



**South Coast  
Air Quality Management District**

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

**STATIONARY SOURCE COMMITTEE MEETING**

**Committee Members**

Council Member Ben Benoit, Chair  
Dr. Joseph Lyou, Vice Chair  
Supervisor Janice Hahn  
Mayor Judith Mitchell  
Supervisor V. Manuel Perez  
Supervisor Janice Rutherford

**March 15, 2019 ♦ 10:30 AM ♦ CC8  
21865 Copley Dr., Diamond Bar, CA 91765**

**TELECONFERENCE LOCATION**

Wildomar City Hall  
City Council Chambers  
23873 Clinton Keith Road  
Wildomar, CA 92595

Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Room 493-A  
Los Angeles, CA 90012

385 N. Arrowhead Ave.  
5<sup>th</sup> Floor, Citrus Room  
San Bernardino, CA 92415

73710 Fred Waring Drive  
Suite 222  
Palm Desert, CA 92260

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

*Call-in for listening purposes only is available by dialing:*

*Toll Free: 866-244-8528*

*Listen Only Passcode: 5821432*

*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 SCAQMD staff or a Board Member of your desire to speak. All agendas for regular meetings are posted at District 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**

**INFORMATIONAL ITEMS (Item 1-2 )**

- 1. Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and Proposed Rescinding of Rule 1106.1 - Pleasure Craft Coating Operations (No Motion Required)** (15 mins) Sarah Rees  
Assistant Deputy  
Executive Officer

Staff will provide a briefing on Proposed Amended Rule 1106 and Proposed Rescinding of Rule 1106.1 and the key issues raised by stakeholders.  
(Written Material Attached)
- 2. Update on AB 617 Community Plans Implementation (No Motion Required)** (15 mins) Jo Kay Ghosh  
Health Effects  
Officer

Staff will provide an update on the development of community emission reduction plans and community air monitoring plans in each of the three communities designated for AB 617 in Year 1. This update will focus on activities since the communities were selected in 2018, and include information about the community steering committees, prioritization of air quality concerns, and potential strategies to be used in the community plans.  
(Written Material Attached)

**WRITTEN REPORTS (Items 3-5)**

- 3. Home Rule Advisory Group- January 2019 Meeting Minutes (No Motion Required)** Philip Fine  
Deputy Executive  
Officer

This report summarizes the topics discussed at the January 2019 Home Rule Advisory Group meeting.  
(Written Material Attached)

- 4. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the Transition of RECLAIM Facilities to a Command and Control Regulatory Program (No Motion Required)** Susan Nakamura,  
Assistant Deputy  
Executive Officer  
This is a summary of staff's work with U.S. EPA over the past month to resolve New Source Review issues for the transition of RECLAIM facilities to a command and control regulatory program.  
(Written Material Attached)
- 5. Notice of Violation Penalty Summary (No Motion Required)** Bayron Gilchrist,  
General Counsel  
This report provides the total penalties settled in February of 2018 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.  
(Written Material Attached)

## **OTHER MATTERS**

- 6. Other Business**  
Any member of the Committee, 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. (Gov't. Code Section 54954.2)
- 7. Public Comment Period**  
Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority. Speakers may be limited to three (3) minutes each.
- 8. Next Meeting Date: April 19, 2019**

## **ADJOURNMENT**

### **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 Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Catherine Rodriguez at 909.396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [Crodriguez@aqmd.gov](mailto:Crodriguez@aqmd.gov).*

**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.*



**PROPOSED AMENDED RULE  
1106 – MARINE AND  
PLEASURE CRAFT COATINGS** & **PROPOSED RESCINDING OF  
RULE 1106.1 – PLEASURE  
CRAFT COATING OPERATIONS**  
**STATIONARY SOURCE COMMITTEE  
MARCH 15, 2019**



## BACKGROUND

2

- Affected industries:
  - Manufacturers, distributors and suppliers of marine and pleasure craft coatings
  - Shipyards, boatyards, marinas, and large ship sites using marine and pleasure craft coatings
- Rule 1106 last amended in 1995; Rule 1106.1 last amended in 1999
- Rulemaking previously conducted
  - October 2, 2015 Public Hearing



## PURPOSE OF PROPOSED AMENDMENTS

3

### Clarify Rule Requirements

- Clarify applicability provisions and update rule language to clarify requirements
- Combine the requirements of Rules 1106 and 1106.1 into a single rule
- Add application equipment transfer efficiency requirements

