

BOARD MEETING DATE: June 2, 2023

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the May 5, 2023
Board Meeting.

RECOMMENDED ACTION:

Approve the May 5, 2023 Board Meeting Minutes.

Faye Thomas
Clerk of the Boards

FT

FRIDAY, MAY 5, 2023

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was conducted in a hybrid format (in person and remotely via videoconferencing and telephone). Members present:

Senator Vanessa Delgado (Ret.), Chair
Senate Rules Committee Appointee

Councilmember Michael A. Cacciotti, Vice Chair
Cities of Los Angeles County – Eastern Region

Supervisor Andrew Do
County of Orange

Supervisor Curt Hagman
County of San Bernardino

Gideon Kracov
Governor's Appointee

Veronica Padilla-Campos
Speaker of the Assembly Appointee

Supervisor V. Manuel Perez
County of Riverside

Councilmember Nithya Raman
City of Los Angeles

Councilmember Carlos Rodriguez
Cities of Orange County

Councilmember José Luis Solache
Cities of Los Angeles County – Western Region

Absent: Mayor Lock Dawson
Cities of Riverside County

Mayor Larry McCallon
Cities of San Bernardino County

Supervisor Holly J. Mitchell
County of Los Angeles

For additional details of the Governing Board Meeting, please refer to the recording of the [Webcast](#) at: [Live Webcast \(aqmd.gov\)](#)

CALL TO ORDER: Chair Delgado called the meeting to order at 9:01 a.m.

- Pledge of Allegiance: Led by Vice Chair Michael A. Cacciotti
- Roll Call

Councilmember Raman was absent for roll call; she joined the meeting at approximately 9:05 a.m.

- Opening Comments

Chair Delgado announced that she was pulling Agenda Item No. 2, the Set Hearing for Proposed Amended Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations, to allow staff additional time to address issues under PAR 1405. Public comments on this item would still be taken. Hearing no objections from the Board, Agenda Item No. 2 was pulled.

Vice Chair Cacciotti shared photos of the Heart of the Foothills open street event held in the cities of Claremont, Pomona, LaVerne and San Dimas that he attended, a visit to the Karma Automotive manufacturing facility in the City of Moreno Valley, Foothill Transit's hydrogen fuel cell buses, and electric batteries his gardener uses. He also commented on the City of Pasadena's ban on gasoline-powered leaf blowers that went into effect at the end of April, noting that the City hosted an event to educate gardeners and had electric leaf blower demonstrations conducted by American Green Zone Alliance.

Supervisor Hagman reported that he attended the ACT Expo 2023 at the Anaheim Convention Center and remarked about the many different companies and vendors working on zero-emission and clean energy products.

Mr. Nastri announced that the Summer Intern Program would begin on June 13 this year. He also commented on the annual Board Retreat scheduled for May 11 and May 12 and highlighted some of the topics scheduled that would be presented.

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

The Public Comment Period was opened. The following individuals addressed the Board.

Jane Williams, California Communities Against Toxics, commented on the health risks of ethylene oxide (EtO) emissions primarily from sterilization facilities and warehouses that receive EtO-sterilized materials. She emphasized the need for PAR 1405 to include fence-line monitoring and address warehouses. Ms. Williams suggested that OEHHA be invited to give the Board a briefing when they update the toxicity risk factors. For additional details, please refer to the Webcast beginning at 9:47.

Robina Suwol, California Safe Schools and Los Angeles Environmental Justice Network, echoed comments made by Ms. Williams and requested that PAR 1405 be delayed for OEHHA's updated toxicity risk factors. She also requested that South Coast AQMD support the switch from EtO to safer alternatives. For additional details, please refer to the Webcast beginning at 12:57.

Harvey Eder, Public Solar Power Coalition, commented on his experience filing legal documents in federal court and his intent to file legal action regarding the 2016 and 2022 AQMP's. For additional details, please refer to the Webcast beginning at 15:17.

