



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • [www.aqmd.gov](http://www.aqmd.gov)

## LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP MEETING

### Advisory Group Members

Council Member Ben Benoit, LGSBA Chairman (Board Member)  
Supervisor V. Manuel Perez (Board Member)  
Supervisor Janice Rutherford (Board Member)  
Felipe Aguirre  
Mayor Pro Tempore Rachelle Arizmendi, City of Sierra Madre  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, Metal Finishers of Southern California  
Todd Campbell, Clean Energy  
La Vaughn Daniel, DancoEN  
John DeWitt, JE DeWitt, Inc.  
Bill LaMarr, California Small Business Alliance  
Rita Loof, RadTech International  
Eddie Marquez, Roofing Contractors Association  
Mayor Cynthia Moran, City of Chino Hills  
Council Member Carlos Rodriguez, City of Yorba Linda  
David Rothbart, Los Angeles County Sanitation Districts

**Friday, December 13, 2019 ♦ 11:30 a.m. ♦ Conference Room GB**  
**21865 Copley Drive, Diamond Bar, CA 91765**

### TELECONFERENCE LOCATION

8575 Haven Avenue, Suite 110  
Rancho Cucamonga, CA 91730

**(The public may attend at location listed above.)**

*Call-in for listening purposes only is available by dialing:*  
*Toll Free: 888-850-4523*

*Listen Only Passcode: 2626876*

*In addition, a webcast is available for viewing and listening at:*

<http://www.aqmd.gov/home/library/webcasts>

## **AGENDA**

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). Please provide a Request to Address the Committee card to the Committee Secretary if you wish to address the Committee on an agenda item. If no cards are available, please notify South Coast AQMD staff or a Board Member of your desire to speak. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.*

## **CALL TO ORDER**

### **ACTION ITEMS (Items 1 through 3):**

1. Call to Order/Opening Remarks  
**(No Motion Required)**  
*Council Member Ben Benoit  
Committee Chair*
2. Approval of November 8, 2019 Meeting Minutes  
**(Motion Required)**  
**[Attachment 1]**  
*Council Member Ben Benoit  
Committee Chair*
3. Review of Follow-Up/Action Items  
**(No Motion Required)**  
*Staff will review the follow-up/action items identified in the previous meeting.*  
*Derrick J. Alatorre  
Deputy Executive Officer  
Legislative, Public Affairs & Media*

### **DISCUSSION ITEMS (Item 4):**

4. Approval of Local Government & Small Business Assistance  
Advisory Group 2019 Accomplishments and Seek Items for 2020  
Goals & Objectives  
**(Motion Required)**  
*Staff will present and seek approval on the 2019 accomplishments, as well as seek items to include in the 2020 Goals & Objectives of the LGSBA Advisory Group.*  
**[Attachment 2]**  
*Derrick J. Alatorre*

### **WRITTEN REPORT:**

5. Monthly Report on Small Business Assistance Activities  
*Summary of assistance and outreach activities conducted by South Coast AQMD's Small Business Assistance Office for November 2019.*  
**(No Motion Required)**  
**[Attachment 3]**  
*All*

**OTHER MATTERS:**

6. Other Business

*Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)*

7. Public Comment Period

*At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Local Government and Small Business Assistance Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.*

8. **Next Meeting Date** - Friday, January 17, 2020 at 11:30 a.m.

**ADJOURNMENT**

**Document Availability**

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.*

**Americans with Disabilities Act**

*The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Local Government and Small Business Assistance Advisory Group meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Elaine Hills at (909) 396-2945 from 7:00 a.m. to 5:00 p.m., Tuesday through Friday, or send the request to [ehills@aqmd.gov](mailto:ehills@aqmd.gov).*



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# DRAFT

## LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, NOVEMBER 8, 2019 MEETING MINUTES

### MEMBERS PRESENT:

Council Member Ben Benoit, LGSBA Chairman (Board Member)  
Mayor Pro Tempore Rachele Arizmendi, City of Sierra Madre  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, Metal Finishers of Southern California  
Todd Campbell, Clean Energy  
John DeWitt, JE DeWitt, Inc.  
Eddie Marquez, Roofing Contractors Association  
Rita Loof, RadTech International  
Council Member Carlos Rodriguez, City of Yorba Linda  
David Rothbart, Los Angeles County Sanitation Districts