### Meet U.S. EPA RACT Requirements

- Align VOC limits with U.S. EPA Control Techniques Guidelines and other APCDs/AQMDs
- Add new categories for coatings and sealants
- Add application equipment transfer efficiency requirements

### Enhance Enforceability

- Prohibit possession and sale of non-compliant coatings

## PREVIOUS RULEMAKING

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### February – June 2015 Pre-Rulemaking Effort

- Observed non-compliance with Rules 1106 & 1106.1 and other related SCAQMD VOC rules at end-user facilities
- During site visits, many end-users were unfamiliar with rule requirements

### June – September 2015 Rulemaking Effort

- Proposed amendments to clarify rule requirements, enhance enforceability and align with U.S. EPA Control Techniques Guidelines and other APCDs/AQMDs
- Staff worked with industry representatives and interested stakeholders on proposed amendments and addressed their concerns

### October 2, 2015 Public Hearing

- Concerns expressed with added recordkeeping and reporting requirements
- No concerns expressed regarding other rule provisions
- Proposal did not pass

## CURRENT RULEMAKING

5

- Staff continuing rulemaking effort from October 2, 2015 Public Hearing
  - Current proposal similar to previous proposal, *except no added labelling, recordkeeping or reporting requirements*
  - Still observing non-compliance with rule requirements and confusion among stakeholders
- Two Working Group Meetings and a Public Workshop
  - Concerns raised by one stakeholder
  - Concerns were addressed in previous rulemaking

### Working Group Meeting #1 January 16<sup>th</sup>

- Staff asked to consider potential exemptions to incentivize low VOC coatings
- Concerns expressed with test methods and labeling requirements

### Public Workshop February 12<sup>th</sup>

- Staff proposed exemption for coatings less than 10 g/L VOC
- One stakeholder asked that the proposed exemption be 50 g/L VOC
- Same stakeholder asked staff to consider ASTM D7767-11 as VOC test method for energy-cure coatings

### Working Group Meeting #2 March 12<sup>th</sup>

- Staff provided updates and discussed remaining key issues with stakeholders

## KEY ISSUE #1

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### ENERGY CURABLE COATINGS: REQUEST FOR EXEMPTION FOR COATINGS LESS THAN 50 G/L VOC

#### Staff Proposal:

Exemption for coatings that have a VOC content of no more than 10 g/L



An exemption for coatings that are less than 10 g/L is included in Rule 1130 – Graphic Arts



Less than 10 g/L VOC exemption is consistent with SCAQMD super-compliant status (e.g. Rule 1113 – Architectural Coatings)

Staff is interested in seeing energy curable coatings demonstrated in marine and pleasure craft coating applications and has not encountered such products available for use

## KEY ISSUE #2

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### ENERGY CURABLE COATINGS: REQUEST TO ADD ASTM D7767-11 AS TEST METHOD

- There is **no direct method** for measuring VOC from thin coatings; ASTM D7767-11 just provides **an estimation** of VOC based on product components
  - Can lead to under-estimation of VOC content
- This issue is not new and has been dealt with in other rulemakings (e.g. Rule 1168 – Adhesives and Sealants, Rule 1130 – Graphic Arts)
- SCAQMD laboratory staff met with ASTM D7767-11 developer and confirmed that the method is not applicable for compliance verification purposes