Monty Rowan, Dolphin Marina resident, expressed concerns regarding noise, debris, and the asbestos remediation process for the construction project at the Dolphin Marina in Marina Del Rey. He stated that the building may have asbestos containing material, yet a permit was not pulled as required by Rule 1403 – Asbestos Emissions from Demolition/Renovation Activities. For additional details, please refer to the Webcast beginning at 18:25.

Terrence Mann, Deputy Executive Officer/Compliance & Enforcement, confirmed that enforcement staff was aware of this matter, having responded to complaints at the location, and advised that the parties are currently in litigation. He also clarified that Rule 1403 does not require the removal of existing asbestos containing materials, but rather requires certain precautions to be taken if there is a renovation or demolition.

Supervisor Hagman requested a legal ruling on staff responding to public comments when an item is not on the agenda.

General Counsel Bayron Gilchrist noted that under Government Code §54954.3 “members of the legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights.”

There being no further requests to speak, the Public Comment Period was closed.

Written Statement Regarding California Restaurant Association v City of Berkeley
Submitted By: Daniel McGivney, SoCalGas



CONSENT AND BOARD CALENDAR

Items 1 through 3 – Action Items/No Fiscal Impact

1. Approve Minutes of April 7, 2023 Board Meeting
2. Set Public Hearing June 2, 2023 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:
Determine That Proposed Amended Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations, Is Exempt from CEQA; and Amend Rule 1405
3. Revise Investment Oversight Committee Composition

Items 4 through 9 – Budget/Fiscal Impact

4. Execute Contracts Using U.S. EPA DERA Funds for Carl Moyer Truck Projects and Amend Contract with Sunline Transit Agency
5. Execute Contracts to Study Regional Air Quality and Health Impacts of Utilizing Hydrogen Blends in Commercial Buildings and Industrial Applications
6. Issue RFP for Legislative Representation in Sacramento, California
7. Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2023-24
8. Appoint Alternate Medical Member to Hearing Board
9. Approve Contract Modification as Approved by MSRC

Items 10 through 15 – Information Only/Receive and File

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

Items 16 through 22 – Reports for Committees and CARB

16. Administrative Committee
17. Legislative Committee
18. Mobile Source Committee
19. Stationary Source Committee
20. Technology Committee
21. Mobile Source Air Pollution Reduction Review Committee
22. California Air Resources Board Monthly Report

Item 23 – Staff Presentation/Board Discussion/Receive and File

23. Engineering and Permitting Update (Presentation in Lieu of Board Letter)
24. Items Deferred from Consent and Board Calendar
There were no items pulled for discussion.

Disclosures

Board Member Kracov reported that he had no financial interest in Agenda Item No. 4 but is required to identify for the record that he is a member of CARB's Board, which is involved in that item.

Vice Chair Cacciotti reported that he had no financial interest in Agenda Item No. 9 but is required to identify for the record that he is a councilmember of the City of South Pasadena, which is involved in that item.

Supervisor Perez reported that he had no financial interest in Agenda Item No. 4 but is required to identify for the record that he is a member of CARB's Board, which is involved in that item. He also recused himself from Agenda Item No. 9, due to a campaign contribution from Southern California Edison within the past 12 months.



Agenda Item Nos. 1-22 were opened for public comment; and the following individuals addressed the Board.

Florence Gharibian, Del Amo Action Committee, commented on the need to ensure that Rule 1405 be protective of the people who are living in communities near facilities that use EtO. She stated that ethylene oxide poses a danger to those communities and emphasized the need for fence-line monitoring. For additional details, please refer to the Webcast beginning at 25:22.

Harvey Eder agreed with the previous comment regarding the use of EtO for sterilization. He emphasized the need to ensure equity in funding projects for environmental justice communities. For additional details, please refer to the Webcast beginning at 27:18.

There being no further requests to speak, the public comment period for Agenda Items No. 1-22 was closed.