### MEMBERS ABSENT:

Supervisor V. Manuel Perez (Board Member)  
Supervisor Janice Rutherford (Board Member)  
Felipe Aguirre  
LaVaughn Daniel, DancoEN  
Bill LaMarr, California Small Business Alliance  
Mayor Cynthia Moran, City of Chino Hills

### OTHERS PRESENT:

Ruthanne Taylor Berger, Board Member Consultant (*Benoit*)

### SOUTH COAST AQMD STAFF:

Derrick Alatorre, Deputy Executive Officer  
Sarah Rees, Ph.D., Asst. Deputy Executive Officer  
Nancy Feldman, Principal Deputy District Counsel  
Lisa Tanaka O'Malley, Sr. Public Affairs Manager  
Vicky White, Technology Implementation Manager  
De Groeneveld, Sr. Information Technology Specialist  
Elaine-Joy Hills, Air Quality Specialist  
Van Doan, Air Quality Specialist

### **Agenda Item #1 - Call to Order/Opening Remarks**

Chair Ben Benoit called the meeting to order at 11:30 a.m.

### **Agenda Item #2 – Approval of September and October, 2019 Meeting Minutes/Review of Follow-Up/Action Items**

Chair Benoit called for approval of the September 13 and October 11, 2019 meeting minutes. Roll call was initiated and the minutes were approved unanimously.

Mr. David Rothbart asked for clarification on the process to provide recommendations as a group. Ms. Nancy Feldman replied that was an action item and a response will be provided during discussion of agenda item #3.

### **Agenda Item #3 – Review of Follow Up/Action Items**

Ms. Lisa Tanaka O'Malley provided responses to the October 11, 2019 action items. She stated that the September 13, 2019 minutes were revised and just approved. She indicated that staff provided Mr. Felipe Aguirre with an update on South Coast Air Quality Management District's (South Coast AQMD) participation on the Exide Community Advisory Committee.

Ms. Feldman provided a response to the October 11, 2019 action item regarding procedures for providing input to the Governing Board (GB). She referenced the mission statement on the Local Government & Small Business Assistance Advisory Group (LGSBA) charter and stated the group is authorized to provide input on the implementation of the Air Quality Management Plan (AQMP) and a host of other things within the jurisdiction of South Coast AQMD. Ms. Feldman further stated that the charter does not include the process to provide such input; however, it does call for monthly reports to the Administrative Committee (AC). She recommended that the group provide input through the AC to be forwarded to the GB for consideration. She indicated that the input could be provided in the form of a letter or a memo adopted through an action by this group or appear before the AC during the public comment period.

Mr. Carlos Rodriguez stated that this discussion began when SoCalGas provided a public comment recommending the formation of an ad hoc working group to address the asphalt policy in Rule 1403. He added that there was consensus amongst the members of this group to support that recommendation and encourage staff to consider it. Mr. Rodriguez asked what the process is for the group to provide recommendation when there is unanimous consensus to support a public request, similar to this situation. Ms. Feldman replied that input may be provided to the AC; however, if an item comes up during public comment, it would instigate this body to take formal action by requesting it to be agendaized for the following meeting, where the body could determine the form to advance the recommendation, either by sending a representative to the AC meeting or adopting a written document that was previously prepared. Mr. Rodriguez referenced the SoCalGas example and asked if the body must follow this process as there is a compelling public comment and he wanted to express support. Ms. Feldman replied yes, and it must comply with the Brown Act, allowing the public to provide comments. Mr. Rodriguez stated that he is looking for a way to timely provide input. Chair Benoit agreed that items need to be agendaized for formal actions and stated that there are three GB members on this advisory group and could convey the messages to the GB.

