

BOARD MEETING DATE: March 1, 2019

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the February 1, 2019 meeting.

RECOMMENDED ACTION:

Approve Minutes of the February 1, 2019 Board Meeting.

Denise Garzaro
Clerk of the Boards

DG

FRIDAY, FEBRUARY 1, 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

Council Member Ben Benoit
Cities of Riverside County

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

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Pro Tem Larry McCallon
Cities of San Bernardino County

Mayor Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (Arrived at 9:10 a.m.)
County of Orange

Supervisor V. Manuel Perez
County of Riverside

Council Member Dwight Robinson
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

CALL TO ORDER: Chairman Burke called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Dr. Lyou.
- Opening Comments

Mr. Nastri noted that staff recently traveled to Shenzhen and Chengdu, China where they met with Chinese officials and discussed a number of initiatives and technologies. He noted that EVs are prominently used in the region and China is developing electric heavy-duty trucks. Discussions were held with officials regarding the ocean going vessels initiative and there is broad support for further discussions. Staff is continuing discussions with U.S. EPA regarding the Cleaner Trucks Initiative and is in the process of scheduling a meeting with a cabinet member.

Council Member Buscaino expressed interest in participating in future discussions related to port operations.

Council Member Robinson noted that he visited a number of middle schools with Dr. Lyou and was impressed by what the students are doing to improve air quality in their communities. On January 23, 2019 he attended, along with Dr. Lyou, the State of the Port event in Long Beach and noted the great strides that have been made by the Port to improve air quality. He added that a number of steam ship lines are making the use of a “street-turn” strategy more challenging, when it should be encouraged.

Council Member Cacciotti announced that on January 3-7, 2019 he visited Harbin, China to present on air quality at the China International Ice Festival. He added that EVs have been rapidly introduced and accepted in China.

Dr. Parker announced that on January 19, 2019 he, Chairman Burke, Dr. Lyou and staff attended the Martin Luther King, Jr. Day of Service Forum in Los Angeles. He noted the importance of outreach in EJ areas.

Mayor Mitchell announced that she and Dr. Lyou visited the electric bus manufacturing assembly line for Proterra in the City of Industry. She added that CARB recently passed the Innovative Clean Transit measure that requires all public transit fleets to purchase zero-emission buses by 2029.

- Presentation to Outgoing Board Member Shawn Nelson

Chairman Burke presented an award to Shawn Nelson for his service on the Board from February 2011 to February 2019 as the representative for the County of Orange.

Supervisor Nelson expressed appreciation for the opportunity to serve on the Board and acknowledged the air quality accomplishments that have been made over the past several years.

CONSENT CALENDAR

1. Approve Minutes of January 4, 2019 Board Meeting
2. Set Public Hearing March 1, 2019 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations

Determine that Proposed Amendments to Rules 110, 212, 301, 303, 306, 307.1, 309, 315, 518.2, 1310, 1605, 1610, 1612, 1620, 1623, 1710, 1714, and 3006 are Exempt from CEQA and Amend Rules 110, 212, 301, 303, 306, 307.1, 309, 315, 518.2, 1310, 1605, 1610, 1612, 1620, 1623, 1710, 1714, and 3006

Budget/Fiscal Impact

3. Execute Contract to Develop Optimal Operation Model for Renewable Electrolytic Fuel Production
4. Amend Contract for Tier 4 Passenger Locomotives and Carl Moyer Program Award
5. Renew SCAQMD's Membership in CaFCP for Calendar Year 2019 and Receive and File California Fuel Cell Partnership Executive Board Meeting Agenda and Quarterly Updates
6. Amend Contract to Demonstrate Low NOx Combustion Technology on Refinery Boiler
7. Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services
8. Issue RFP for Consultant Services for SCAQMD's High School Air Quality Educational Program
9. Transfer and Appropriate Funds and Authorize Purchase of Kids Making Sense Kits

An errata sheet containing an amendment to the amount of requested funds was provided to the Board Members and copies were made available to the public.

