

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Ben Benoit, Chair Dr. Joseph Lyou, Vice Chair Mayor Pro Tem Judith Mitchell Supervisor Shawn Nelson Supervisor Janice Rutherford Supervisor Hilda L. Solis

September 21, 2018 ♦ 10:30 a.m. ♦ CC8 21865 Copley Dr., Diamond Bar, CA 91765

TELECONFERENCE LOCATIONS

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

> Hall of Administration Planning Commission Room 333 West Santa Ana Blvd. Santa Ana, CA 92701

(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

<u>INFORMATIONAL ITEMS – Items 1 - 3</u>

- 1. Proposed Rule 1407.1 Control of Emissions of Toxic Air Contaminants from Chromium Alloy Melting Operations (No Motion Required)
 Proposed Rule 1407.1 will require emissions testing and submittal of data to better quantify air toxic emissions.
 (Written Material Attached)
 Michael Morris, Manager
 Monager
- 2. Proposed Amendments to Rules 2001 (Applicability) and 2002 (15 mins.) Tracy Goss, (Allocations for NOx and SOx) (No Motion Required) Manager Staff will provide a briefing on Proposed Amended Rules 2001 and 2002 relative to transitioning RECLAIM to a command-and-control regulatory structure. (Written Material Attached)
- 3. Test Method Guidance Document for Rule 1168 Adhesive (15 mins.) Michael Krause, and Sealant Applications (No Motion Required) Manager

 During the 2017 amendment to Rule 1168, the Governing Board directed staff to develop a guidance document to clarify which test method is used to measure the volatile organic compound content of adhesives and sealants subject to the rule. Staff will provide a briefing on the draft Test Method Guidance Document for Rule 1168.

(Written Material Attached)

WRITTEN REPORTS – Items 4 - 5

4. Notice of Violation Penalty Summary (No Motion Required)
This report provides the total penalties settled in July and August 2018 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.

(Written Material Attached)

Bayron Gilchrist, General Counsel

5. Home Rule Advisory Group – Bi-Monthly Report for July 2018 (No Motion Required)

This report summarizes the topics discussed at the July 2018 Home Rule Advisory Group Meeting.

Philip Fine, Deputy Executive Officer

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

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

8. Next Meeting Date: October 19, 2018

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 Evangelina Barrera at 909.396-2583 from 7:30 a.m. to 6:00 p.m., Tuesday through Friday, or send the request to ebarrera@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.

Item #1



Proposed Rule 1407.1

Emissions of Toxic Air Contaminants from Alloy Steel, Chromium Alloy, Stainless Steel, and Superalloy Melting Operations

Stationary Source Committee
September 21, 2018



Background

- Chromium metal melting is generally categorized as ferrous or superalloy metal melting
 - Ferrous metals currently not regulated in Rule 1407 (non-ferrous metal melting)
 - Superalloys are currently exempt in Rule 1407
- Evidence of hexavalent chromium emissions from chromium alloys:
 - 2 metal melting source tests in 1993 and 2015
 - 10 emissions screening tests conducted in 2016 and 2017 for heat treating and forging furnaces
- Additional information needed to quantify the amount of hexavalent chromium and other toxic air contaminants from 14 chromium metal melting operations
 - Best approach to gather this information is to source test the metal melting furnaces

Proposed Rule 1407.1 Approach

Objective of Proposed Rule 1407.1 is to collect emissions data from chromium metal melting

- Quantify toxic air contaminant emissions
 - · Source testing is needed
 - Data will be used to propose future emission standard and pollution controls
- Staff offered to conduct source tests for facilities, but facilities declined



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Key Requirements

Source Testing

One-time source test on one furnace

Materials Composition Testing

One-time testing of materials

Operational Information Survey One-time survey on facility's operations, equipment, and practices

Recordkeeping

Collect process records for one year

Key Issue #1 – Cal Poly Study

Comment

- •Cal Poly Pomona has metal melting furnaces where testing can be conducted
- •Conduct study at Cal Poly Pomona before proceeding with Proposed Rule 1407.1, similar to UCR/CE-CERT study on heat treating furnaces
- Determine if the conversion of hexavalent chromium occurs and the mechanism of the conversion

Response

- Sufficient data to conclude that some chromium will convert to hexavalent chromium
- •Cal Poly studies could be done in parallel with Proposed Rule 1407.1 and provide supplementary data
 - Waiting for the research to be completed would delay installation of pollution controls by years
- •Cal Poly laboratory environment will not reflect real world operations
- •Source tests to quantify emissions must be conducted on full scale production furnaces and different types and sizes of furnaces

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Comparison between Cal Poly and Industry Furnaces

-		_	-			
Parameter	Cal Poly Pomona Furnace		Industry Furnaces			
Size (Maximum Capacity)	48 pounds		50 to 18,000 pounds			
Furnace Type	Electric induction furnaces		Electric or gas induction (air melt), vacuum induction, electric arc, or crucible			
Refractory Type and Age	No refractory coating, but can add coating		Industry furnaces have a refractory coatings with a range of chromium content and age			

Key Issue #2 – CARB Method 425

Comment

- CARB Method 425 (source test for hexavalent chromium) has not been demonstrated to be applicable or appropriate for metal melting operations
- Test method development should occur at Cal Poly Pomona

Response

- CARB Method 425 is CARB and EPA approved for determining hexavalent chromium and total chromium emissions from stationary sources*
 - There is no evidence that CARB Method 425 is not the appropriate source test method for metal melting operations
- Proposed Rule 1407.1 includes a provision for alternative sampling and analytical test methods with Executive Officer Approval







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Key Issue #3 – Conversion of Chromium