Ms. Rita Loof referenced a memo that was adopted by the GB (11/13/98) regarding advisory committees creating consensus and stated that there is a general process to provide input through the board committee, but no specific steps. Ms. Feldman agreed that the detailed steps in the process are missing;

however, she indicated that Chair Benoit provided the most expeditious method to provide input, which is to communicate through any GB member in attendance at the meeting. Ms. Feldman reiterated that if this group wants to make a statement as a body, then the item must be agendaized so that the group could determine the content of the statement and how it should be conveyed.

Mr. Rothbart asked if it is appropriate to propose a motion to get to consensus. Ms. Feldman replied that the votes establish consensus. For example, by taking a vote for a representative to report to the next committee or GB meeting will establish consensus to move forward.

Mr. John DeWitt asked if the group puts a resolution together 72 hours before this meeting, then it could be discussed at this meeting. Ms. Feldman replied that would be an item to be voted on to determine consensus.

### **3Agenda Item #4 – Cap & Trade Overview**

Dr. Sarah Rees provided an overview on California's Cap & Trade Program to reduce Greenhouse Gas (GHG) emissions.

Mr. Paul Avila referenced the Chinese model and asked if the cap is dropped if production decreases. Dr. Rees replied that in a mass-based system, if a company exceeds its emissions allocation in a given year, it will have to purchase credits to offset that exceedance. On the other hand, if a company produces less than its emissions allocation, it will generate credits. In a Chinese rate-based system, there isn't a difference if the amount of steel produced per ton of GHG is the same, although the total production is less. The rate-based system doesn't have a cap on total production and is targeted to increase the production efficiency, not to reduce GHG emissions.

Mr. Avila asked if the credits auction is international or domestic. Dr. Rees replied that they are joint auctions with the province of Quebec. Mr. Avila asked if trading in the secondary market is permissible between different industries. Dr. Rees replied that trading in the secondary market is between private entities covered in the program and trading between different industries is permissible. Mr. Avila stated that there are different valuations. Dr. Rees agreed that there are different valuations and stated that carbon is priced higher in the secondary market due to demands.

Mr. Rodriguez asked for examples of the prices. Dr. Rees stated that at the most recent auction in August of this year, carbon was traded at \$17.15 per ton. Mr. Rodriguez asked what the price was in the secondary market. Dr. Rees replied that it is approximately \$1 more in the secondary market.

Mr. DeWitt referenced the slide on offsets and asked if the Multiple Air Toxics Study (MATES) program or a computer model was used to determine if emissions targets were met. Dr. Rees replied that the evaluation method for the forestry project is different than traditional methods used by South Coast AQMD. Mr. DeWitt asked if it is a computer program and not an actual air measurement. Dr. Rees replied that it is not an actual monitor measurement; it is a model. Mr. DeWitt inquired if the modeling results reflect reality. Dr. Rees replied that the concept of offset projects is very controversial. It is something that many oppose because they don't think the emissions reductions are real. Many of those projects involve carbon sequestration, which is the concept of carbon removed from the atmosphere, but are not destroyed. For example, in forestry offsets, theoretically the carbon could be released back into the atmosphere in the future. In California, there is a limit of 8% on the use of offsets and will be reduced and phased out. Mr. DeWitt asked if the effectiveness of any of the mitigation programs are determined using actual air measurements or only computer modeling programs. Dr. Rees

indicated that South Coast AQMD doesn't monitor GHG emissions; however, there are atmospheric measurements for GHG emissions, which is ambient carbon dioxide (CO<sub>2</sub>), but is not tied to those regulatory programs.

Mr. Avila asked if one is allowed to purchase excess credits and retire them to help clean the air. Dr. Rees replied yes, and retirement would result in emissions reduction.

Mr. Avila inquired if there are financial audits conducted, assuming an annual report is submitted. Dr. Rees replied there are no annual reports; however, there are quarterly auction reports and triennial compliance reports, which are subject to third party audits.