10. Approve Contract Awards and Amendments as Approved by MSRC

Items 11 through 17 – 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
17. Annual Report on 457 Deferred Compensation Plan

Dr. Lyou announced his abstention on Item Nos. 8 and 9 because Sonoma Technology is a potential source of income to him.

Supervisor Hahn announced her abstention on Item No. 7 due to campaign contributions from Klee, Tuchin, Bogdanoff & Stern.

Council Member Cacciotti noted that since he was not present at the January 4, 2019 Board Meeting, he would abstain from voting on agenda Item No. 1.

Mayor Pro Tem McCallon noted that he serves on the Board of Directors for the Southern California Regional Rail Authority and Metrolink which is involved with Item No. 4; and he is a member of the San Bernardino County Transportation Commission (SBCTA) which is involved with Item No. 10.

Supervisor Rutherford noted that she is a member of the SBCTA which is involved with Item No. 10.

Due to a number of requests to speak received on Consent Calendar items 3 through 10, the vote on the Consent Calendar was deferred until after those comments were made.

18. Items Deferred from Consent Calendar

3. Execute Contract to Develop Optimal Operation Model for Renewable Electrolytic Fuel Production

Jesse Marquez, Coalition for A Safe Environment, spoke in support of research and demonstration projects only if renewable hydrogen is not from fossil fuels.

Harvey Eder, Public Solar Power Coalition, expressed support for renewable energy and the use of solar power.

4. Amend Contract for Tier 4 Passenger Locomotives and Carl Moyer Program Award

Mr. Eder commented on economic inequities and urged support for solar renewables and equitable solar transition. He expressed concern for climate change and global warming.

5. Renew SCAQMD's Membership in CaFCP for Calendar Year 2019 and Receive and File California Fuel Cell Partnership Executive Board Meeting Agenda and Quarterly Updates

6. Amend Contract to Demonstrate Low NOx Combustion Technology on Refinery Boiler

7. Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services

10. Approve Contract Awards and Amendments as Approved by MSRC

Anabella Bastida, Council of Mexican American Federations, urged support for policies and measures to improve air quality in EJ communities that are most impacted by air pollution.

Marcia Tolentino, Green Education, expressed support for renewable energy projects that use solar and wind technologies.

MOVED BY NELSON, SECONDED BY BENOIT, AGENDA ITEMS 1 THROUGH 7 AND 10 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti (*except Item #1*), Hahn (*except Item #7*), Lyou, McCallon, Mitchell, Nelson, Parker, Perez, Robinson and Rutherford

NOES: None

ABSTAIN: Cacciotti (*Item #1 only*) and Hahn (*Item #7 only*)

Dr. Lyou left the room during discussion of Item Nos. 8 and 9.

8. Issue RFP for Consultant Services for SCAQMD's High School Air Quality Educational Program
9. Transfer and Appropriate Funds and Authorize Purchase of Kids Making Sense Kits

Mayor Pro Tem McCallon expressed concerns with the high cost and proposed approach to implement the proposed educational outreach program. He asked staff if they had contacted the Bay Area AQMD and the Maricopa County Air Quality Department to discuss the implementation of their programs and noted the differences in each of those programs. He suggested implementing the curriculum at a few schools in the AB 617 communities to start, and expanding the program if those efforts are successful.

Chairman Burke explained that the program has been in place for some time and noted the success of the program in previous years. He agreed that the program is costly and explained that he has asked the Administrative Committee to ensure that the program is equally administered in all areas of the District. He noted the importance of educating young people about air quality issues and since information from the program is often shared by the students with their parents, the outreach of the program is expanded.

Mayor Mitchell noted the importance of educating young people about air quality and agreed that the information learned is shared with parents, friends and neighbors. She noted the success of a similar program in her community sponsored by Waste Management.

Dr. Parker noted the gaps in school curriculum related to environmental issues and stressed the importance of educating young people about air quality issues particularly, in EJ communities.