Comment

- Not sufficient information to substantiate the conversion of chromium to hexavalent chromium during metal melting
 - · Specific temperatures at which the conversion of chromium to hexavalent chromium not specified
- A thorough investigation is necessary to fully develop an appropriate rule

Response

- Two SCAQMD source tests of metal melting furnaces and ten screening tests on heat treating and forging furnaces indicate that hexavalent chromium emissions occur
- Hexavalent chromium emissions occur from metal melting; the proposed rule will quantify the amount

Comment Letter from the California Metals Coalition (CMC) (September 13, 2018)

- Comments in addition to key issues
 - Rulemaking has been rushed
 - Previous comments have been ignored
- Response
 - Site visits began in late 2015 and rule development meetings started in September 2017
 - At the request of CMC and other stakeholders, rulemaking bifurcated for Proposed Amended Rule 1407 (non-chromium metals) and Proposed Rule 1407.1 (chromium metals) in April
 - Their comments have been responded to at working group meetings

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Estimated One-Time Costs per Facility

Facility Type	Source Testing	Materials Composition Testing	Recordkeeping Total Cos		
Chromium Metal Melting Facility with No Controls (6 facilities)	\$0	\$2,700	\$3,000 - \$5,000	\$5,700 - \$7,700	
Chromium Metal Melting Facility with Controls (5 facilities)	\$20,000 - \$30,000	\$2,700	\$3,000 - \$5,000	\$25,700 - \$37,700	
Chromium Metal Melting Facility with Controls; SCAQMD Conducts Testing (3 facilities)	\$0	\$2,700	\$3,000 - \$5,000	\$5,700 - \$7,700	

Schedule

Set Hearing	October 5, 2018
Public Hearing	November 2, 2018





PROPOSED AMENDMENTS TO RULE 2001 AND RULE 2002 (REGULATION XX)

STATIONARY SOURCE COMMITTEE SEPTEMBER 21, 2018

Background

- Rules 2001 and 2002 were amended in January 2018 to establish:
 - The process to exit a facility from RECLAIM; and
 - Provisions on use of RECLAIM Trading Credits (RTCs) after a facility exits RECLAIM
- Proposed amendments are in response to requests from some stakeholders to provide options that allow a RECLAIM facility to:
 - Exit RECLAIM before the SCAQMD issues an Initial Determination Notification; and
 - Stay in RECLAIM after the SCAQMD issues an Initial Determination Notification while key issues such as New Source Review and permitting are resolved

Summary of PARs 2001 and 2002

Option to exit RECLAIM before Initial Determination issued

- Must meet specific criteria applicable landing rules adopted/amended
- Cannot use New Source Review offsets from SCAQMD Internal Bank

Option to stay in RECLAIM after an Initial Determination Notification is issued

- Must comply with landing rule while in RECLAIM
- Additional assurance facility will not be exited until key issues resolved

PARs 2001 and 2002

- Criteria to exit have been revised and requires that all NOx emitting equipment is subject to a NOx regulating rule
 - Exceptions include emergency IC engines and equipment not requiring permits
 - Some equipment will require future rulemaking (e.g. Rule 1147 for miscellaneous equipment, Rule 1146 small boilers, and nitric acid equipment)
 - Provides clarity that all equipment must have applicable adopted or amended NOx rules upon exiting RECLAIM addressing emission limits, implementation schedule, and MRR

PAR 2002 – Other Proposed Amendments

- Temporary NSR provision
 - RECLAIM facilities that opt to exit would not be allowed to access the internal bank for NOx emission offsets once they exit
- Remove provision for reporting of infinite year block NOx RTC prices (price floor)
 - Prices have fallen below the lower threshold due to the RECLAIM transition

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Comments Received

- Comment letters on the proposal and CEQA Draft Subsequent EA from:
 - Andeavor
 - Burbank Water & Power (BWP)
 - Los Angeles Department of Water and Power (LADWP)
 - Western States Petroleum Association (WSPA)
 - Valero
- Comments at the Set Hearing from:
 - Southern California Air Quality Alliance (SCAQA)
 - California Council for Environmental and Economic Balance (CCEEB)
 - Western States Petroleum Association (WSPA)

Summary of Key Comments and Responses

Comment	Response		
Resolve New Source Review before moving forward with PARs 2001/2002 and BARCT rules	 New provisions are optional Interim New Source Review solution is to have facilities stay in RECLAIM until New Source Review issues are resolved BARCT rules are needed regardless if facilities remain in RECLAIM or are transitioned out 		
Lack of programmatic CEQA analysis on the full transition	 Programmatic CEQA impacts were analyzed for the 2016 AQMP Program Environmental Impact Report 		

Summary of Key Comments and Responses (cont.)

Comment	Response			
RECLAIM facilities want certainty when they exit	 Facilities will not be exited until New Source Review issues are resolved Establishing NOx limits in landing rules provides certainty regarding NOx emission limit requirements BARCT rulemaking needs to continue – requirements of AB617 BARCT rules can be implemented while facilities are still in RECLAIM 			