Mr. Rodriguez asked if the emissions caps are standardized or vary with different facilities. Dr. Rees replied that the facilities are given a cap based on what is projected to generate and the cap declines over time. Mr. Rodriguez asked if there is a variation in the cap between different industries. Dr. Rees indicated that the initial cap is dependent on each facility's emissions. Mr. Rodriguez requested for examples of emissions caps for different industries. Dr. Rees stated that a facility must emit more than 25 metric tons of CO<sub>2</sub>/year to be covered under this program. California gives the facility 90% of that and they are responsible to cover the remaining 10%.

Mr. DeWitt asked how many of the 450 entities have left. Dr. Rees stated that information may be available on California Air Resources Board's (CARB) website. She further stated that there are other economic forces that could influence a facility of this magnitude to relocate.

Ms. Loof asked for the average cost for a facility. Dr. Rees replied that the cost depends on how much a facility emits. The price per ton is low and will increase if the demand increases. Ms. Loof referenced a CARB announcement stating that the target was met ahead of schedule and asked for more information. Dr. Rees stated that CARB set a target to meet 1990's GHG levels by 2020 and that target has been met, possibly due to both the Cap & Trade Program and economic downturn in late 2000's.

Mr. Rothbart asked for an update on South Coast AQMD's efforts to obtain additional funding from the State for emissions reductions. Mr. Alatorre stated that South Coast AQMD has received funding allocations; however, there are competing interests and limited amounts to be allocated.

Mr. Geoffrey Blake asked if it is possible for a company to bank credits for future use in anticipation of price increase. Dr. Rees replied that banking is allowed; however, there are limits on how long they could be banked for. Mr. Blake further asked how long credits could be banked for. Dr. Rees responded that it used to be 3 years, but will double check.

Mr. DeWitt asked why South Coast AQMD has not asked the advisory group for assistance with bills. Mr. Alatorre replied that South Coast AQMD can educate the group, but is not allowed to ask the group to support or oppose a bill.

#### **Agenda Item #5 – Assembly Bill (AB) 617 Incentives**

Ms. Vicki White presented on incentives offered through Assembly Bill (AB) 617.

Mr. Avila asked if the funds are real money. Ms. White replied yes.

Mr. Blake asked what percentage of the funds have been allocated. Ms. White replied that all funds for AB 134 (year 1) have been allocated and will provide examples of projects for year 2 later in the presentation.

Ms. Rachelle Arizmendi referenced the AB 134 timeline and asked if anything is being done to ensure that applicants are on schedule and if there are any punitive measures. Ms. White replied that these are voluntary programs and don't have any punitive measures. The projects are closely monitored and the funds could be reallocated if the projects are incomplete.

Mr. Rodriguez referenced the list of incentive projects and asked if the projects consisted of private or public sectors. Ms. White replied that the applicants are primarily private entities, but public entities are welcomed to apply.

**Agenda Item #6 –Monthly Report on Small Business Assistance Activities**

No comments.

**Agenda Item #7 - Other Business**

Ms. Loof followed up on a previous request for a presentation on Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II. Mr. Alatorre stated that it will be presented at a future meeting.

**Agenda Item #8- Public Comment**

No comments.

**Agenda Item #9 – Next Meeting Date**

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, December 13, 2019 at 11:30 a.m.

**Adjournment**

The meeting adjourned at 12:56 p.m.



## Local Government & Small Business Assistance Advisory Group

### 2019 Accomplishments

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Throughout the year, the Local Government & Small Business Assistance (LGSBA) Advisory Group receives information and/or provides direct input on a variety of policy initiatives and proposed regulations that affect local governments, small businesses, and the general public. Such input is of particular value to the staff and Governing Board members in the process of developing such items and approving them, respectively.

Where appropriate, new additions and/or revisions were made by staff to improve proposals or policies, based on LGSBA members' input. A wide variety of comments were received on each of these items from LGSBA members representing local governments, small businesses, and the communities in general. Further details may be found in the Minutes of meetings where each item was discussed in depth.

#### Significant Items Addressed in 2019

Significant discussions were held during 2019 on many items. A few notable items that were addressed during 2019 are summarized below, while an additional list of topics discussed follows.