Board Action (Items 1–22)

MOVED BY CACCIOTTI, SECONDED BY SOLACHE TO APPROVE AGENDA ITEMS 1 THROUGH 22 AS RECOMMENDED, EXCEPT AGENDA ITEM NO. 2 WHICH WAS PULLED FROM THE AGENDA.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Delgado, Do, Hagman, Kracov, Padilla-Campos, Perez (Except No. 9), Raman, Rodriguez, and Solache

NOES: None

ABSTAIN: Perez (No. 9)

ABSENT: Lock Dawson, McCallon, and Mitchell



23. Engineering and Permitting Update (Presentation in Lieu of Board Letter)

Jason Aspell, Deputy Executive Officer/Engineering and Permitting, gave the staff presentation on this item.

Vice Chair Cacciotti asked for staff to explain what classes of equipment/processes are categorized as complex or non-complex in the permitting process.

Mr. Aspell explained some of the factors that determine the complexity level of equipment/processes such as the amount of emissions, the number of units, and the type of equipment. He also commented on factors that extend the permitting timeline such as public noticing for Title V or facilities located near a school, as well as response to public comments, and health risk assessments for permits with toxic air contaminants. For additional details, please refer to the Webcast beginning at 45:21.

Board Member Padilla-Campos asked whether South Coast AQMD has offices in other locations that would offer a shorter commute for prospective employees that may live far from Diamond Bar. Mr. Aspell stated that employees work out of the Diamond Bar headquarters, however, South Coast AQMD offers a telework program and 4-day work week.

In response to Councilmember Rodriguez's inquiry regarding the number of staff needed to address permitting activity, Mr. Aspell explained that eight new positions have been added to address processing bottlenecks that were previously identified. However, additional analysis will look at resources to determine the proper staffing level needed to address upcoming rules and significant Title V permitting efforts. The results of the analysis will be presented to the Board in August. For additional details, please refer to the Webcast beginning at 47:56.

Mr. Nastri noted that in addition to the eight employees that were added last year, an additional four were requested to address the permit backlog. He emphasized that the more challenging and critical issue is retaining staff and reducing the vacancy rate from 20 to 11 percent. Retention is important to build an experienced workforce. For additional details, please refer to the Webcast beginning at 49:58.

In response to an inquiry from Councilmember Rodriguez, Mr. Nastri confirmed that additional staffing resources will be evaluated and discussed in the Workplan for Permitting Enhancement (Workplan) which will be presented at the August Board meeting. Mr. Nastri highlighted the impact to the agency from the significant number of retirements due to the pandemic and the ongoing challenge of retaining employees. Councilmember Rodriguez commented that he is supportive of additional resources if that will help. For additional details, please refer to the Webcast beginning at 51:06.

In response to an inquiry from Councilmember Rodriguez regarding efforts to recruit new talent, Susan Nakamura, Chief Operating Officer commented on a recent outreach effort where she engaged with female engineering students at California State University, Long Beach to help cultivate a pipeline of future employees. Councilmember Rodriguez commended outreach efforts and requested that they be extended to all universities in the South Coast Basin. For additional details, please refer to the Webcast beginning at 55:56.

Mr. Nastri highlighted the efforts of senior staff and the Human Resources department to engage with local universities and Historically Black Colleges and Universities to recruit students. He noted that the Summer Board Intern Program is also an opportunity to recruit future talent and added that a couple of interns from last year are currently in the recruitment process. For additional details, please refer to the Webcast beginning at 58:47.

In response to an inquiry from Supervisor Perez about the significant number of retirements and resignations, Ms. Nakamura responded that the significant number of retirements is understandable because many of those employees had over 30 years of service. Based on exit interviews, resignations were due to a variety of reasons that included family circumstances, going back to school, and better compensation. Ms. Nakamura emphasized the need to address salaries in the upcoming MOU labor negotiations with the employee bargaining units to make the South Coast AQMD more competitive with other public agencies. For additional details, please refer to the Webcast beginning at 1:00:34.