Proposed Amended Rules 2001/2002 Schedule

OCTOBER 5, 2018

Public Hearing

Item #3

↑ Back to Agenda

Rule 1168 Test Method Guidance Document

STATIONARY SOURCE COMMITTEE
SEPTEMBER 21, 2018

Background

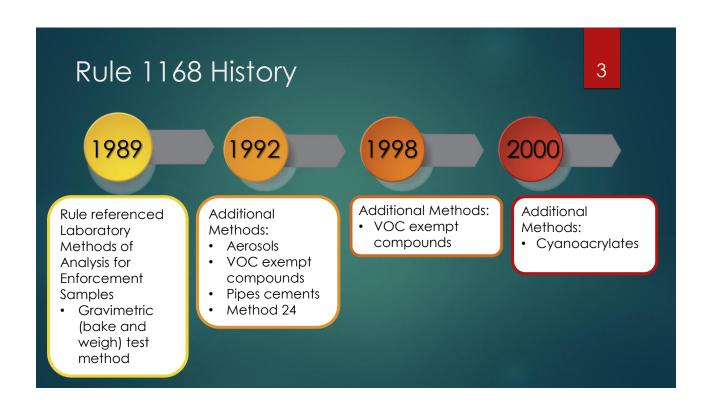
2

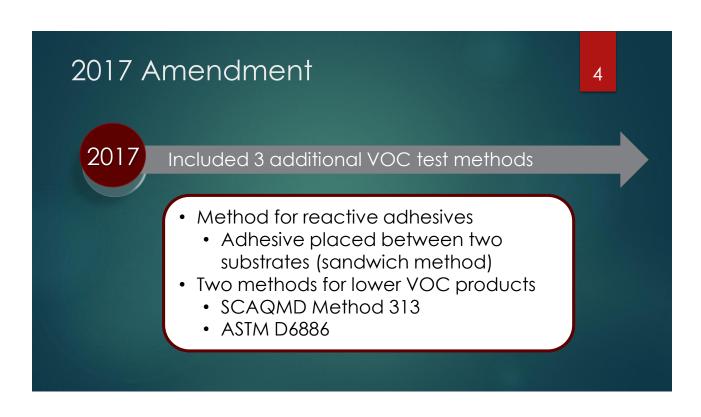
2017 Rule 1168 Amendment

- Board directed staff to develop VOC Test Method Guidance Document
- Guidance document would provide clarity when verifying compliance

VOC Test Method Guidance Document Development

- Two Working Group Meetings November 2017 and July 2018
- Released draft Guidance Document July 2018





Flow Charts

The key mechanism of the Guidance Document

Direct stakeholder to appropriate test method

Separate charts for adhesives and sealants

Comments Received

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Comment on thin-film energy curable adhesives

- ASTM D7767 is appropriate for enforcement
- The Guidance Document creates two mechanisms (one for "informationonly" and one for enforcement) to test materials.

Staff Response

- ASTM D7767 is only performed on certain key ingredients in the product
 - Ingredients would have to supplied by the manufacturer to the SCAQMD
 - There is no mechanism to confirm those ingredients are the components of the commercial product
 - Not appropriate for compliance verification
- ASTM D7767 can be used by formulators to estimate VOC content of reactive components, similar to formulation data used to confirm the VOC of non-reactive products

Recommendations and Next Steps

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Seeking Board approval of Guidance Document for Rule 1168



Next Steps:

- Continue ongoing method development
 - Foam sealants & high pressure reactive adhesives
 - Work with industry, ASTM, CARB, & EPA
 - Submit new test methods to CARB/EPA for approval
- Prepare for future technology assessments

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DISTRICT'S RULES AND REGULATIONS INDEX FOR JULY AND AUGUST 2018 PENALTY REPORTS

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 203	Permit to Operate

Rule 221 Plans

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 401	VISIBLE EMISSIONS
Rule 402	Nuisance
Rule 403	Fugitive Dust
Rule 407	Liquid and Gaseous Air Contaminants
Rule 461	Gasoline Transfer and Dispensing
Rule 462	Organic Liquid Loading
Rule 463	Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1118	Emissions From Refinery Flares
Rule 1128	Paper, Fabric and Film Coating Operations
Rule 1146	Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators,
	and Process Heaters
Rule 1146.2	Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers
Rule 1147	NOx Reductions from Miscellaneous Sources
Rule 1173	Fugitive Emissions of Volatile Organic Compounds
Rule 1175	Control of Emissions from the Manufacture of Polymeric Cellular (Foam) Products
Rule 1176	Sumps and Wastewater Separators
Rule 1178	Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

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REGULATION XIV - TOXICS

Rule 1403	Asbestos Emissions from Demolition/Renovation Activities
Rule 1407	Control of Emissions of Arsenic, Cadmium, and Nickel from from Non-Ferrous Metal Melting Operations
Rule 1415	Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
Rule 1415.1	Reduction of Refrigerant Emissions from Stationary Refrigeration Systems
Rule 1420	Emissions Standard for Lead
Rule 1420.1	Emissions Standards for Lead from Large Lead-Acid Battery Recycling Facilities
Rule 1420.2	Emission Standards for Lead from Metal Melting Facilities
Rule 1472	Requirements for Facilities with Multiple Stationary Emergency Standby Diesel Fueled Internal Combustion Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

	· · · · · · · · · · · · · · · · · · ·
Rule 2004	Requirements
Rule 2011	Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO _x) Emissions
Rule 2012	Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO _X) Emissions
Appendix A	
Rule 2012	Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXII - ON-ROAD MOTOR VEHICLE MITIGATION

On-Road Motor Vehicle Mitigation Options Rule 2202

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements Rule 3003 **Applications**

CALIFORNIA HEALTH AND SAFETY CODE

41700	Violation of General Limitations
41701	Violation of General Limitations
41960.2	Gasoline Vapor Recovery
42400	Penalties