#### **(1) Update on Incentive Programs**

Ms. Vicki White provided information on South Coast Air Quality Management District's (AQMD's) main incentive programs, incentive project types, and accomplishments in 2018 such as the Community Air Protection Program, Carl Moyer Program, On-Road Heavy-Duty Vehicles Voucher Incentive Program, Electric School Bus Program, Replace Your Ride, Goods Movement Emission Reductions Program, and Lower Emission School Bus Program.

#### **(2) Permit Streamlining Efforts and Backlog Reduction Update**

Mr. David Ono presented on permit streamlining efforts and provided an update on the permit backlog reduction. South Coast AQMD receives approximately 8,000 permit applications annually and is in the process of creating all equipment-specific forms available for online submission.

#### **(3) Proposed Amendments to Rule 1403: Asbestos Emissions from Demolition/Renovation Activities**

Dr. Sarah Rees provided an overview on the proposed amendments to Rule 1403, a summary of staff activities, and its purpose to clarify existing provisions of the rule. Regulations from the federal National Emission Standards for Hazardous Air Pollutants (NESHAP) cannot be eliminated from Rule 1403; however, flexibilities incorporated into the rule language will facilitate in making it more achievable.

#### **(4) Update on Assembly Bill (AB) 617 Community Air Initiative**

Ms. Arlene Farol provided an update on the progress of AB 617 Community Air Initiatives. Implementation of the Community Emissions Reduction Plan (CERP) and Community Air Monitoring Plan (CAMP) for Year 1 communities are underway. Year 2 communities have recently been selected by the Governing Board, and is awaiting approval by the California Air Resources Board.

## List of Items Addressed in 2019

A more complete list of items addressed during 2019 is shown below, with the dates of discussions noted in parenthesis, for reference and further details.

1. Monthly Report on Small Business Assistance Activities (monthly)
2. 2019 Rule Forecast and Implementation of 2016 Air Quality Management Plan (AQMP) (February)
3. Update to South Coast AQMD Incentive Programs (February)
4. Update on Multiple Air Toxics Exposure Studies (MATES) V (March)
5. Voting District Authorization Bill for Clean Air (March)
6. Online Subscription Services (June)
7. Update on Assembly Bill (AB) 2766 (June)
8. Public Nuisance (June)
9. Fiscal Year 2019-2020 General Fund Budget and Fee Adjustment (July)
10. Permit Streamlining Efforts and Backlog Reduction Update (July)
11. Proposed Amendments to Rule 1403: Asbestos Emissions from Demolition/Renovation Activities (September)
12. South Coast AQMD Complaint Reporting Process (September)
13. Amended Rule 212: Standards for Approving Permits and Issuing Public Notice (October)
14. Update on AB 617 Community Air Initiatives (October)
15. California Cap and Trade Program (November)
16. AB 617 Incentive Programs (November)

## **Local Government & Small Business Assistance Advisory Group**

### **Proposed 2020 Goals & Objectives**

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For 2020, the LGSBA Advisory Group will provide input about regulatory policies and practices and suggest enhancements to promote small business economic growth while furthering air quality and public health protection, consistent with the LGSBA Advisory Group mission statement.

The following items are proposed to be discussed in depth for 2020:

1. Updates on the 2016 AQMP funding.
2. Implementation of AB 2766 requirements.
3. Significant South Coast AQMD rule proposals or initiatives as necessary.
4. Status update on South Coast AQMD's state and federal legislative agenda at periodic intervals.
5. Status update on the health studies related to air pollutants.
6. Update on FY 2020-21 Draft Budget and Work Program.
7. Update on Clean Fuels Program.
8. Status update on Technology Advancement projects.
9. Update on Greenhouse Gas-related activities.
10. Updates on South Coast AQMD's Incentive programs.
11. Updates on South Coast AQMD's implementation of Office of Environmental Health Hazard Assessment's updated methods for estimating cancer risks.
12. Updates on proposed rule amendments for 2020.
13. Update on Best Available Control Technology Guidelines.
14. Status update on permit backlog reduction.
15. Update on AB 617 progress.
16. Update on MATES V.
17. Update on Rule 219, if available.