Council Member Cacciotti asked about the coordination between the consultant and the equipment and curriculum provider. He noted the benefits of multi-sensory lesson plans and expressed support for the program.

Mr. Natri explained that Sonoma Technology has extensive experience in the development of curriculum and will work with the consultant, teachers and District staff in the development of the program.

Council Member Buscaino shared how his son benefitted from an air quality program at his school that included monitoring in three places in the Harbor area. He noted that his son is now an advocate for clean air and has respect for the environment and environmental justice as a result of his participation in the program. He stressed the importance of expanding these types of programs into more areas in the District.

Supervisor Perez stressed the importance of education as a means to transform communities and expressed support for educational programs in EJ communities.

Council Member Benoit expressed support for the program and commented on the need to find additional funding to expand the program into more schools.

Mayor Pro Tem McCallon noted that while he initially felt the proposal was too broad in scope, the discussion on these items has influenced him to support the proposals.

MOVED BY MITCHELL, SECONDED BY
MCCALLON, AGENDA ITEMS 8 AND 9
APPROVED AS RECOMMENDED, WITH THE
MODIFICATION TO ITEM NO. 9 AS STATED
IN THE ERRATA SHEET AND SET FORTH
BELOW, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Hahn, McCallon, Mitchell, Nelson, Parker, Perez, Robinson and Rutherford

NOES: None

ABSTAIN: Lyou

ABSENT: None

Amend language in Recommended Actions for Item No. 9 as follows:

Recommended Actions:

1. Transfer ~~\$276,875~~ \$294,207 from the BP ARCO Settlement Project Fund (46) to General Fund (01) Unassigned Fund Balance;
2. Appropriate ~~\$276,875~~ \$294,207 from General Fund Unassigned Fund Balance to Legislative, Public Affairs and Media's FY 2018-19 Budget, Services and Supplies Major Object, Professional & Specialized Services account; and,
3. Authorized the Procurement Manager to issue a sole source purchase order of one hundred *Kids Making Sense* Kits from Sonoma Technology, Inc. at the cost of ~~\$276,875~~ \$294,207.

MOVED BY CACCIOTTI, SECONDED BY NELSON, AGENDA ITEMS 11 THROUGH 17 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Hahn, Lyou, McCallon, Mitchell, Nelson, Parker, Perez, Robinson and Rutherford

NOES: None

ABSENT: None

BOARD CALENDAR

19. Administrative Committee

20. Legislative Committee

21. Stationary Source Committee
22. Technology Committee
23. Mobile Source Air Pollution Reduction Review Committee
24. California Air Resources Board Monthly Report

Agenda Item 20 was withheld for comment and discussion.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEMS 19 AND 21 THROUGH 24, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Hahn, Lyou, McCallon, Mitchell, Nelson, Parker, Perez, Robinson and Rutherford

NOES: None

ABSENT: None

20. Legislative Committee

Council Member Benoit and Supervisor Rutherford inquired about the accuracy of testimony by Aaron Hake of the Riverside County Transportation Commission (RCTC) reflected in the minutes of the January 10, 2019 Legislative Committee meeting regarding the proposed sales tax ballot measure.

Jill Whynot, Chief Operating Officer, noted that the RCTC expressed specific concerns and the willingness to work with the District on the measure. Staff can review the recording of the meeting for clarification and bring the minutes back to the Board at the next Board meeting.

Dr. Lyou commented that regional transportation agencies within the District are in need of funds to support their projects and asked whether some of the funds generated from the measure could be used to invest in public transportation projects.

Mr. Nastri responded that staff is willing to recommend projects to the Board that result in substantial NOx reductions and some of the major transit projects

could utilize Tier 4 engines or zero or near-zero emission buses. The Board would have the authority to approve projects that would be funded by the proposed measure.

Mayor Mitchell recommended that Item 20 be continued to the next Board meeting to allow staff to review the meeting record, and if warranted, provide clarification of Mr. Hake's testimony in the minutes.