Mr. Nastri commented on the challenges that many air districts are facing across the state in recruiting and retaining employees. He also noted that South Coast AQMD salaries are no longer competitive, which has contributed to an increase in employees leaving to work for CARB and other public agencies. For additional details, please refer to the Webcast beginning at 1:02:43.

Supervisor Perez acknowledged the need to increase salaries and benefits to recruit and retain talent but also emphasized the importance of promoting the South Coast AQMD's organizational culture, mission, and its leadership in air pollution control throughout California and the United States. For additional details, please refer to the Webcast beginning at 1:04:06.

Supervisor Perez inquired about the length of time it takes to complete the review of a permit application and whether permitting fees are adequate to recover the costs needed to expedite permit applications. Mr. Aspell responded that the length of time varies, with about 70 percent of incoming permits completed within 180 days. Mr. Nastri added that the proposed FY 2023-24 Budget includes a two percent increase per year for the next two years to address permitting costs, but staff will need to assess what future increases would be adequate. For additional details, please refer to the Webcast beginning at 1:08:44.

In response to Supervisor Perez's inquiry about the feedback from retired employees that are being hired to assist with the processing of permits, Mr. Aspell stated that it has been a positive experience for the retired engineers. Supervisor Perez expressed support for increasing salaries, benefits, and training to recruit and retain employees.

Board Member Kracov re-emphasized the importance of addressing the permit backlog as a top priority. He commented on joining Governor Newsom on a recent visit to World Energy in Paramount, a converted petroleum refinery that requires complex permitting. Board Member Kracov emphasized the need to ensure that permits are processed in a timely manner and highlighted the importance of implementing action metrics identified in the Workplan and for the agency to be held accountable. For additional details, please refer to the Webcast beginning at 1:12:29.

Councilmember Solache commented about his position on the Alumni Council for the California State University (CSU) and offered to connect staff with the CSU Chancellor's office. He recommended that South Coast AQMD host hiring events for the CSU campuses. He acknowledged the challenges in recruiting and retaining talent but emphasized the need to seek opportunities to engage with students to increase interest and create a pipeline for careers at the South Coast AQMD. For additional details, please refer to the Webcast beginning at 1:15:09.

Board Member Padilla-Campos commented on staffs' participation in the Pacoima Beautiful Summer Institute and emphasized the need for events that inform and engage students early on about job opportunities at the agency. She asked whether the available engineering positions being discussed will be posted on the South Coast AQMD website. Mr. Aspell noted that the recruitment for those positions have closed and have moved to the hiring interview phase. Human Resources is looking into having a rolling open recruitment to quickly address vacancies for engineer positions. For additional details, please refer to the Webcast beginning at 1:20:44.

Supervisor Do expressed concern that a significant number of permit applications are more than two years old, noting that the agency has a responsibility to industry and business to ensure timely permit evaluations. He recommended a comprehensive long-term approach as a solution to address staffing level concerns. The comprehensive approach would entail using outside contractors to meet immediate needs and allow time to build a longer-term solution such as a salary study to ensure that compensation is competitive. For additional details, please refer to the Webcast beginning at 1:22:19.

Supervisor Hagman noted that challenges in recruiting and retaining are being felt across the board and that while he supports increasing salaries and benefits, those are only temporary solutions. The long-term solution will require strategies, such as reaching out to institutions of higher education, internship programs, offering scholarships, and attending recruitment fairs, that will get people in the pipeline. He also expressed concern about permit applications that are more than two years old. For additional details, please refer to the Webcast beginning at 1:26:20.

Vice Chair Cacciotti commented on the success of a past intern project and recommended that as part of outreach efforts, that staff connect with family and friends of summer interns, as well as those students who took the time and effort to apply for the program but were not selected. For additional details, please refer to the Webcast beginning at 1:29:45.

John Olvera, Deputy Executive Officer/Administrative & Human Resources, expressed appreciation for the ideas presented. He stated that the increase in the number of interns and length of the internship should help to build a productive relationship with this year's interns.