Violation of Order for Abatement 42401

CALIFORNIA CODE OF REGULATIONS

13 CCR 2454 Portable Equipment Registration Process 13 CCR 2460 Portable Equipment Testing Requirements

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CODE OF FEDERAL REGULATIONS

40 CFR 60, QQQ Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

General Counsel's Office DRAFT

July 2018 Settlement Penalty Report

↑ Back to Agenda

Total Penalties

Civil Settlements: \$302,950.00 MSPAP Settlements: \$15,212.00

Total Cash Settlements: \$318,162.00

Total SEP Value: \$0.00

Fiscal Year through 7 / 2018 Cash Total: \$318,162.00

Fiscal Year through 7 / 2018 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Sett	lements					
141555	CASTAIC CLAY PRODUCTS, LLC	2004 3002(c)(1) 3003 2012		MJR	P60272 P64373	\$4,000.00
86777	ECOLOGY AUTO WRECKING	203 (a)	7/10/2018	VKT	P64556	\$10,750.00
124838	EXIDE TECHNOLOGIES	42401 1420 1420.1 221		NSF	P63301 P63302 P63303 P63305 P64561	\$21,000.00
800089	EXXONMOBIL OIL CORPORATION	201	7/12/2018	DH	P62850	\$8,000.00
800091 800171	EXXONMOBIL OIL CORP EXXONMOBIL OIL CORPORATION	3002(c)(1)	7/17/2018	DH	P65315 P65316	\$2,500.00
129376	FINAL TOUCH DYEING & FINISHING	1146 203		DH	P64019	\$13,200.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
185472	FOUNDATION	401(b) 41701 13 CCR 2454		BST	P63766	\$2,500.00
185823 185936	RAPID WASTE SOLUTIONS INC KAREN BIR FRANKS CLEANUP SERVICES	1403	7/6/2018	BST	P65908 P65909	\$900.00
160245	GATEWAY CREMATORY, SMART CREMATION CA	1147 42401		BST	P65767 P65786	\$28,000.00
157359	HENKEL ELECTRONIC MATERIALS, LLC	1128 2004 2012 3002		NSF	P57878 P65801 P66204	\$80,500.00
151843	INSULFOAM	1175 3002		VKT	P62753	\$250.00
800335	LA CITY, DEPT OF AIRPORTS	2004 2012		SMP	P66104	\$13,900.00
2619	MARTIN LUTHER KING JR MEDICAL CAMPUS	1415 222 3002		NSF	P64015 P65052	\$15,000.00
152707	SENTINEL ENERGY CENTER LLC	2012(c)(3)(A)	7/17/2018	VKT	P64406	\$250.00
171670	SHERMAN OAKS HOSPITAL	1146.2 1415		DH	P68202	\$31,200.00
9720	STILES ANIMAL REMOVAL INC	402 41700		SMP	P62756 P66555	\$2,000.00
52742	STOROPACK INC	3002	7/6/2018	TRB	P52997 P67101	\$40,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
181667	TORRANCE REFINING COMPANY LLC	1173	7/12/2018	DH	P45982	\$21,500.00
		1176			P45983	
		3002(c)(1)			P63410	
		402			P63411	
		H&S 41700				

Total Civil Settlements: \$302,950.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP S	Settlements					_
105025	AIRCRAFT SERVICE INTERNATIONAL	461(c)(3)(Q)	7/12/2018	GC	P71018	\$200.00
130091	AKM OIL CO., INC.	461(c)(3)(Q)	7/12/2018	GC	P70635	\$200.00
173194	ARCO AM PM - SAFAR & SAFAR BROS, INC	461(c)(3)(Q)	7/12/2018	GC	P70879	\$400.00
155474	BICENT (CALIFORNIA) MALBURG LLC	2004	7/17/2018	TF	P62087	\$500.00
179701	CITRUS BASELINE 76, KAYKEL INVESTMENT PR	461	7/17/2018	TF	P63226	\$800.00
185615	CULP CONSTRUCTION COMPANY	403(d)(1) 403(d)(2)	7/17/2018	TF	P65368	\$2,400.00
147004	CUSTOM WOODWORKS, LOUIS BEDINI	203 (b)	7/17/2018	TF	P65563	\$400.00
99187	DESERT EUROPEAN MOTORCARS LTD	461(c)(3)(Q)	7/12/2018	GC	P71273	\$200.00
155640	EARTH TEK ENGINEERING CORP	403(d)(1) 403(d)(2)		GC	P64172	\$1,800.00
184539	GOLDEN STATE ENTERPRISES, LLC	41960.2 461	7/17/2018	GC	P64981	\$562.00
94337	GRANDVIEW CEMETERY & CREMATORY	203 (a)	7/18/2018	GC	P65561	\$500.00
174214	HORT TECH INC	461(c)(3)(Q)	7/12/2018	TF	P71027	\$200.00
167561	ON SITE KRUSHING CO.	13 CCR 2460	7/25/2018	TF	P66603	\$850.00
167561	ON SITE KRUSHING CO.	13 CCR 2460	7/25/2018	TF	P66055	\$1,000.00
11301	SAN BERNARDINO CITY MUN WATER DEPT (WRP)	203	7/18/2018	TF	P61122	\$500.00
173381	SO. CALIFORNIA HOSPITAL AT CULVER CITY	2202	7/25/2018	TF	P64839	\$2,000.00
126498	STEELSCAPE, INC	Page 4 of 5 3002(c)(1)	7/18/2018	TF	P64148	\$500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
10620	STRAUB FAMILY TRUST DIST CO	461(c)(3)(Q)	7/12/2018	GV	P70965	\$200.00
183639	UNITED ROCK PRODUCTS CORPORATION	403(d)(1)	7/18/2018	TF	P63770	\$2,000.00