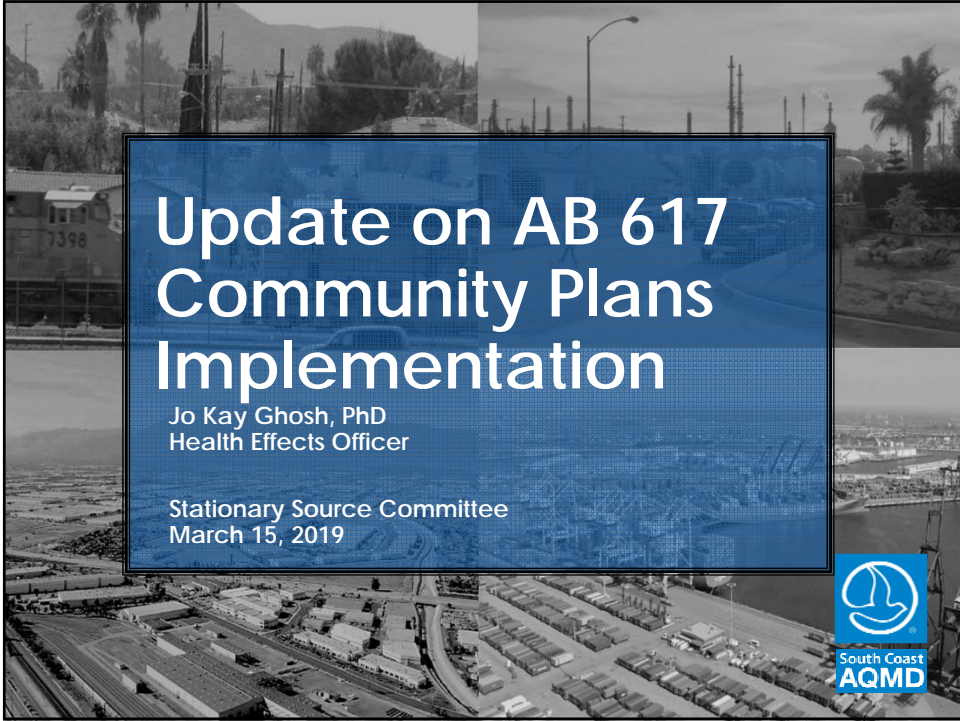
## RULE SCHEDULE

8

- Set Hearing ..... April 5, 2019
- Public Hearing ..... May 3, 2019








# Update on AB 617 Community Plans Implementation

Jo Kay Ghosh, PhD  
Health Effects Officer

Stationary Source Committee  
March 15, 2019



## Key Milestones and Activities for Year 1 Communities

Activities	Milestones
<b>2018</b> <ul style="list-style-type: none"><li>• Outreach</li><li>• Community Selection</li></ul>	<b>Sept 2018</b> <ul style="list-style-type: none"><li>• CARB set <b>statewide strategy</b> (select Year 1 communities, guidelines, benchmarks)</li></ul>
<b>2019</b> <ul style="list-style-type: none"><li>• Community Steering Committees</li><li>• Air Monitoring and Emission Reduction Plans</li></ul>	<b>July &amp; Sept 2019</b> <ul style="list-style-type: none"><li>• Deadline for SCAQMD to <b>begin air monitoring</b></li><li>• Deadline for SCAQMD to <b>adopt emissions reduction plans</b></li></ul>
<b>2020</b> <ul style="list-style-type: none"><li>• Plan Implementation</li><li>• Track Progress</li></ul>	



## 3 SCAQMD Communities Approved by CARB for Year 1



- Wilmington, Carson, West Long Beach
- San Bernardino, Muscoy
- Boyle Heights, East Los Angeles, West Commerce



## Community Steering Committee (CSC)

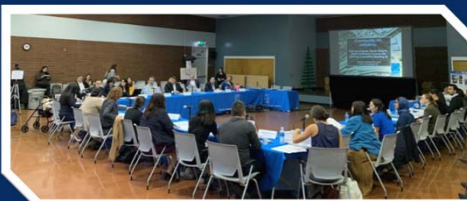
### Purpose:

- Identify and prioritize air pollution issues
- Guide strategies for community plans
- Emphasis on local participation

### Members include:

- Active residents and community leaders
- Local business owners or workers, labor unions
- Community organizations
- Local agencies
- Schools
- Hospitals
- Elected officials

### Land use agencies represented:



# Community Steering Committee Timeline



## Identify Community Air Quality Concerns

- Committee Input
- Technical Data

**Oct 2018-  
Jan 2019**



## Prioritize Sources of Emissions and Areas with High Exposure Concerns

- Target areas/pollutants for air monitoring
- Target sources/places for emissions or exposure reduction

**Jan 2019-  
Mar 2019**



## Develop Specific Measures to Reduce Emissions and Exposures, with Metrics for Tracking Progress

- Community Air Monitoring Plan
- Community Emissions Reduction Plan

**Mar 2019-  
Oct 2019**



# Community Steering Committee Meetings



South Coast Air Quality Management District - SCAQMD is live now -- at Wilmington Senior Center. Just now · Wilmington, CA

LIVE: Our #Wilmington #AB617 Steering Committee meeting. (While our comment section remains open, please direct any questions or comments to [ab617@aqmd.gov](mailto:ab617@aqmd.gov) or visit [aqmd.gov/ab617](http://aqmd.gov/ab617) for more info.)