Chair Delgado explained that the permit backlog is one of her priorities because as a small business owner she found it challenging to navigate the website to apply for an asbestos permit and saw the opportunity for automating some of the less complex permits. She expressed concern that delays in processing permits is delaying emission reductions which compromises air quality. Chair Delgado acknowledged the suggestions from her fellow Board Members and suggested that staff include marketing efforts and creative approaches for hiring and retaining staff such as signing bonuses. For additional details, please refer to the Webcast beginning at 1:31:29.

Agenda Item No. 23 was opened for public comment; and the following individuals addressed the Board.

Adrian Martinez, Earthjustice, expressed support for Supervisor Do's recommendation for a salary survey. He pointed out that one of the ancillary benefits of zero-emissions technology is that some of the equipment may not need a permit. The transition to zero emissions could alleviate the permit backlog in the long term. For additional details, please refer to the Webcast beginning at 1:35:10.

Harvey Eder expressed disappointment that South Coast AQMD does not have a solar engineer on staff.

Monty Rowan was given an opportunity to speak but was interrupted because he was not speaking on the topic.

There being no further requests to speak, the public comment period for Agenda Item No. 23 was closed.

25. Determine that Proposed Amendments to Regulation III – Fees Are Exempt from CEQA; Amend Regulation III – Fees; and Adopt Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2023-24

Sujata Jain, Deputy Executive Officer/Chief Financial Officer, gave the staff presentation on the Executive Officer’s Proposed Goals and Priority Objectives and Proposed FY 2023-24 Budget; and Mike Krause, Assistant Deputy Executive Officer/ Planning, Rule Development and Implementation, gave the staff presentation on the proposed amendments to Regulation III.

Board Member Kracov expressed appreciation to staff for identifying priorities and performance measurements, and transparency and commented on the new goals for permitting and the vacancy rate. He questioned whether the permitting goal of 70 percent of permits deemed complete within 180 days is sufficient and requested that this be addressed in the Workplan. He reiterated Supervisor Hagman’s comment regarding permits that are two years and older. He also pointed out the Budget Advisory Committee’s recommendations regarding the need for tracking the number of permits received, their complexity levels, and permit inventory backlog goals. For additional details, please refer to the Webcast beginning at 1:49:28.

Mr. Nastri explained that permits for Title V facilities are generally complex in part because the requirements for the issuance of those permit are changing and becoming more challenging. He pointed out that there are a number of factors that U.S. EPA is considering that will also extend the permitting timeline. There are also other factors that cause delays that are not due to staff action. He stated that staff could provide more detailed information to the Board on a weekly basis regarding the permit processing metrics. For additional details, please refer to the Webcast beginning at 1:53:02.

Ms. Jain confirmed that the proposed budget includes funding for 20 new positions, in response to an inquiry from Councilmember Rodriguez. For additional details, please refer to the Webcast beginning at 1:56:04.

Councilmember Rodriguez asked if funding in the proposed budget would include any needed enhancements to the online permitting applications system. Mr. Nastri stated that staff expects that funding in the proposed budget should meet what is currently expected for ongoing projected efficiencies. Staff will be evaluating the use of technology to improve permit application processing efficiency and inform the Board at the August meeting of any additional funding needed for computer hardware.

Agenda Item No. 25 was opened for public comment; and the following individuals addressed the Board.

Curtis Coleman, Southern California Air Quality Alliance/Budget Advisory Committee Member, expressed concerns about the magnitude of the proposed permit fee increases this year; however, his membership is also concerned about the permit backlog and the length of time it takes to get permits. His hope is that the fee increases will allow staff to address the permitting issues expeditiously and accelerate the pace of getting permits issued. For additional details, please refer to the Webcast beginning at 1:59:53.