Total MSPAP Settlements: \$15,212.00

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



August 2018 Settlement Penalty Report

Total Penalties

Civil Settlements: \$374,050.00

(*Suspended Penalty amount included in Civil Settlements): \$34,000.00

MSPAP Settlements: \$31,955.00

Total Cash Settlements: \$406,005.00

Total SEP Value: \$0.00

Fiscal Year through 8 / 2018 Cash Total: \$724,167.00

Fiscal Year through 8 / 2018 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Sett	lements					
74424	ANGELICA TEXTILE SERVICES	1146 2012		BST	P64144	\$4,800.00
111110	BRISTOL FIBERLITE INDUSTRIES, INC	3002	8/1/2018	TRB	P60418	\$5,000.00
46268	CALIFORNIA STEEL INDUSTRIES INC	2004 2012		NSF	P64378	\$5,000.00
22911	CARLTON FORGE WORKS	402 H&S 41700 2012		DH	P52998 P52999 P60278 P60279 P60289 P61738 P63758 P63759 P63760 P63763	\$75,000.00
		Page 1 of 5			P63764	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
					P63767	
					P64376	
					P65055	
					P65202	
					P65203	
					P65204	
					P65205	
					P65206	
					P65207	
					P65208	
					P65209	
					P65211	
					P65212	
156760	DAY & NIGHT REMOVAL & CREMATION	203(b)	8/16/2018	VKT	P62911	\$10,000.00
174371	DP3 HANGARS, LLC	2004	8/21/2018	SH	P60562	\$10,000.00
3277	INDUSTRIAL BATTERY ENGINEERING INC	1407	8/22/2018	NSF	P49177	\$25,000.00
		1420)		P52415	
		1420.2	2			
		203	3			
180367	LINN OPERATING, INC.	2004	8/1/2018	NSF	P37246	\$16,750.00
		2012, Appen A	1		P62066	
180667	MATTIVI BROS LEASING, INC	203(b)	8/29/2018	NSF	P60533	\$2,500.00
		403(d)(1))		P63909	
173290	MEDICLEAN	2004	8/10/2018	DH	P60581	\$74,000.00
	*Mediclean shall pay a suspended penalty amount up to \$34,000 if during	g the 2012, Appen A	1		P61733	
	2-year term of civil probabtion they are issued an NOV.	1146			P61737	
		1140	,		P64137	
180941	NUMA BROTHERS CONSTRUCTION, INC	1403	8/8/2018	TRB	P63360	\$7,500.00
	Page	e 2 of 5	5,0,2010		1 00000	ψ1,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
167739	PAUL M WOLFF CO	314	8/16/2018	BST	P64824	\$1,300.00
145553	PETER'S FAMILY CLEANER, PALACE CLEANER	203	8/23/2018	BST	P62757	\$1,400.00
800079	PETRO DIAMOND TERMINAL CO	1176(e)(1) 462(d)(1)(F)		TRB	P61521	\$5,000.00
20604	RALPHS GROCERY CO	203 (a)	8/9/2018	DH	P65375	\$10,000.00
109855	SEARS ROEBUCK & CO UNIT #1209	1415	8/22/2018	TRB	P65751 P65759	\$5,000.00
800026	ULTRAMAR INC	2011 3002 1173 1176 1178 463 40 CFR 60, QQQ 2004 401 402 407		NAS	P60357 P60360 P60362 P60363 P60364 P60365 P60366 P60367 P63562	\$112,800.00
800393	VALERO WILMINGTON ASPHALT PLANT	1173	8/31/2018	NAS	P60361	\$3,000.00

Total Civil Settlements: \$374,050.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP S	ettlements					
147215	AVIS CAR RENTAL	461(c)(3)(Q)	8/8/2018	GC	P71101	\$400.00
41536	AVIS RENT A CAR SYSTEM	461(c)(3)(Q)	8/8/2018	GC	P71029	\$400.00
54066	AVIS RENT A CAR SYSTEMS	461(c)(3)(Q)	8/8/2018	GC	P71001	\$400.00
146161	AVIS RENT-A CAR SYSTEMS, INC.	461(c)(3)(Q)	8/8/2018	GC	P71006	\$400.00
30619	AVIS RENT-A-CAR SYSTEM INC	461(c)(3)(Q)	8/8/2018	GC	P71225	\$400.00
180430	BIRCH HILLS GOLF MANAGEMENT, LLC	461(c)(3)(Q)	8/24/2018	GC	P71162	\$600.00
167880	BUDGET RENT A CAR - QTA SANTA ANA	461(c)(3)(Q)	8/8/2018	GC	P71244	\$400.00
55634	BUDGET RENT A CAR OF BEVERLY HILLS	461(c)(3)(Q)	8/8/2018	GC	P71241	\$400.00
186523	CARINA AUTO CENTER	109 203 (a)		TF	P60695	\$600.00
174676	CIRCLE K STORES INC	461(c)(3)(Q)	8/24/2018	GC	P70611	\$600.00
174177	CIRCLE K STORES INC #2709493	461(c)(3)(Q)	8/24/2018	GC	P70558	\$600.00
54726	COUNTY OF RIVERSIDE (BA179)	461(c)(3)(Q)	8/24/2018	GC	P71214	\$200.00
68466	CR TRANSFER, INC.	203(a)	8/8/2018	TF	P63166	\$1,600.00
168673	DEL MAR PETROLEUM INC. #1	203(a) 461	8/8/2018	GC	P65724	\$2,350.00
180756	DEL MAR PETROLEUM INC. #2 TCCW	461	8/8/2018	GC	P65715	\$2,700.00
180756	DEL MAR PETROLEUM INC. #2 TCCW	461	8/8/2018	GC	P65721	\$800.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
185423	ELITE GENERAL CONTRACTING	403	8/8/2018	GC	P63717	\$2,300.00
142079	GLENDALE GALLERIA	1472 203 (b)		GC	P65556	\$2,275.00
141648	HILLCREST CONTRACTING	461(c)(3)(Q)	8/17/2018	TF	P71141	\$200.00
172234	IFCO SYSTEMS US., INC	1146.1	8/29/2018	GC	P59543	\$680.00
158356	MAX MRI IMAGING	13 CCR 2460	8/29/2018	TF	P66753	\$150.00
180091	MY GOODS MARKET #5666	203	8/29/2018	TF	P65749	\$800.00
183720	PILLAR BUILDING GROUP	1403	8/29/2018	TF	P65952	\$500.00
186321	POINT SATURN LLC	1403	8/29/2018	TF	P66260	\$2,000.00
119652	PRINCESS CRUISES	203 (a)	8/8/2018	TF	P66152	\$1,600.00
128982	PRINCESS CRUISES	203 (a)	8/8/2018	TF	P66153	\$800.00
153780	SOUTH PASADENA SMOGPROS	461	8/29/2018	TF	P64922	\$800.00
127841	THE TEECOR GROUP, INC.	1403	8/29/2018	TF	P63084	\$3,400.00
186685	THOMPSON BUILDING MATERIALS	403	8/29/2018	TF	P50743	\$1,600.00
165192	TRIUMPH AEROSTRUCTURES, LLC	2004	8/29/2018	TF	P64375	\$500.00
186093	WEST COAST DEMO	1403	8/29/2018	TF	P66257	\$700.00
181741	WHEEL POWER INC	41960 461	8/29/2018	TF	P64926	\$800.00