## Meetings include:

- Cohosts and/or outside facilitator
- Interactive format
- Materials in English and Spanish
- Refreshments
- Language interpretation
- Community affairs table



# Community Steering Committees Progress to Date



\*3 Kickoff meetings, 9 Steering Committee Meetings



## Feedback from CSC Meetings

RE: having a cohost:

I am really pleased to see the cohost leading this meeting, and that he is a community member from this community, so huge congrats to SCAQMD for asking him to lead.

RE: meeting materials:

We can tell you are making efforts to make the slides very easy to understand.

RE: Spanish language materials:

I'm very thankful that you are providing all the materials in Spanish, and I can understand everything that goes on because it is all translated.



RE: committee membership:  
A general realization of the importance of having diverse stakeholders (e.g. community organizations, businesses, etc) in these conversations.





# Air Quality Data and Concerns

**San Bernardino, Muscoy Community**

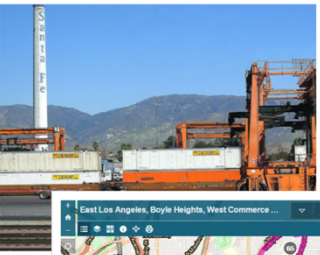
The community of San Bernardino, Muscoy was selected as a "near 11" AB617 community, with preliminary boundaries. The following maps detail important air pollution sources and receptors within the community, which may help inform recommendations for the finalizing the boundaries for the impacted Community and the Emissions Study Area.

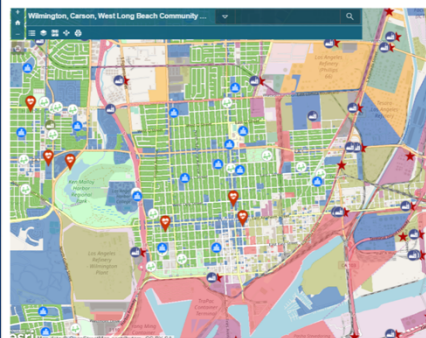
The **Impacted Community** is defined as the area of the community where people live, work, go to school, and spend the majority of their time.

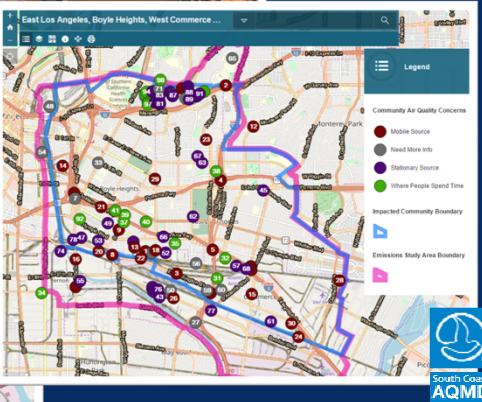
The **Emissions Study Area** includes the sources that affect the Impacted Community.


The maps show data for the area three miles beyond the preliminary community boundaries to provide a sense of the land use and air pollution sources within the community and near the community.

Community Land Use Summary











## Wilmington, Carson, West Long Beach

### Highest priority issues identified:

- Refineries
  - Flaring, leaks, storage tanks, boilers/heaters, HF
- Ports
  - Ship emissions and leaks, diesel emissions
- Neighborhood Truck Traffic
  - Diesel emissions, idling, routes

### Additional high priority issues identified:

- Oil drilling/production
- Rail
- Schools





## San Bernardino, Muscoy

### Highest priority issues identified:

- Neighborhood Truck Traffic, especially Warehouse-related
  - Diesel emissions, idling, routes, impacts to residents
- BNSF Rail Yard
  - Truck and locomotive emissions
- Warehousing
  - New facilities, proximity to residents

### Additional high priority issues identified:

- Omnitrans
- Cement manufacturing facilities



## East Los Angeles, Boyle Heights, West Commerce

### Highest priority issues identified:

- Traffic on Freeways, Intersections, Major Roadways
  - Truck emissions, idling
- Warehouse/Distribution Centers
- Rail Yard Emissions
  - Diesel emissions, idling

### Additional high priority issues identified:

- Schools, parks, & community centers
- Metal processing
- Toxic waste processing



# Community Steering Committees - Issues Raised

Issue	Our approach
Membership criteria	<ul style="list-style-type: none"> <li>• Provided membership process document</li> <li>• Focused on local entities</li> </ul>
CSC purpose and authority	<ul style="list-style-type: none"> <li>• Finalized Committee Charter</li> <li>• Emphasized that CSC will play key role in how plans are shaped, but SCAQMD and CARB Boards retain authority</li> </ul>
Potential conflicts of interest	<ul style="list-style-type: none"> <li>• Asked for member biographies</li> </ul>
Community boundaries	<ul style="list-style-type: none"> <li>• Made adjustments and reached agreement with CSC</li> </ul>
Technical data not accessible to many CSC members	<ul style="list-style-type: none"> <li>• Formed a Technical Advisory Group to discuss technical matters, with representatives from each CSC</li> </ul>
Engage young people	<ul style="list-style-type: none"> <li>• Live-streamed meetings on Facebook Live and advertised on social media</li> </ul>