Rita Loof, RadTech, International, commented on the environmental benefits of UV/EB/LED technology and urged that permit fees be reduced for companies who invest in clean technologies. She submitted a proposal to add language in Rule 301 that would provide an annual fee credit when UV/EB/LED equipment is installed. The proposal includes creating two new categories in Rule 301 and assigning them to Fee Rate Schedule A, UV/EB/LED spray booth/enclosures and Roller Coater, UV/EB/LED. For additional details, please refer to the Webcast beginning at 2:01:12. (Written Comments Submitted)

Eric Couch, INPRO Technologies, commented that the process of adding UV/EB/LED technology to an existing coating process does not increase emissions. He requested that a separate category be created in Rule 301 for energy curable processes or perhaps incentives or fee reductions as Ms. Loof suggested. For additional details, please refer to the Webcast beginning at 2:04:28.

Bill Quinn, California Council for Environmental and Economic Balance and Budget Advisory Committee Member, expressed support for the budget proposal and the goals and priority objectives. He emphasized that complex permits submitted to implement a BARCT rule, which is either a RECLAIM landing rule or the result of an AB 617 review, are designed to reduce emissions. The longer it takes for those permits to get processed means a delay in emission reductions so it is important to make sure that the permitting process is as efficient as possible. For additional details, please refer to the Webcast beginning at 2:07:36.

Mr. Nastri acknowledged the complexity of the BARCT permits that need to be addressed separately. This is an issue that staff will look at separately to provide further information and address challenges regarding BARCT RECLAIM permits. Mr. Nastri commented on Ms. Loof's proposal, noting that proposed revisions to a rule are generally presented and vetted by the appropriate committee.

Ms. Nakamura added that staff can consider Ms. Loof's request for a different schedule, but that cannot be done today as it requires an additional analysis to look at the complexity of projects to ensure the appropriate fee schedule is applied. Chair Delgado recommended having Ms. Loof's request considered at committee. For additional details, please refer to the Webcast beginning at 2:08:57.

Ranji George, a member of the public, emphasized the need to focus on renewables, hydrogen, EV, and climate change. He commented on the importance of salaries in recruiting employees but also promoting social commitment. For additional details, please refer to the Webcast beginning at 2:14:04.

There being no further requests to speak, the public comment period for Agenda Item No. 25 was closed.

Councilmember Rodriguez expressed support for the Chair's request to have RadTech International's proposal go to committee for review. Mr. Nastri confirmed that the proposal would be brought before the appropriate committee.

Board Action (Agenda Item 25)

MOVED BY HAGMAN, SECONDED BY PEREZ TO APPROVE AGENDA ITEM NO. 25 AS RECOMMENDED AND SET FORTH BELOW:

- 1) ADOPT RESOLUTION NO. 23-13 DETERMINING THAT THE PROPOSED AMENDMENTS TO REGULATION III – FEES, WHICH INCLUDES PROPOSED AMENDED RULE 301 – PERMITTING AND ASSOCIATED FEES, PROPOSED AMENDED RULE 303 – HEARING BOARD FEES, PROPOSED AMENDED RULE 304 – EQUIPMENT, MATERIALS AND AMBIENT AIR ANALYSES, PROPOSED AMENDED RULE 304.1 – ANALYSES FEES, PROPOSED AMENDED RULE 306 – PLAN FEES, PROPOSED AMENDED RULE 307.1 – ALTERNATIVE FEES FOR AIR TOXICS EMISSIONS INVENTORY, PROPOSED AMENDED RULE 308 – ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS FEES, PROPOSED AMENDED RULE 309 – FEES FOR REGULATION XVI AND REGULATION XXV, PROPOSED AMENDED RULE 311 – AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES, PROPOSED AMENDED RULE 313 – AUTHORITY TO ADJUST FEES AND DUE DATES, PROPOSED AMENDED RULE 314 – FEES FOR ARCHITECTURAL COATINGS, PROPOSED AMENDED RULE 315 – FEES FOR TRAINING CLASSES AND LICENSE RENEWAL), PROPOSED AMENDED RULE 316 – FEES FOR RULE 2305, AND PROPOSED AMENDED RULE 320 – AUTOMATIC ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES, ARE EXEMPT FROM THE REQUIREMENTS OF CEQA AND AMENDING REGULATION III FEES, WHICH