Chairman Burke concurred with Mayor Mitchell's recommendation.

Staff Presentation/Board Discussion

25. Proposed Approach to Address Hydrogen Fluoride Storage and Use at Petroleum Refineries

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources, gave the staff presentation on Item No. 25.

The following individuals addressed the Board on Item 25.

Julia May, Communities for a Better Environment (CBE) (Submitted Written Comments on behalf of multiple environmental organizations and spoke on behalf of David Petit, Natural Resources Defense Council), spoke in support of the phase-out of MHF in four years or less and expressed opposition to an MOU approach. She added that enhanced mitigation measures cannot protect the community from a disastrous release of MHF and public health services are not prepared to deal with the serious and deadly effects of MHF exposure. She noted the significant dangers of a release in the densely populated areas of Torrance and Wilmington. She commented that the cost estimate for conversion to another alkylation process given in the presentation is unsubstantiated and stated that they have submitted documents showing similar sized refineries have converted their process for 100 to 400 million dollars. She added that refinery jobs will still be needed during construction and after the conversion so job loss is not a significant concern.

Paul Davis, PBF Energy/Torrance Refining Company LLC (TORC), indicated that the information that has been presented about HF and MHF from staff and the consultants is a misrepresentation. He explained there is extensive safety training and redundant and layered safety systems at TORC and added that they have begun implementing five safety mitigation projects to be completed by early 2020 that will provide additional safety enhancements at the refinery. He noted that a rule to phase-out MHF would derail the safety projects and stated there are no safer commercially viable alternatives. He expressed support for an MOU process that will allow variability to address both refineries' distinctly different alkylation technologies, safety systems and potential enhancements and provide certainty for workers, preserve California's fuel supply and allow for continued public participation.

Supervisor Rutherford asked for additional information on Cal/OSHA's regulation of the refinery and if the five safety projects are directly related to the alkylation process.

Darren Stroud, Counsel for TORC, stated that Cal/OSHA conducted a six month inspection of the facility from 2017 to 2018 that focused specifically on the alkylation unit to determine whether or not the unit was being operated safely. At the conclusion of that inspection, they found no mechanical integrity issues associated with the unit. During discussions with Cal/OSHA, and based on the tier two improvements staff was considering at the time, the refinery agreed to five safety enhancement projects that are to be completed by February 2020. These five projects consist of enhancing response time of the fire water system, changes to the console room to make it more user friendly as it relates to cameras and the deployment of water, improved state of the art detection systems around the acid loading part of the unit and installation of additional barriers to further enhance the already redundant, robust and layered system that exists to protect the community and workers, and expressed the commitment to implement additional safety enhancing projects.

Mark Phair, Valero Wilmington Refinery, noted that the Wilmington Refinery has safely used HF alkylation to make clean fuel for 37 years and have engaged in good faith with District staff and the community throughout the working group process. He noted concern that the staff presentation is misleading and that the mitigation systems at Valero provide extremely effective protections for employees and the community and added that a consequential release of MHF can be mitigated. He noted the substantial investment made to convert the unit to MHF under the MOU negotiated with the District in 2003 to address the same concerns around HF alkylation that are being raised now. Valero continues to honor the commitments made in the 2003 MOU and is willing to amend the existing MOU to add enhanced mitigation measures if directed by the Board. He noted that amending the existing MOU could allow for site specific solutions tailored to the unique design and circumstances of each refinery in an expeditious and fully transparent manner. He added that a phase-out of MHF is unnecessary and could have devastating economic consequences.

Sally Hayati, Torrance Refinery Action Alliance (TRAA) and Ban Toxic MHF, commented on the deaths that have occurred in the U.S., Mexico and Korea due to HF releases and noted that a release of MHF in Torrance or Wilmington would result in serious health effects and death. She noted the accidental near miss events at the Torrance Refinery and added that alternatives to MHF exist and conversion will not result in lost jobs or increased gasoline prices. She stated that mitigation measures cannot protect against the possibility of a catastrophic accident or event and urged support for a ban on MHF in four years or less.

