

MEETING, MAY 3, 2019

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at South Coast AQMD 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 Newly Appointed Board Member Vanessa Delgado **Burke**
- Election of Vice Chair for Term May 2019 - January 2020

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 19)

Note: Consent Calendar items held for discussion will be moved to Item No. 20

1. Approve Minutes of April 5, 2019 Board Meeting **Garzaro/2500**
2. Set Public Hearing June 7, 2019 to: **Nastri/3131**

Submit Recently Amended (May 3, 2019) Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into, and Rule 1106.1 – Pleasure Craft Coating Operations for Withdrawal from U.S. EPA-Approved SIP **Fine/2239**

This proposal is to include the May 3, 2019 amendments to Rule 1106 – Marine and Pleasure Craft Coatings, and the May 3, 2019 rescission of Rule 1106.1 – Pleasure Craft Coating Operations, for the limited purpose of incorporating these rules into the U.S. EPA-approved SIP. The incorporation of these rules into the SIP was inadvertently not noticed for consideration at the May 2019 Board meeting. This action is to adopt the Resolution: 1) Submitting Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into the SIP; and 2) Submitting Rule 1106.1 – Pleasure Craft Coating Operations for withdrawal from the SIP. (No Committee Review)

Budget/Fiscal Impact

3. **Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Trucks and Amend Near-Zero Heavy-Duty Diesel Truck Replacement Award** **Miyasato/3249**

Demand for commercially available heavy-duty battery electric trucks continues to increase, but availability is limited to a few suppliers. Roush CleanTech, LLC, (Roush) proposes to develop a battery electric medium-duty Class 6-7 commercial vehicle and demonstrate the technology with local commercial fleets. In October 2018, the Board awarded CEC grant funds for near-zero emission truck projects, including an award to T&M Construction for drayage trucks. Subsequently, staff discovered an administrative error in the type of truck for one of the trucks awarded CEC funds. These actions are to execute a contract with Roush to develop and demonstrate medium-duty electric trucks in an amount not to exceed \$937,500 from the Clean Fuels Program Fund (31) and to amend the award to T&M Construction, changing the vehicle type from drayage to dump truck. (Reviewed: Technology Committee, April 19, 2019; Recommended for Approval)

4. **Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs** **Miyasato/3249**

The City and County of Los Angeles and the California Attorney General's Office's civil litigation settlement with SoCalGas resulting from the Aliso Canyon natural gas leak includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice communities in the City or County of Los Angeles. This action is to recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund, a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$6,745,000; execute or amend access agreements with local school districts; amend contract to purchase additional filters using unspent administrative funds; and reimburse the General Fund for administrative costs up to \$355,000 for SEP administration. (Reviewed: Technology Committee, April 19, 2019; Recommended for Approval)

5. **Execute Contracts for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment** **Nakamura/3105**

On December 7, 2018, the Board approved the release of an RFP for the review of staff's BARCT technology assessment, estimated emission reductions, and cost-effectiveness for NOx emitting equipment at petroleum refineries to support Proposed Rule 1109.1. This action is to award two separate contracts, one to Norton Engineering and one to Fossil Energy Research Corporation to review various portions of staff's BARCT assessment for Proposed Rule 1109.1. To fund both contracts, staff is requesting that funding be increased from the original RFP request of \$100,000 to \$200,000. Each qualified consulting firm will be awarded a fixed price contract of up to \$100,000 and total funding for both contracts combined shall not exceed \$200,000. Funds are available from CARB's Community Protection Program under AB 617. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

6. **Transfer Funds for Enhanced Particulate Monitoring Program** **Low/2269**

This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget between Major Objects to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

7. **Authorize Transfer of Monies from General Fund to Health Effects Research Fund** **Jain/2804**

In 2008, the Board established the Health Effects Research Fund (48) and authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received each fiscal year that exceeds \$4 million in receipts from the General Fund to the Health Effects Research Fund. Approval is needed for the transfer of 20 percent of annual penalty money that exceeded \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. This action is to authorize the transfer of 20 percent of annual penalty money that exceeded \$4 million received in these fiscal years, for a total of \$4,206,765, from the General Fund to the Health Effects Research Fund (48) over a period of five fiscal years with installment payments of \$841,353 per year, starting in FY 2018-19. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

8. **Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20** **Jain/2804**

The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the South Coast AQMD may make per Board Member, per fiscal year, based on the Board-approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair). (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