# Potential strategies for community plans

## Emission Reduction Strategies

- Regulation
- Incentives
- Enforcement
- Public Information/Outreach
- Inter-Agency Collaboration



## Other Complementary Tools

- Exposure Reduction
- Monitoring
- Public Information/Outreach
- Inter-Agency Collaboration

## Next steps

- March-April 2019 – CSCs provide input on specific measures for Community Emission Reduction Plans and Air Monitoring Plans
- May-July 2019 – Draft plans for public input
- September 2019 – Board hearing





# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182  
(909) 396-2000 • www.aqmd.gov

## HOME RULE ADVISORY GROUP

Wednesday, January 9, 2019

### MEETING MINUTES

**CHAIR:** Dr. Joseph Lyou, SCAQMD Governing Board Member

#### MEMBERS PRESENT:

Curt Coleman (Southern California Air Quality Alliance); Martin Hansberger (Holliday Rock Company); Bill LaMarr (California Small Business Alliance); David Rothbart (Los Angeles County Sanitation District); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Marc Carrel (Breathe California of Los Angeles County); Brian Clerico (CARB); Rongsheng Luo (SCAG); Bill Quinn (California Council for Environmental & Economic Balance).

#### MEMBERS ABSENT:

Ben Benoit (SCAQMD Governing Board Member); Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy); Bridget McCann (Western States Petroleum Association); Dan McGivney (Southern California Gas); Art Montez (AMA International); Dr. Clark Parker (SCAQMD Governing Board Member); Larry Rubio (Riverside Transit Agency); Larry Smith (Cal Portland Cement); and Amy Zimpfer (EPA).

#### OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Bernie Bisham; Rita Loof (RadTech); and Susan Stark (Marathon Petroleum).

#### SCAQMD STAFF:

Jill Whynot	Chief Operating Officer
Philip Fine	Deputy Executive Officer
William Wong	Principal Deputy District Counsel
Sam Atwood	Media Relations Manager
Lisa Tanaka O'Malley	Senior Public Affairs Manager
Angela Kim	Administrative Secretary

#### OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:01 a.m. by Dr. Joseph Lyou (Chairman).

#### APPROVAL OF JULY 2018 MEETING MINUTES

Dr. Lyou asked for comments on the November 14, 2018 meeting minutes. Hearing none, the minutes were approved.

#### EPA AND FEDERAL ACTIVITIES

Due to the federal government shutdown, there was no meeting participation by EPA staff.

### Discussion

Curt Coleman reported that the proposed approval for the latest Ozone SIP was published in the Federal Register in December 2018, along with a final approval of the PM2.5 SIP. Dr. Fine clarified that the final approval did not include the contingency measures.

Phil Fine reported on EPA's Cleaner Truck Initiative (CTI) announced in November 2018, which will change the tailpipe standards for new purchases of heavy-duty trucks.

Bill La Marr inquired if SCAQMD has received feedback from the trucking associations. Dr. Fine indicated that feedback was received from the engine manufacturers association and truck manufacturers.

David Rothbart inquired how this will influence the timing on attainment. Dr. Fine indicated that the implementation date for new purchases will be 2023 – 2024, which will not help SCAQMD with the 2023 Standard. Mr. Rothbart further inquired if it is not possible to reach attainment, are the possible consequences being considered. Dr. Fine indicated that SCAQMD is thinking ahead and we are working on this internally. Dr. Lyou added that there are legal liabilities if you do not have a viable plan.

### **CARB REGULATORY ACTIVITIES**

Brian Clerico provided CARB updates on proposed and recent regulatory activities.

#### Proposed CARB Board and Regulatory Activities

- Consideration of the San Joaquin Valley PM2.5 State Implementation Plans
- Consider Proposed Amendments to the Solid Waste Collection Vehicle Regulation.

#### Follow-up from November 2018 meeting

Phil Fine provided an update on CARB's emissions inventory regulation for reporting criteria of air pollutants and toxic air contaminants.