Andrew DeBlock, representing Assembly Member Al Muratsuchi, expressed support for a rule to phase-out the use of MHF while allowing the refineries to continue to operate to ensure that refinery jobs are protected. (Submitted Written Comments)

Bill Reynolds, Torrance resident, expressed support for a ban of MHF and noted that many public officials have expressed support to ban MHF.

Brian Babb commented on a near miss event at the Torrance refinery in February 2015 and stated that his son, who attends school one mile from the alkylation unit, experienced a lock down and shelter in place situation at his school. He expressed support for a ban of MHF and noted that there is no safe distance within the community if a large release should occur. He stated support for refinery workers and noted that jobs would still be needed if the refineries convert to a safer alternative.

Mr. Eder expressed support for the phase-out of fossil fuels and conversion to solar electric transportation technologies. He added support for equitable renewable energy options for middle and low income people.

Katie Butler, Los Angeles County Department of Public Health, expressed support for a phase-out of MHF and noted the disastrous consequences that would occur should a large scale release occur.

Dr. Parker asked Ms. Butler if the County of Los Angeles is prepared to deal with a disastrous event.

Ms. Butler responded that she is not sure that the emergency preparedness unit would be able to respond to a large scale disaster and cited the Aliso Canyon natural gas release as an example where 10,000 people were affected and an entire public health workforce responded which sacrificed other public health services in the County.

Florence Gharibian, Del Amo Action Committee, commented that MHF is an extremely dangerous chemical and noted the serious health consequences related to exposure to MHF. She added that emergency rooms and hospitals would not be able to adequately respond to victims of a catastrophic release of MHF. She added support for a ban of MHF and noted that safer alternatives exist.

Alicia Rivera, CBE
Ashley Hernandez, CBE
Elizabeth Ortiz, CBE
Daisy Marquez, CBE
*Carrie Scoville, San Pedro Democratic Club
Sylvia Arredondo

Art Gonzales, CBE
Esperanza Romero, CBE
Constance Sullivan, TRAA
*Alfred Sattler, Sierra Club
Michael Jelf
David Boule, TRAA
*Genghmun Eng
Reggie Huang
Dorothy Moore, TRAA
*Steve Goldsmith, TRAA
Steve Dillow
Cathy Luciano
Judith Herman
Monica Embrey, Sierra Club
Roger Schamp
Angélica Gonzalez, Sierra Club
Seth Kaufman, Torrance resident
Kamyia Sud, Environmental Defense Fund
*Jesse Marquez, Coalition for a Safe Environment
Art Mares, CBE
Laura Espinosa
Isabel Alvarenga, Student
Danny Perez
Luis Martinez, CBE
Yvonne Martinez Watson, Sierra Club

Expressed support for strong rulemaking to phase-out and ban MHF in four years or less. They noted the catastrophic consequences should a release occur and stated that mitigation measures cannot adequately protect the public. Added that MHF is a dangerous chemical that should not be stored or used in densely populated areas and noted that safer alternatives exist. Urged the Board to take action to protect EJ communities near the refineries. *(Submitted Written Comments)

Roy Jacobs, Brand Scaffolding Services
Steven Donahue, Scaffolding Southwest Carpenters
Ray Lawson, Southwest Regional Council of Carpenters (SWRCC)
*Ron Miller, Californians for a Sustainable Economy on behalf of 2000+ elected officials, community organizations and individuals
Joseph Goldblatt, Brand Scaffolding Services
Cesar Díaz, State Building & Construction Trades Council
Jorge Quintero, SWRCC
Michael Wolf, Aegon
Rudy Rodriguez
David Junco, Fluor

George Vazquez

Albert Hernandez, former refinery worker

Noted their opposition to a ban or phase-out of MHF and expressed concern about the economic impact a phase-out rule would have on the community and the potential loss of jobs. Expressed support for a MOU approach to allow for an individualized approach to implementing enhanced safety technology and mitigation measures. They commented on the advanced safety training and mitigation measures utilized at the refineries and strict regulations in place by Cal/OSHA. *(Submitted Written Comments)