INCLUDES PROPOSED AMENDED RULES 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316 AND 320;

- 2) APPROVE THE EXECUTIVE OFFICER'S PROPOSED GOALS AND PRIORITY OBJECTIVES, AND PROPOSED BUDGET FOR FY 2023-24;
- 3) REMOVE FROM RESERVES AND DESIGNATIONS ALL AMOUNTS ASSOCIATED WITH THE FY 2022-23 BUDGET;
- 4) APPROVE APPROPRIATIONS IN THE MAJOR OBJECTS FOR FY 2023-24 FOR A TOTAL OF \$196,327,418;
- 5) APPROVE REVENUES FOR FY 2023-24 OF \$196,327,418;
- 6) APPROVE THE ADDITION OF FIVE NET AUTHORIZED/FUNDED POSITIONS AS DETAILED IN THE FY 2023-24 BUDGET; AND
- 7) APPROVE A PROJECTED JUNE 30, 2024 FUND BALANCE OF THE FOLLOWING:

Classification¹	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$17,800,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$24,029,673
Unassigned	Undesignated Fund Balance	\$72,262,218

¹ The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Delgado, Do, Hagman, Kracov, Padilla-Campos, Perez, Raman, Rodriguez, and Solache

NOES: None

ABSENT: Lock Dawson, McCallon, and Mitchell



26. Determine That Proposed Amended Rule 463 – Organic Liquid Storage and Proposed Amended Rule 1178 – Further Reductions of VOC Emission from Storage Tanks at Petroleum Facilities, Are Exempt from CEQA; and Amend Rule 463 and Amend Rule 1178

Mike Krause, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, gave the staff presentation on this item.

In response to Board Member Kracov's inquiry, Mr. Krause confirmed that the staff is continuing work on proposed amendments to Rule 1178 that are technical in nature and major revisions to the rule will be presented later in the year. For more information, please refer to the [Webcast](#) beginning at 2:24:33.

Agenda Item No. 26 was opened for public comment; and the following individual addressed the Board.

Harvey Eder was given an opportunity to speak but was interrupted because his comments were off topic.

There being no further requests to speak, the public comment period for Agenda Item No. 26 was closed.

Board Action (Agenda Item 26)

MOVED BY PEREZ, SECONDED BY CACCIOTTI TO APPROVE AGENDA ITEM NO. 26 AS RECOMMENDED TO ADOPT RESOLUTION NO. 23-14

DETERMINING THAT PROPOSED AMENDED RULE 463 – ORGANIC LIQUID STORAGE AND PROPOSED AMENDED RULE 1178 – FURTHER REDUCTIONS OF VOC EMISSIONS FROM STORAGE TANKS AT PETROLEUM FACILITIES, ARE EXEMPT FROM THE REQUIREMENTS OF CEQA; AND

AMENDING RULE 463 AND RULE 1178

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Delgado, Do, Hagman, Kracov, Padilla-Campos, Perez, Raman, Rodriguez, and Solache

NOES: None

ABSENT: Lock Dawson, McCallon, and Mitchell



ADJOURNMENT

There being no further business, the meeting was adjourned at 11:25 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on May 5, 2023.

Respectfully Submitted,

Faye Thomas
Clerk of the Boards

Date Minutes Approved: _____

Vanessa Delgado, Chair

ACRONYMS

AQMP = Air Quality Management Plan
BARCT = Best Available Retrofit Control Technology
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
EtO = Ethylene Oxide
FY = Fiscal Year
MOU = Memorandum of Understanding
PAR = Proposed Amended Rule
UV/EB/LED = Ultraviolet/Electron Beam/Light Emitting Diode