### Discussion

Dr. Lyou indicated that it seems like CARB is concerned about districts that do not have sufficient emissions data available, or do they look at SCAQMD as the largest district and indicate that more data should be provided. Dr. Fine replied that it is a combination of both.

Bill LaMarr inquired about emission reporting requirements for disadvantaged communities. Dr. Fine indicated that CARB's staff recommendation was to eliminate the "only within community" emissions reporting requirements and have a threshold approach. Mr. LaMarr also inquired about the changes requested by CARB's Board, and if these changes were approved. Mr. Clerico indicated that he would need to follow-up on this. Jill Whynot added that it is her understanding that CARB staff has up to a year to finalize the regulation and they will prepare a revised proposal, which will have a 15-day public review period.

David Rothbart inquired about the air toxic thresholds. Dr. Fine indicated it is still unknown how this will be determined, because many smaller facilities are currently not required to assess their emissions.

Bill Quinn commented on double-jeopardy concerns between the air districts and CARB on the enforcement of annual emission reporting regulations.

### **LEGISLATIVE UPDATE**

Lisa Tanaka O'Malley reported on key legislative updates.

The Legislative Committee held a meeting on December 14, 2018. The federal and state consultants provided written reports for the Committee and reported on the following items.

At the federal level, the consultants reported on the United States Environmental Protection Agency (U.S. EPA) Cleaner Trucks Initiative, which will begin the rulemaking process for an Ultra-Low NOx Emission Standard for Heavy-Duty Trucks.

On the state level, the consultants stated that the Legislative Analyst's office reported that the state has a \$15 billion surplus in revenue for 2019, with about \$14.5 billion in reserve. However, the Legislative Analyst's office also reports that the combined cost of bills introduced in the new year by the state Legislature totals over \$40 billion and there are more to come.

The Legislative Committee also recommended that the Governing Board approve the Federal and State 2019 Goals and Objectives.

#### Discussion

Dr. Lyou commented that California has a new Governor that was sworn into office on January 7, 2019, and he has begun to make appointments to his cabinet.

### **UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS**

William Wong provided updates to the December 2018 status report.

Case #3: It was reported that the petitioners had until December 23, 2018 to file an appeal. The update is that the appeal was filed on December 21, 2018.

Case #4: It was reported that we are in settlement negotiations. The update is that we are still in settlement negotiations and getting close to a settlement.

#### Discussion

Marc Carrel inquired if there was an update on case #2. Mr. Wong indicated that he did not have an update.

### **SUBCOMMITTEE STATUS REPORTS**

#### **A. Freight Sustainability (Dan McGivney)**

No report was provided.

#### **B. Small Business Considerations (Bill La Marr)**

No report was provided.

#### Public Comment

Susan Stark indicated that she had heard that EPA is taking comments on whether to postpone the 2020 New Source Performance Standards (NSPS) for wood burning heaters, and inquired if this would impact attainment. Dr. Fine felt that change would not have much impact in South Coast.

#### **C. Environmental Justice and AB 617 Implementation (Curt Coleman)**

An update was provided on the following item.

- Wilmington/Carson/West Long Beach AB 617 Steering Committee meeting is scheduled for January 10, 2019 in the Carson Community Center.
- Martin Luther King event is scheduled for January 19, 2019

#### **D. Climate Change (David Rothbart)**

A report was provided on the following item.

- Climate change article reported that the United States CO2 emissions in 2018 increased by 3.4 percent, this is the second largest annual gain in more than two decades.

### Discussion

Jaclyn Ferlita reported on CARB's December 2018 Cap and Trade Program amendments that addressed the post-2020 program.

### **REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE**

Dr. Phil Fine provided a summary of items discussed at the December 2018 meeting.

- Proposed Rule 1118.1; and
- Proposed Amended Rule 1403.

The next Stationary Source Committee meeting is January 18, 2019.

### Discussion

Bill LaMarr commented that he testified at the December 2018 Governing Board meeting on PR1118.1, for the SCAQMD to advocate to the California Public Utilities Commission (CPUC). Mr. LaMarr indicated that he did not understand the comment made by the SCAQMD Executive Officer on not wanting to advocate to another agency. Dr. Fine indicated that he understood that SCAQMD staff would look into this issue in the next few months and provide a briefing to the Stationary Source Committee for direction. Dr. Lyou commented that he also had questions on the Executive Officer's response, and this is why he asked for a staff briefing.