Total MSPAP Settlements: \$31,955.00





HOME RULE ADVISORY GROUP Wednesday, July 11, 2018 MEETING MINUTES

CHAIR: Dr. Joseph Lyou, SCAQMD Governing Board Member

MEMBERS PRESENT:

Mike Carroll (Regulatory Flexibility Group); Bill LaMarr (California Small Business Alliance); Bridget McCann (Western States Petroleum Association); Art Montez (AMA International); David Rothbart (Los Angeles County Sanitation District); Larry Smith (Cal Portland Cement); Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office) and TyRon Turner (Dakota Communications).

The following members participated by conference call: Rongsheng Luo (SCAG); Bill Quinn (California Council for Environmental & Economic Balance); Johnnie Raymond (CARB); and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Ben Benoit (SCAQMD Governing Board Member); Curt Coleman (Southern California Air Quality Alliance); Michael Downs (Downs Energy);-Jaclyn Ferlita (Air Quality Consultants); Nan Harrold (Orange County Waste & Recycling); Dan McGivney (Southern California Gas); Dr. Clark Parker (SCAQMD Governing Board Member); and Larry Rubio (Riverside Transit Agency).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Priscilla Hamilton (Southern California Gas); Warisa Niizawa (Orange County Waste and Recycling); and Rita Loof (RadTech).

SCAQMD STAFF:

Jill Whynot	Chief Operating Officer	Danielle Soto	Sr. Public Information Specialist
William Wong	Principal Deputy District Counsel	Daniel Wong	Sr. Public Information Specialist
Philip Crabbe	Community Relations Manager	Kelsey Baez	Student Intern
Debra Ashby	Sr. Public Information Specialist	Lia Bilodeau	Student Intern
Ann Scagliola	Administrative Secretary	Mitchell McMann	Student Intern
Pedro Piqueras	AQ Specialist		

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF MAY 2018 MEETING MINUTES

Dr. Lyou asked for comments on the May 9, 2018 meeting minutes. Hearing none, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Amy Zimpfer provided an update on recent U.S. Environmental Protection Agency (EPA) and federal activities.

SCAQMD Related Actions

- Mike Stoker was appointed as the EPA Region 9 Administrator.
- EPA continues to review the attainment plans incorporated into the submitted 2016 Air Quality Management Plan (AQMP).
- The 2018 Targeted Airshed Grant RFP will be announced soon and it is anticipated that \$40M will be awarded in grant funding nationally.
- The Tribal DERA grant RFP opened on June 5, 2018 and will close on September 6, 2018.
- The National Diesel Emission Reduction Act (DERA) Request for Proposals (RFP) period has closed and the submitted proposals are being reviewed.
- To minimize air pollution through advanced technologies, tools and policies, EPA's Clean Air Technology Initiative will provide \$500,000 in regional funding to SCAQMD.

National Update

- The 2015 Ozone National Ambient Air Quality Standards (NAAQS) SIP Implementation Rule is with the Office of Management and Budget for review.
- Chief Operating Officer, Henry Darwin has implemented the EPA Lean Management System (ELAM) and is creating effective ways to improve EPA's efficiency.

Discussion

Jill Whynot inquired about EPA's glider (freight trucks) and enforcement rule. Ms. Zimpfer indicated that there was nothing to report at this time. Dr. Lyou added that there is a proposal to consider how cost effectiveness is calculated. Ms. Zimpfer indicated that there are a number of proposals nationwide, and if there is enough interest, this could be a topic at a future meeting.

Bill LaMarr inquired about the \$500,000 in funding to SCAQMD for clean air technology and the purpose. Ms. Zimpfer indicated that EPA has worked with Matt Miyasato to determine a high priority funding project.

CARB REGULATORY ACTIVITIES

Johnnie Raymond provided updates on items scheduled to go to CARB's Board in July 2018 and recent regulatory activities.

- CARB released the proposed California greenhouse gas emissions standards for medium- and heavy-duty engines and vehicles and proposed amendments to the tractor-trailer greenhouse gas regulations. The public comment deadline is July 18, 2018.
- Nominations are being accepted for the 2018 Haagen-Smit Clean Air Awards. The submittal deadline is August 2, 2018.
- In June 2018, the draft AB 617 Community Air Protection Blueprint was released. The comments deadline is July 23, 2018.
- To assist crude oil and natural gas facilities with methane greenhouse gas compliance, methane emissions need to be recorded into CARB's CAL e-GGRT system.
- On July 26, 2018, CARB's Board will consider the updates to the 2018 Proposed Funding Guidelines for Agencies Administering California Climate Investment (CCI). Written comments must be received by July 23, 2018.