Dan Hoffman, Wilmington Chamber of Commerce

Bridget McCann, Western States Petroleum Association

Alicia Baltazar

*Sarah Wiltfong, BizFed

Chanel Frampton, Greater Los Angeles African American Chamber of Commerce

Lee Harmon

Minh Luu, Boys and Girls Clubs of Long Beach

Kendal Asuncion, Los Angeles Chamber of Commerce

*Janet Whittick, California Council for Environmental and Economic Balance

Andrés Tejeda, Boys & Girls Clubs of LA Harbor

John Pang, United Way

Demetrius Stevenson, United Way of Greater LA

*Armando Flores, Valley Industry & Commerce Association

*Donna Duperron, Torrance Chamber of Commerce

Jeremy Harris, Long Beach Area Chamber of Commerce

Connor Medina, Orange County Business Council

Expressed support for an MOU process that would allow enhanced safety mitigation measures to be specifically designed for each refinery and preserve jobs in the community. Expressed concerns about the economic impacts to the state and local community and the resulting loss of jobs should the refineries close. Noted the community support the refineries provide to non-profit agencies that benefit the community. *(Submitted Written Comments)

Written Comments Submitted by:

Bill Manis, San Gabriel Valley Economic Partnership

Los Angeles County Business Federation

Tim Shestek, American Chemistry Council

Assembly Member Mike A. Gipson

Assembly Member Bill Quirk

Rebekah Potter

Randy Gordon, Long Beach Area Chamber of Commerce

Jesse Urquidi, Harbor Association of Industry and Commerce

Borzoo Rezai

June Lucero

Caryl Schwartz

Eileen Hupp, South Bay Association of Chambers of Commerce

Brian Cummins, TORC

Senator Benoit Hueso

Assembly Member Adam C. Gray

Steve Steach, TORC

Maureen Mauk

Alicia Berhow, Orange County Business Council

Charles Gale, Redondo Beach Chamber of Commerce & Visitors Bureau

Sam Tanski

Brittany Goldsmith

Catherine Tanski

Liberato Di Bernard
Charles P. Walker Jr.
Paul Zbyszewski
Bryn Zbyszewski
Lucia Wolf
Steven Unger
C. Beverly Clower
James M. Wheeler
Angelo Vukelja
Alyssa Solorio
Shelly Browning, MD
Jeannie Dean-Brown
Susan Heisler
Sonomi Deguchi
Stacey Arenstein
Cheista Greenfader
Rachele Maurer
Shannon McCall
Ashley Bills
Mitzi Shitanda
Janice Ling
Curt D. Barton
Anita Dixon
Maria Manansara
Karen Czap

Amy Takaki
Kim Bosell
Patricia Crane
Varinder Mohan
Carlos Camargo
Gregory E. DeValera
Katherine Hood
Joyce T. White
Shuja Habib Oberoi
Robert H. Zymet
Daniel Krockel
Linda Brown
Monica Van Stelton
Yi Mei Lo
Sara Castillo
Carol Bonning
Alene Gardner
Robert Cephus
Mark Arellano
Katherine Abel
Cheryl Frick
Russ Rucher
Mark Schwartz
Caryl Schwartz
Celina N. Flores

Supervisor Nelson commented that the mission of the SCAQMD is to clean the air and that MHF is already a heavily regulated substance. The District should look to other regulatory agencies to address this matter.

Council Member Cacciotti requested clarification on the action that is required by the Board at this time. He also asked what percentage of operations at each facility uses HF or MHF for production.

Mr. Nastri responded that staff seeks the Board's comments and direction on how to proceed. At their September 22, 2018 meeting, the Refinery Committee directed staff to develop a rule or MOU to phase-out MHF or demonstrate, based on enhanced mitigation measures, that they meet a performance standard. The Refinery Committee further directed staff to bring this discussion to the full Board.

