contract renewal.

### **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, 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 Appeal, First Appellate District, Case No. A148993 (formerly Contra Costa County Superior Court Case No. MSN14-0300) (SCIG);
- 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;



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

#### **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](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
BARCT = Best Available Retrofit Control Technology	OEHHA = Office of Environmental Health Hazard Assessment
Cal/EPA = California Environmental Protection Agency	PAMS = Photochemical Assessment Monitoring Stations
CARB = California Air Resources Board	PEV = Plug-In Electric Vehicle
CEMS = Continuous Emissions Monitoring Systems	PHEV = Plug-In Hybrid Electric Vehicle
CEC = California Energy Commission	PM10 = Particulate Matter $\leq$ 10 microns
CEQA = California Environmental Quality Act	PM2.5 = Particulate Matter $\leq$ 2.5 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	RECLAIM=Regional Clean Air Incentives Market
CNG = Compressed Natural Gas	RFP = Request for Proposals
CO = Carbon Monoxide	RFQ = Request for Quotations
DOE = Department of Energy	SCAG = Southern California Association of Governments
EV = Electric Vehicle	SIP = State Implementation Plan
FY = Fiscal Year	SOx = Oxides of Sulfur
GHG = Greenhouse Gas	SOON = Surplus Off-Road Opt-In for NOx
HRA = Health Risk Assessment	SULEV = Super Ultra Low Emission Vehicle
LEV = Low Emission Vehicle	TCM = Transportation Control Measure
LNG = Liquefied Natural Gas	ULEV = Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	U.S. EPA = United States Environmental Protection Agency
MOU = Memorandum of Understanding	VOC = Volatile Organic Compound
MSERCs = Mobile Source Emission Reduction Credits	ZEV = Zero Emission Vehicle
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	
NATTS =National Air Toxics Trends Station	