The approved Minutes, reflecting the discussions, will be forwarded to the Administrative Committee and the Governing Board. Not all items may be covered due to time constraints. The LGSBA Chair may also make further changes to accommodate requests received or cover issues not anticipated at the beginning of the year.



# Small Business Assistance Report on November 2019 Activities for LG&SBA Advisory Group Meeting of 12/13/2019

## Services Offered – November

■ Permit Application Assistance	159
■ On-site Consultations	3
■ Fee Review Committee Request	3
■ 3 Granted (Reinstate Permit; Refund Fee; Waive Fee)	
■ Air Quality Permit Checklist Processed	61

## Permit Assistance – November

- 159 Activities Providing Help with Permit Applications. Examples include:
  - 24 *General Contractors/ Consultants/ Architects*
  - 20 *Manufacturing Facilities*
  - 13 *Auto Body and Repair Shops*
  - 13 *Restaurants*
  - 12 *Warehouses (Storage/ Distribution)*
  - 7 *Offices*
  - 5 *Retail Stores*
  - 5 *Dry Cleaners/ Garment Cleaners*

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November 2019 Report

## Activities – November

- Conducted 3 free on-site consultations
  - Auto Body Shop
  - Powder Coating
  - Manufacturing Facility

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November 2019 Report

## Dry Cleaner Grants Issued (as of 11/2019)

■ Professional Wet Cleaning	152
■ CO <sub>2</sub> Machines	4
■ Hydrocarbon (funds expended)	488

12/13/2019

November 2019 Report

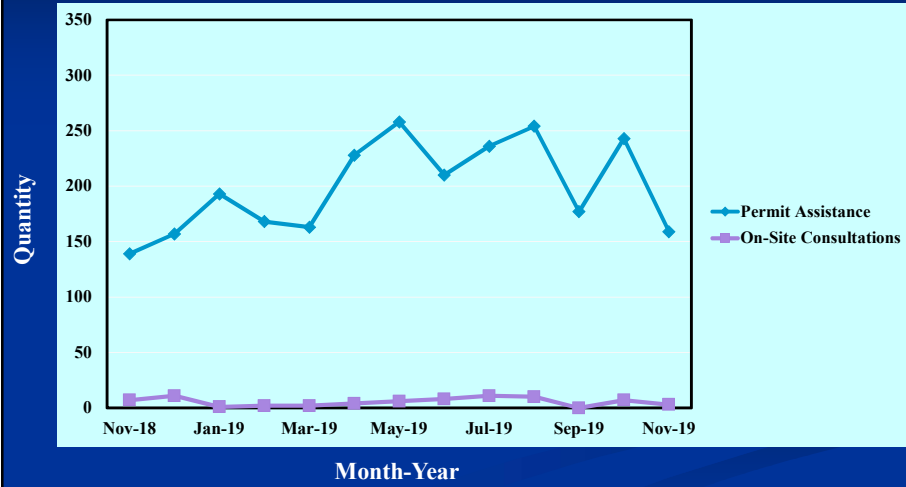
## Small Business Activity November 2018 – November 2019

ACTIVITY	Permit Assistance	On-Site Consultations	Variance Assistance	Fee Review Requests	Air Quality Permit Checklists
Nov-2018	139	7	0	4	58
Dec-2018	157	11	0	0	60
Jan-2019	193	1	0	2	63
Feb-2019	168	2	2	3	72
Mar-2019	163	2	0	5	53
Apr-2019	228	4	1	6	77
May-2019	258	6	1	3	80
Jun-2019	210	8	0	2	60
Jul-2019	236	11	0	2	57
Aug-2019	254	10	0	6	55
Sep-2019	177	0	1	2	49
Oct-2019	243	7	0	4	72
Nov-2019	159	3	0	3	61
TOTAL	2585	72	5	42	817

12/13/2019

November 2019 Report

# Small Business Activity November 2018 – November 2019



12/13/2019

November 2019 Report