9. **Revise Procurement Policy and Procedure** **Jain/2804**
- This action is to approve revisions to South Coast Air Quality Management District's Procurement Policy and Procedure to amend the definition of Low-Emission Vehicle Businesses for use in awarding procurement incentive points/percentages, as well as updates reflecting enhancements and current operating processes. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
10. **Authorize Purchase of OnBase Software Support** **Moskowitz/3329**
- South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2019. This action is to obtain approval for the sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2019-20 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2019-20 Budget. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
11. **Transfer Funds and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services** **Moskowitz/3329**
- South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to transfer funds and amend four contracts previously approved by the Board to add additional funding for needed development and maintenance work. (Reviewed: Administrative Committee, April, 12, 2019; Recommended for Approval)
12. **Appoint Members to South Coast AQMD Hearing Board** **Garzaro/2827**
- The terms of office for the Hearing Board Medical Member and two Public Members, and their Alternates, expire June 30, 2019. An Advisory Committee was appointed as required by law. The Advisory Committee interviewed the public member candidates at its meeting on March 28, 2019, and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on April 12, 2019, and made a final recommendation. This action is to appoint two public members and their alternates to fill the new terms. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
13. **Issue Solicitation Approved by MSRC** **McCallon**
- As part of their FYs 2018-21 Work Program, the MSRC approved the release of a Request for Proposals for MSRC Programmatic Outreach Services for January 2020 through December 2022. At this time the MSRC seeks Board approval to release the solicitation. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, April 18, 2019; Recommended for Approval)

Items 14 through 19 - Information Only/Receive and File

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

This Report highlights the March 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)
15. Hearing Board Report **Prussack/2500**

This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2019. (No Committee Review)
16. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This reports the monthly penalties from March 1 through March 31, 2019, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2019. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, April 19, 2019)
17. Lead Agency Projects and Environmental Documents Received **Nakamura/3105**

This report provides, for the Board's consideration, a listing of CEQA documents received by the South Coast AQMD between March 1, 2019 and March 31, 2019, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA. (No Committee Review)
18. Rule and Control Measure Forecast **Fine/2239**

This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2019. (No Committee Review)
19. 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 South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, April 12, 2019)
20. Items Deferred from Consent Calendar

BOARD CALENDAR

Note: The April meeting of the Mobile Source Committee was canceled. The next meeting of the Mobile Source Committee is scheduled for May 17, 2019.

21. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**
22. Legislative Committee (Receive & File) **Chair: Mitchell Alatorre/3122**

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

Agenda Item	Recommendation/Action
*AB 836 (Wicks) Bay Area Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Program	Support
AB 1500 (Carrillo) Hazardous substances	Support with Amendments
*SB 44 (Skinner) Medium-duty and heavy-duty vehicles: comprehensive strategy	Support with Amendments
SB 633 (Stern) Santa Susana Field Laboratory: monitoring program	Support
S 747 (Carper) To Reauthorize the Diesel Emissions Reduction Program, and for Other Purposes	Support

*The bill title and language of AB 836 (Wicks) and SB 44 (Skinner) were amended.

23. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopoulos/3123**
24. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**
25. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Benoit Berry/2363**
26. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell Garzaro/2500**

Staff Presentation/Board Discussion

27. Informational Briefing on Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard **Fine/2239**

The Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019. Although the air quality in the Coachella Valley area has steadily improved over the years, higher ozone levels were experienced throughout the State of California, including Coachella Valley in 2017 and 2018, resulting in levels greater than the 1997 8-hour ozone standard. The ozone levels in Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin. As a result, additional time will be needed to bring the Coachella Valley into attainment of this standard. This item provides an informational summary of the Coachella Valley attainment status for the 1997 8-hour ozone standard and a recommendation for attainment reclassification, with proposed action scheduled for the June Board meeting. (No Committee Review)

PUBLIC HEARINGS

28. Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend Salary Resolution and Class Specification **Jain/2804**

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 is balanced and includes implementation of the last year of phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. There are also proposed amendments to the South Coast Air Quality Management District Salary Resolution relating to Executive Management staff. 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 percent consistent with the Consumer Price Index; 2) new or increased fees, including toxics fees, which are necessary to meet the requirements of recently adopted rules and state mandates and will provide more specific cost recovery for activities by the agency; 3) certain fee reductions related to agency efficiency; 4) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 5) clarification on how permit transfers are considered when there is a change of owner/operator. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 2) 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; 3) Amend Regulation III; 4) Amend Rule 209; and 5) Amend the Salary Resolution and Class Specification.

29. 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)

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.

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 South Coast AQMD is a party. The actions are:

- In the Matter of SCAQMD v. Aircraft Heat Treating Co., Inc. and Anaplex Corp., South Coast AQMD 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, South Coast AQMD 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, South Coast AQMD 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, South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD'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