- A CARB funded NASA satellite study on PM2.5 emissions, which focused on Southern California, was recently released and further information is available on CARB's website.
- In June 2018, \$20M from the Cap-and-Trade Program proceeds was awarded to fund zero emission technology demonstrations related to freight, farm and transportation technologies.

Discussion

David Rothbart inquired about development of CARB's indirect source rules for freight activities in California. Mr. Raymond indicated did not have the requested information, and would follow-up with CARB staff.

LEGISLATIVE UPDATE

Philip Crabbe provided a recap of the June 2018 Legislative Committee meeting.

Update on Federal Legislative Issues

SCAQMD's federal legislative consultants each provided a written report on various key Washington, D.C. issues.

It was reported that the US EPA Science Advisory Board met in late May and early June and recommended to the US EPA Administrator that that the proposed rulemaking on CAFE standards and the pending final rule on glider trucks should be postponed, pending a better scientific review. Now, of course US EPA is under no obligation to accept this recommendation.

Reports leaked out that the Department of Transportation may be granting 27 awards, releasing \$1.5 billion dollars, for major highway projects under the "Infrastructure for Rebuilding America" (INFRA) grant program, including one congestion relief project in Los Angeles on Interstate 5.

It was reported that the House Interior Appropriations Subcommittee passed its appropriations bill, which would authorize \$100 million for the Diesel Emission Reduction Act (DERA) Program and \$55 million for the Targeted Airshed Grant Program.

It was also reported that SCAQMD has been working to apply pressure to the US EPA to take action on SCAQMD's petition for an ultra-low NOx emissions standard for heavy duty trucks.

The House passed their energy and water appropriations bill and it was waiting for Senate action. The House passed the Trump Administration's rescissions package, in which \$15 billion in previously allocated funding would be rescinded, including \$4.3 billion in loan funding for the DOE for fuel efficiency and advanced vehicle technology.

Update on State Legislative Issues

SCAQMD's state legislative consultants provided written reports on various key issues in Sacramento.

Updates were provided on various state bills, including:

- AB 2091 (Grayson), which is supported by SCAQMD, is an omnibus bill relating to prescribed burn issues. The author took one of SCAQMD's suggested amendments and the bill has now moved onto the Senate.
- AB 327 (Gipson) which is an authorization bill sponsored by SCAQMD regarding the usage
 of cleaner technology in public fleets within the South Coast region. This bill passed the
 Senate Environmental Quality Committee, but unfortunately failed in the Senate
 Transportation & Housing Committee, so it is now dead.

- SB 1502, which is sponsored by SCAQMD, and allows local air districts to provide public notice electronically. This bill was passed by the Legislature and signed by the Governor.
- SB 210 (Leyva), which is supported by SCAQMD, and deals with creating a smog check program for heavy-duty trucks. SCAQMD staff is having ongoing conversations with Senator Leyva's Office about potential amendments to the bill. However, this bill now appears to be not moving forward.

It was reported that the negotiations on the state budget and the cap-and-trade expenditure plan, including AB 617 implementation funding were ongoing. Since then, those deals were struck with:

- \$50 million being allocated statewide to air districts for AB 617 implementation;
- \$245 million being allocated statewide for AB 617 oriented incentive funding for both mobile and stationery sources;
- \$132 million being allocated statewide for incentives for Agricultural Diesel Engine replacement and upgrades.

Recommend Position on State Bills

AB 2145 (Reyes) Vehicular air pollution. This bill, which is sponsored by CALSTART, would modify the Clean Truck, Bus, and Off-Road Vehicle and Equipment Program (Clean Truck Program) to fund additional technologies and would expand the criteria for funding through the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP).

This bill is in line with SCAQMD's goals of promoting the development and deployment of clean transportation technology, reducing criteria pollutant and toxic emissions, and protecting public health. *The Committee adopted staff's recommended position of SUPPORT on this item*.

SB 1260 (Jackson) Fire prevention and protection: prescribed burns. The bill is an omnibus fire prevention and forestry management bill that would, among other things: promote long-term forest health and wildfire resiliency; and require CAL-FIRE and CARB, in coordination with local air districts, to develop and fund a program to enhance air quality and smoke monitoring, and provide a public awareness campaign regarding prescribed burns. That program may include purchasing new air quality monitors and shall include adequate funding for local air district participation and implementation costs.

Staff recommends amendments to the bill that address an issue that complicates the granting of controlled burn permits at the local level. Current law only allows an air pollution control officer to permit controlled burns in counties with a population of 6 million or less. This provision complicates SCAQMD's ability to issue controlled burn permits for fire hazard mitigation within LA County, which has a population that far exceeds 6,000,000. Staff proposes an addition to the bill that would remove current law's reference to a county population restriction, so that SCAQMD can have clear authority to issue controlled burn permits within Los Angeles County. *The Committee adopted staff's recommended position of SUPPORT WITH AMENDMENTS on this item*.

Discussion

Bill LaMarr inquired about the SB 1260 (Jackson) air monitoring funding legislation, regarding what type of air monitoring would be involved and where would it be used. Mr. Crabbe indicated that it appears that the bill is focused on monitoring controlled burns. Jill Whynot added that it could also apply to the sensors and monitors that SCAQMD purchases to monitor air pollution.

David Rothbart inquired about what happened with AB 327 (Gipson) during the Senate Transportation committee hearing and its current status. Mr. Crabbe explained that it is a two year

session and because this is the second year, bills that fail this year are dead and would need to be reintroduced in the future. Without a motion in committee, AB 327 missed a deadline to pass out of policy committee and therefore failed and would need to be reintroduced in the future.