In response to Council Member Cacciotti's question regarding the percentage of operations using MHF, Dr. Fine responded that based on information from a couple of years ago, the total volume of production of alkylate is about 16% at TORC and 26% at Valero.

Dr. Lyou commented that the role of the SCAQMD is to protect public health even beyond national and state ambient air quality standards. He noted that the District worked for many years on a phase-out of HF with Rule 1410 but a lawsuit resulted in the rule being invalidated due to a CEQA procedural error. A MOU was

signed with Ultramar to phase out HF and allow the use of MHF and the decision was made to not pursue re-adoption of Rule 1410. He noted that staff has studied the use of MHF and determined that a release of MHF would have severe consequences to the public. He stressed the authority and responsibility that the Board has to act on this issue. He expressed opposition to performance standards which cannot protect against catastrophic releases. He commented on the importance of a public process to allow transparency and public input and added that a MOU process does not offer the same guarantees to the public in terms of public involvement. He urged support for regulations to phase-out MHF as soon as possible. He thanked all the individuals who provided testimony on this item.

Mayor Pro Tem McCallon commented on the number of meetings that have been held regarding MHF at the Refinery Committee and the need to take action.

MAYOR PRO TEM MCCALLON MOVED TO DIRECT STAFF TO DEVELOP AN MOU WITH EACH REFINERY THAT ALLOWS FOR SAFETY ENHANCEMENTS SPECIFIC TO EACH REFINERIES' MHF ALKYLATION UNIT AND THE MOUs ONCE DEVELOPED AND DRAFTED BE BROUGHT BACK TO THE BOARD WITHIN 90 DAYS FOR FINAL APPROVAL. THE MOTION WAS SECONDED BY SUPERVISOR RUTHERFORD.

Mayor Mitchell expressed opposition to the motion and commented that all Board members have not had the same opportunity as the Refinery Committee members to participate in meetings and review the complex issues. She suggested that Board members ask questions of staff, request additional information, and direct staff to bring the item back to the Board in 90 days. She noted that one area she would like explored further is the potential job loss should the refineries close. She also requested additional information about the timing of MHF phase out, information about the other alkylation chemicals, and whether the refinery would still be able to operate while in transition and if they are unable to continue operating what the impact on jobs would be. She also asked if there is a CEQA process with an MOU approach and how long that process would take. She expressed her support for rulemaking and concurred with Dr. Lyou that performance standards cannot be created for large scale releases. She expressed support for a phase-out that would preserve jobs and assist the refineries through the conversion process without great loss of income or downtime.

Dr. Parker noted that the issue of the phase out of MHF is a serious and complex issue. He explained the lethal properties of MHF and the studies that have shown that a release could result in serious health effects and deaths. He noted the number of scientists and consultants who have provided information about MHF to assist the Refinery Committee.

Council Member Robinson expressed support for Mayor Pro Tem McCallon's motion and commented that the Board has received an abundance of information and testimony on this topic. He added that as Supervisor Rutherford mentioned it is Cal/OSHA's responsibility to protect workers who are the most vulnerable if a release occurs and concurred with Supervisor Nelson that the primary mission of the SCAQMD is to clean the air and not to regulate lethal chemicals. He expressed concern with a short phase out which could result in the use of sulfuric acid which is not commercially proven at this time and would result in an increase in fifty more truck trips per day which would increase NOx emissions and is contradictory to the mission of the SCAQMD.

Mayor Mitchell inquired if advanced sulfuric acid is commercially proven and whether truck trips would increase if it was utilized.

Susan Nakamura, Assistant DEO/Planning, Rule Development and Area Sources, explained that there are two technologies for advanced sulfuric acid, one is CDA/ky which is commercially available and the other is ConvEx which is not yet commercially proven. She added that truck traffic would be less with the CDA/ky method which is currently being installed at two Valero locations.