### **DISCUSSION ON 2019 MEETING TOPICS**

Home Rule Advisory Group and public members provided input on possible future meeting topics for the 2019 calendar year.

- CPUC Regulations and Waste Gas Utilization (biogas and well gas)
- Renewable Energy and Reliability/Storage/Charging Infrastructure
- Enforcement Policy
- Trends in Emissions from Transportation (LDV vs. MDV vs. HDV)
- CARB Emissions Reporting Regulation
- CARB Truck and Bus Rule: Implementation and Enforcement
- Rule 1135 Internal Bank ERC Generation Accounting
- RECLAIM
- Rule 1106/1106.1

### **OTHER BUSINESS**

Bill LaMarr inquired about Quemetco and the need for a battery recycling facility in Southern California. Dr. Lyou indicated that he was not aware of another lead acid secondary smelter west of Texas, and confirmed that the City of Industry facility is assuming the burden for the Western United States.

### **PUBLIC COMMENT**

There were no comments.

### **ADJOURNMENT**

The meeting was adjourned at 11:35 am, to be followed by less than a quorum of the committee participating in a tour of the AQ-SPEC located in the SCAQMD laboratory. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on March 13, 2019, and will be held at SCAQMD in Conference Room CC-8.

### March 2019 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

Staff has been working with U.S. EPA to resolve New Source Review issues as RECLAIM facilities exit to a command and control regulatory structure. At the October 5, 2018 Governing Board Meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving New Source Review issues for the transition of facilities from RECLAIM to a command and control regulatory structure. The table below summarizes key activities over the past month.

Item	Discussion
Teleconference with U.S. EPA – February 8, 2019	<ul style="list-style-type: none"> <li>• Discussed items presented to the RECLAIM Working Group in December 2018 and January 2019               <ul style="list-style-type: none"> <li>○ Calculating a pre-modification potential to emit to determine if an emissions increase will occur</li> </ul> </li> <li>• U.S. EPA raised a concern in approving a future SIP revision, which would be necessary if District NSR rules are amended               <ul style="list-style-type: none"> <li>○ Difference between SCAQMD and federal calculation methodologies</li> <li>○ Federal equivalency will need to be demonstrated</li> </ul> </li> </ul>
RECLAIM Working Group Meeting – February 14, 2019	<ul style="list-style-type: none"> <li>• Discussed initial thoughts on how SCAQMD will ensure sufficient offsets are available for RECLAIM facilities post-RECLAIM               <ul style="list-style-type: none"> <li>○ Open market</li> <li>○ Other possible sources</li> </ul> </li> <li>• Next Working Group Meeting will provide additional details for other possible sources               <ul style="list-style-type: none"> <li>○ Insufficient offsets available in the open market</li> </ul> </li> </ul>
Teleconference with U.S. EPA – February 27, 2019	<ul style="list-style-type: none"> <li>• Discussed items presented to the RECLAIM Working Group on February 14, 2019               <ul style="list-style-type: none"> <li>○ Providing offsets for RECLAIM facilities post-RECLAIM</li> </ul> </li> <li>• U.S. EPA commented on the federal criteria for offsets               <ul style="list-style-type: none"> <li>○ Offsets must be real, permanent, enforceable, quantifiable, and surplus</li> </ul> </li> </ul>
Teleconference with U.S. EPA	<ul style="list-style-type: none"> <li>• Scheduled for March 7, 2019               <ul style="list-style-type: none"> <li>○ Will discuss the federal equivalency requirements raised during the February 8, 2019 teleconference</li> </ul> </li> </ul>
Face-to-face meeting with U.S. EPA staff	<ul style="list-style-type: none"> <li>• Scheduled for March 14, 2019</li> </ul>

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
General Counsel's Office**

Item #5

[Back to Agenda](#)