Larry Smith inquired about the benefit of monitoring a controlled burn, once the permit has been issued. Mr. Crabbe indicated that open controlled burns can only occur on certain days, depending on the air quality levels. The bill amendment is to permit equipment that would allow for cleaner open burning and to reduce the related emissions. Dr. Lyou added that the monitoring could be for informational purposes, to educate, or to mitigate future PM emissions.

Jill Whynot reported that there will be \$50M in funding statewide for AB 617 implementation, this year, with the intent to have this funding again next year. She also indicated that SCAQMD was unable secure sustained funding for future years. Dr. Lyou inquired about SCAQMD's portion and Ms. Whynot indicated that it has not been determined.

Bill LaMarr inquired about the reluctance to sustain AB 617 funding. Ms. Whynot indicated that there could be many factors. Mr. Crabbe added that there is also no guarantee on the \$50M for next year.

Jill Whynot mentioned that at the July 2018 Legislative Committee meeting there is an agenda item to continue the discussion to seek legislative authority for a .25% sales tax increase to help support the AQMP.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong had no updates to report.

Discussion

Bill LaMarr inquired about the status of Case #8. Mr. Wong indicated that the status report reflects the current status.

COMMUNITY OUTREACH EFFORTS

Debra Ashby provided an update on the outreach efforts of Legislative, Public Affairs and Media Relations (LPAM). The presentation covered numerous aspects of outreach for SCAQMD ranging from government relations to the general public to health, environmental, educational and business organizations. The presentation also included an overview of the types of LPAM outreach activities such as town hall meetings, events, speaker's bureau, small business assistance, environmental justice workshops, advisory groups and other initiatives. After the discussion, the Advisory Group offered several suggestions for additional outreach, such as presentations to neighborhood councils and local planning staff.

Discussion

Bill LaMarr asked why there were no senior events in Orange County. Ms. Ashby replied that LPAM is looking into an Orange County event.

Tyron Turner inquired about the outreach efforts in South Los Angeles and the apparent lack of AQMD awareness within the community. Ms. Ashby indicated that during the senior event in Los Angeles, LPAM received this feedback and they are open to suggestions for improvement. Mr. Turner suggested the monthly evening neighborhood council meetings and offered his assistance as a contact person.

Bridget McCann asked where on the SCAQMD website the future outreach events are located. Ms. Ashby indicated that our Facebook page is the best source for this information.

Kristen Pawling suggested unincorporated town councils, outside the City of Los Angeles, that could benefit from outreach efforts. Dr. Lyou inquired about a list of these areas. Ms. Pawling indicated that she could provide a list. Dr. Lyou inquired if other counties have town councils or community leaders. Bill LaMarr indicated that Anaheim has neighborhood councils and suggested Supervisor Shawn Nelson or one of his assistants for information on Orange County community groups. Ms. Pawling also suggested City Manager Outreach meetings. Ms. Ashby indicated that the LPAM staff regularly attends various Los Angeles County City Manager's and Public Works Directors meetings, but other outreach suggestions are welcome.

Dr. Lyou suggested Nextdoor.com and Facebook advertising, to let them know that we exist. Ms. Ashby indicated that this has been discussed and she would follow-up.

Larry Smith suggested the cities local planning departments, to research when they do their local plan updates and to get involved in their outreach efforts. Ms. Pawling also suggested the Office of Planning and Research, who cities contact for assistance.

Art Montez expressed that many elected officials, for underserved communities, do not have adequate minority staff to represent the communities they serve. Mr. Montez suggested outreach with schools in the black, Asian and Latino communities.

Dr. Lyou suggested that SCAQMD should be engaged with what other agencies are doing and use some of their ideas for successful outreach.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

There was no report.

B. Small Business Considerations (Bill La Marr)

An update was provided on the following items.

- CARB's criteria pollutants workshop
- CARB's Small Business Assistance Advisory Panel
- RECLAIM Working Group
- Rule 1147 outreach

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

There was no report.

Discussion

Dr. Lyou indicated that at the July 2018 SCAQMD Governing meeting, the Board voted on a list of communities to submit to CARB for their consideration. CARB is expected to provide their decision statewide in September 2018.

D. Climate Change (David Rothbart)

David Rothbart commented on the following items.

- The increased energy demands due to the temperature spikes, and the impact on the Southern California air quality models for attainment impacts and global warming.
- The foreseeable challenges on emission reporting criteria by EPA, CARB and local entities.

Discussion

Jill Whynot indicated that there have been discussions with ARB and CAPCOA about emission reporting requirements. She further indicated that the challenge is to make emission reporting accurate, consistent and non-duplicative throughout the state, without being an overwhelming burden to the facilities.

Art Montez inquired about the approved cap-and-trade funding for Orange County. Mr. Crabbe indicated that the \$10M for technical assistance for community groups has not been appropriated yet to specific communities.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Jill Whynot provided a summary of items on the June and July 2018 meeting agendas.

- RECLAIM Transition Quarterly Report
- Update on AB 617
- Memorandum of Agreement Between to Implement CARB's Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities
- 2017 Annual Report on AB 2588
- Status Report on Regulation XII
- Updates on PAR 1469, 2001, 2002, 1135 and 1138

Discussion

David Rothbart inquired about future AB 2588 workshops on new processes. Ms. Whynot indicated that SCAQMD is deciding how to proceed.

Art Montez requested clarification on the charbroiler update. Ms. Whynot provided background information on the technology research update for the Board.

OTHER BUSINESS

Tyron Turner shared that he mailed a letter to the Los Angeles World Airport (LAWA) regarding the increased air traffic and airport noise in South Los Angeles, and the lack of LAWA community involvement.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 12:08 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on September 12, 2018, and will be held at SCAQMD in Conference Room CC-8.