Supervisor Hahn expressed opposition to entering into an MOU and relying on performance standards which cannot prevent an accidental or catastrophic release and protect the public and workers. She noted concern for the closure of the refineries and the potential job losses and added that it may be possible to seek state or federal funding to assist refineries with conversion costs.

Supervisor Rutherford concurred that an abundance of information has been distributed in order to make an informed decision on this matter. She stressed that the Board cannot prevent every disaster that could result because of natural or human causes. She urged support for Mayor Pro Tem McCallon's motion to proceed with an MOU with both refineries and that the proposals be brought back to the Board within 90 days.

Chairman Burke noted that the information that has been received has revealed that MHF is more dangerous than initially thought and noted the importance of coming to an agreement that protects the public.

CHAIRMAN BURKE MADE A SUBSTITUTE MOTION TO DIRECT STAFF TO WORK WITH BOTH THE COMMUNITY AND INDUSTRY OVER THE NEXT 90 DAYS TO REACH A RESOLUTION TO PRESENT TO THE REFINERY COMMITTEE FOR REVIEW AND RECOMMENDATION TO THE FULL BOARD. THE MOTION WAS SECONDED BY MAYOR MITCHELL AND CARRIED BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Hahn, Lyou, Mitchell, Parker, and Perez

NOES: Nelson, McCallon, Robinson and Rutherford

ABSENT: None

26. Status Report on Regulation XIII – New Source Review

The presentation on Item No. 26 was waived.

INFORMATION ONLY; RECEIVE AND FILE.

PUBLIC HEARINGS

27. Determine that Proposed Amendments to Rule 1403 - Asbestos Emissions from Renovation/Demolition Activities are Exempt from CEQA and Amend Rule 1403

Mr. Nastri announced that staff has requested that this item be withdrawn from consideration.

Written Comments Submitted by:
Coalition of Water, Power and Gas Utilities

28. Determine that Proposed Amendments to BACT Guidelines and Charter for BACT Scientific Review Committee Are Exempt from CEQA, and Amend BACT Guidelines and Charter for BACT Scientific Review Committee

The presentation on Item No. 28 was waived.

The public hearing was opened and the following individual addressed the Board on Item 28.

Mr. Eder commented on the cost effectiveness of solar power and asked that it be evaluated as BACT. He noted the progress that BYD Auto Company has made in electric Class 8 trucks and expressed support for solar-electric trucks. He added support for solar renewables and expressed concern for premature deaths related to air pollution.

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

MOVED BY LYOU SECONDED BY
ROBINSON, AGENDA ITEM NO. 28
APPROVED, BY THE FOLLOWING VOTE:

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

NOES: None

ABSENT: Nelson

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

Mr. Eder expressed concerns about investor-owned utilities and the need to facilitate more Community Choice Aggregation and the purchase of the electrical transmission system by the State of California. He commented on climate change and the recent wild fires.

Chairman Burke noted that he recently met with Southern California Edison regarding a plan to diminish fire risks which may necessitate some changes to the District's rule for emergency backup generators.

Margaret Peters expressed health concerns related to increased air pollution in South Los Angeles due to increased vehicle and air traffic from LAX and asked the Board to consider including this area in MATES V studies. She commented that more community outreach is needed in EJ communities.

Dr. Lyou and Council Member Buscaino expressed interest in meeting with Ms. Peters about her concerns.

CLOSED SESSION

The Board recessed to closed session at 2:05 p.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. 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);

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); and

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.

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 2:30 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on February 1, 2019.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

BACT = Best Available Control Technology
Cal OSHA = California Division of Occupational Safety and Health
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
EJ = Environmental Justice
EV = Electric Vehicle
FY = Fiscal Year
HF = Hydrofluoric Acid
MATES = Multiple Air Toxics Exposure Study
MHF = Modified Hydrofluoric Acid
MOU = Memorandum of Understanding
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
NOx = Oxides of Nitrogen
RFP = Request for Proposals
U.S. EPA = United States Environmental Protection Agency
VOC = Volatile Organic Compound