**February 2019 Settlement Penalty Report**

**DRAFT**

<u>Total Penalties</u>	
Civil Settlements:	\$223,150.00
Self-Reported Settlements:	\$198,054.55
MSPAP Settlements:	\$16,735.00
Total Cash Settlements:	\$439,214.55
Total SEP Value:	\$0.00
Fiscal Year through 2 / 2019 Cash Total:	\$5,395,316.50
Fiscal Year through 2 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Civil Settlements</b>						
166073	BETA OFFSHORE	203(b) 1110.2 2004(f)(1) 3002(c)(1)	2/15/2019	DH	P61739	\$15,000.00
163553	CHAMPION HOME BUILDERS, INC	3002 3003	2/15/2019	VKT	P62755	\$500.00
175129	Date Palm Country Club <i>Re: Equity Lifestyle Properties, Inc., Monterey County Superior Court, Case No. 18CV004924 - Penalty amount received from the District Attorney's Office as part of the settlement share.</i>	1430	2/20/2019	NAS		\$18,000.00
132299	JACCK OIL INC. <i>Penalties payment pursuant to Order for Abatement Case #6119-2 for non-compliance.</i>	461	2/19/2019	NAS	P66374	\$5,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
115563	NCI GROUP INC., DBA, METAL COATERS OF CA	2004(f)(1) 2012 3002(c)(1)	2/27/2019	KCM	P57881 P57888	\$5,500.00
141473	NONG SHIM AMERICA, INC	203(b) 1110.2 1146	2/5/2019	ML	P63957 P63960	\$130,000.00
185405	PAPA CANTELLA'S INC	222 1415.1	2/6/2019	SH	P64831	\$10,500.00
97081	THE TERMO COMPANY	2004	2/20/2019	NAS	P67303	\$13,650.00
142417	TOYON LANDFILL GAS CONVERSION LLC	218 431.1 3002 3003 1110.2	2/20/2019	KCM	P52409 P66252	\$8,500.00
800150	US GOVT, AF DEPT, MARCH AIR RESERVE BASE	2004	2/27/2019	BST	P64385	\$1,500.00
187008	WATER HEATER WAREHOUSE, LLC	1121	2/5/2019	BST	P66957	\$15,000.00
<b>Total Civil Settlements:</b>						<b>\$223,150.00</b>

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
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**Self-Reported Settlements**

166033	CARLISLE SYNTEC <i>Self-Reported Violation# SRV2019-1</i>	1113	2/6/2019	WBW		\$198,054.55
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**Total Self-Reported Settlements: \$198,054.55**



Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>MSPAP Settlements</b>						
173025	ALLIED FEATHER AND DOWN CORP	203(b)	2/21/2019	GC	P60698	\$1,800.00
180902	BMB OIL, INC	461	2/21/2019	GC	P64996	\$900.00
117114	CARSON CITY OF	461(c)(3)(Q)	2/6/2019	GC	P71242	\$1,000.00
55343	CEMEX CONSTRUCTION MATERIALS PACIFIC,LLC	403	2/6/2019	GC	P66303	\$1,900.00
172417	HOLLIDAY ROCK CO., INC.	403	2/8/2019	GC	P67451	\$1,150.00
183804	MERICAL LLC	201 203 1155	2/6/2019	TF	P65779	\$3,200.00
175272	NEWHOPE PETROLEUM, INC	461	2/6/2019	TF	P68107	\$400.00
800328	NMB TECHNOLOGIES CORPORATION	203(b)	2/8/2019	TF	P65580	\$800.00
164999	PILOT TRAVEL CENTERS LLC	461	2/6/2019	TF	P64937	\$250.00
128753	RAFFI'S CHEVRON	203(a)	2/6/2019	GC	P65262	\$500.00
187604	RJ GENERAL CONTRACTORS, INC	403	2/21/2019	TF	P65583	\$800.00
107320	SANTA ANITA GOLF COURSE	461(e)(2)	2/6/2019	TF	P63921	\$800.00
181223	SIERRA ALLOYS COMPANY	1430	2/6/2019	TF	P65215	\$1,600.00
92324	SUPERIOR ENGINEERED PRODUCTS CORP	2202	2/8/2019	GC	P32412	\$1,275.00
126247	TANK-TEK ENVIRONMENTAL CORPORATION	461	2/6/2019	GC	P64992	\$360.00

**Total MSPAP Settlements: \$16,735.00**

**DISTRICT'S RULES AND REGULATIONS INDEX  
FOR FEBRUARY 2019 PENALTY REPORT**

**REGULATION II - PERMITS**

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

**REGULATION III - FEES**

- Rule 314 Fees for Architectural Coatings

**REGULATION IV - PROHIBITIONS**

- Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- Rule 1113 Architectural Coatings
- Rule 1121 Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1155 Particulate Matter Control Devices

**REGULATION XIV - TOXICS**

- Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems.
- Rule 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

**REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

- Rule 2004 RECLAIM Program Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO<sub>x</sub>) Emissions

**REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION**

- Rule 2202 On-Road Motor Vehicle Mitigation Options

**REGULATION XXX - TITLE V PERMITS**

- Rule 3002 Requirements for Title V Permits
- Rule 3003 Applications