

BOARD MEETING DATE: September 4, 2020

AGENDA NO. 6

PROPOSAL: Establish Special Revenue Fund, Recognize Funds, Execute Contract for Installation and Maintenance of Air Filtration Systems and Reimburse General Fund for Administrative Costs

SYNOPSIS: In May 2019, the Board recognized \$7,100,000 into the Air Filtration Fund (75) from the Aliso Supplemental Environmental Project (SEP) Fund to install air filtration systems at schools in Environmental Justice communities in Los Angeles County. To facilitate program tracking and auditing, these actions are to establish the Aliso Canyon Air Filtration Special Revenue Fund (84), recognize \$7,100,000 into Fund 84 instead of Fund 75, authorize the Chairman to execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000 from Fund 84, and reimburse the General Fund for administrative costs up to \$355,000 from Fund 84.

COMMITTEE: Technology, August 21, 2020; Recommended for Approval

RECOMMENDED ACTIONS:

- 1) Establish the Aliso Canyon Air Filtration Special Revenue Fund (84) and recognize, upon receipt, up to \$7,100,000 into the new fund (84) instead of the Air Filtration Fund (75);
- 2) Authorize the Chairman to execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000 from the Aliso Canyon Air Filtration Special Revenue Fund (84) instead of the Air Filtration Fund (75);
- 3) Authorize the Chairman to amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and
- 4) Reimburse the General Fund up to \$355,000 from the Aliso Canyon Air Filtration Special Revenue Fund (84) instead of Fund (75) for the administrative costs necessary to implement the air filtration projects.

Wayne Nastri
Executive Officer

Background

In May 2019, the Board recognized up to \$7,100,000 from the Aliso Supplemental Environmental Project (SEP) Fund for a SEP being administered on behalf of the City and County of Los Angeles and the California Attorney General's Office, which comprise the Aliso Fund Committee, as a result of the Aliso Canyon natural gas leak. The Board recognized the funds into the Air Filtration Fund (75) and authorized the Chairman to execute a contract out of Fund 75 with IQAir North America to install and maintain the air filtration systems at public schools in environmental justice (EJ) communities, to reimburse the General Fund for administrative costs and to use any unspent administrative funds for additional air filters. In July 2020, the Aliso Fund Committee determined that the SEP revenue must be received into a separate special revenue fund to track expenditures and interest generated from the Aliso Fund SEP.

The May 2019 board letter also authorized the Executive Officer to execute an agreement with the City and County of Los Angeles and the California Attorney General's Office to implement the SEP and to execute or amend agreements with local school districts for the purpose of implementing the SEP. These authorizations remain unchanged.

Proposal

These actions are to create the Aliso Canyon Air Filtration Special Revenue Fund (84), recognize \$7,100,000 into Fund 84 instead of Fund 75 and authorize the Chairman to execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000 from Fund 84 instead of Fund 75. A sole source justification was included in the May 2019 Board letter for the IQAir contract.

An updated proposed schedule for installation and maintenance of air filtration systems at Los Angeles City and County schools in EJ communities is as follows:

Date	Event
Sept 2020	Board Approval
Sept – Nov 2020	Anticipated Execution of Contracts
Dec 2020 -Jan 2021	Selection of Schools, Site Assessments
Jan 2021– December 2021	Installation
October 2021–October 2031	Maintenance (varies by school)
March 2022	Final Installation Report (thereafter with annual updates through 2031)

This action is to also reimburse the General Fund up to \$355,000 from the Aliso Canyon Air Filtration Special Revenue Fund (84) instead of Fund 75 for administrative costs

necessary to implement the air filtration projects and to allow any unspent administrative funds be used to purchase additional filters.

Benefits to South Coast AQMD

This project will reduce children's exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in Environmental Justice communities identified in the SEP agreement.

Resource Impacts

Up to \$7,100,000, upon receipt, will be recognized into the Aliso Canyon Air Filtration Special Revenue Fund (84). The contract with IQAir North America to install air filtration systems will not exceed \$6,745,000 and reimbursement of administrative costs will not exceed \$355,000.