



# South Coast Air Quality Management District

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## LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, JANUARY 19, 2007 MEETING MINUTES

### **MEMBERS PRESENT:**

Jane Carney, AQMD Governing Board Member, LGSBA Chairman  
Cynthia Verdugo-Peralta, AQMD Governing Board Member  
Greg Adams, L.A. County Sanitation District  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, DriLube/All Metals  
Todd Campbell, Mayor, City of Burbank  
Daniel Cunningham, Metal Finishing Association  
Jacob Haik, Councilwoman Janice Hahn  
Angelo Logan, East Yard Communities for EJ  
Dr. Joseph Lyou, California Environmental Rights Alliance  
Kelly Moulton, Paralegal  
Steve Mugg, South Orange County Representative, City of Mission Viejo  
Todd Priest, Orange County Business Council

### **MEMBERS ABSENT:**

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman  
Eric Busch, Representative, South Bay Cities Council of Governments  
Harold Martinez, Able Industrial Products, Inc.  
Nancy Ramos, Mayor, City of Commerce

### **OTHERS PRESENT:**

John Billheimer, Enviro-Reality  
Bill LaMarr, Small Business Alliance  
Art Montez, City of Maywood  
Dr. Linda Smith, CARB

### **AQMD STAFF:**

Barbara Baird, Principal Deputy District Counsel  
Evangalina Barrera, Office Assistant  
Larry Bowen, Senior Manager  
Lourdes Cordova Martinez, Community Relations Manager  
Dr. Anupom Ganguli, Asst. Deputy Executive Officer/Public Advisor  
Sue Lieu, Program Supervisor  
Laki Tisopulos, Asst. Deputy Executive Officer  
Nancy Velasquez, Administrative Secretary  
Paul Yang, Senior Staff Specialist

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

Chair Jane Carney called the meeting to order at 10:08 a.m. Chair Carney mentioned that there are two vacancies, representing Local Government.

### **Agenda Item #2 – Approval of November 17, 2006 Meeting Minutes/Review of Follow-Up/Action Items**

Minutes for November 17, 2006 were approved as presented.

#### **Follow-up Action Items**

**Action item:** *Implementation of additional PSAs with regard to the 1-800-Cut-Smog Program to be addressed at the Administrative Committee.*

- ✓ Dr. Ganguli stated as discussed in January's Administrative Committee, it was recommended that staff should investigate implementation, rather than outreach and the media aspect of this program, due to the lack of enforcement and legal authority. The AQMD will continue to look at the issue and will return to the Administrative Committee and bring an update back to LGSBA.

**Action item:** *Continue discussion on how credits are utilized.*

- ✓ Credits will be addressed during the Rule 1309.1 presentation, but in the future, staff will agendize a discussion on how credits are generated, as well as what the issues are covering both NSR and the RECLAIM program.

**Action item:** *Recommend that Staff determine cost to establish and maintain an on-site particulate sampling program at refineries.*

- ✓ Dr. Ganguli stated that the District is going to the Governing Board in April to release an RFP. At this time, a dollar value cannot be placed, but when the information becomes available, it will be agendized for further discussion.

**Action item:** *Staff to provide information on how hydrocarbon cleaning machines work, including which compounds are involved.*

- ✓ Paul Yang stated the hydrocarbon dry cleaning machines use hydrocarbon solvent instead of perc, which is highly toxic. There are 3 types of synthetic hydrocarbon available; one is DF 2000, manufactured by Exxon Mobil; SDCF, manufactured by Chevron Phillips Chemical Company; and PureDry, manufactured by Nerim Tech, Inc. They have less volatility and are combustible at a higher temperature

Chair Carney stated that the 1-800-Cut-Smog program is getting a complete review and she is hopeful that there are going to be some major changes in the program to allow it to become a more effective tool for public participation in reporting smoking vehicles.

A member asked if the machines release CO<sub>2</sub> into the atmosphere? Staff responded trace amounts.

**Action:** *Staff to determine how much CO<sub>2</sub> is released into the atmosphere from dry cleaning machines.*

Chair Carney requested that there be a follow-up item on the dry cleaner technology, including which machines are available, what the emissions are, including greenhouse gas emissions from each machine. A member requested that cost also be included in the presentation.

**Action:** *Agendize presentation on dry cleaning machine technology.*

Mr. Dan Cunningham commented that a new initiative has come forth from the Governor on greenhouse gases. CARB's first meeting is scheduled for January 22 and will be addressing CO, CO<sub>2</sub> and methane. It's going to affect, not only every business, but also every residence in the state. Whatever CARB does, obviously the air districts are going to have to adopt as well. CARB is hiring staff. I think it has to be on the agenda. Chair Carney agreed.

Board Member Cynthia Verdugo-Peralta agreed, stating that she has taken part in the Governor's briefings, conference calls that are held every couple weeks, and similar activities. CARB is scheduled to hire approximately 150 people, but more importantly, what she asked for during those conference calls is that they engage the local air control management districts throughout the state, not just AQMD. She wanted to know if we have the capability of actually evaluating the footprint for greenhouse gases, since if we become engaged, we may be tasked with doing that. CARB will have to take an inventory statewide before they actually decide what their strategic actions are going to be. Mr. Cunningham stated that they are also talking about trading credits similar to Title V. Dr. Ganguli stated that staff is very concerned about the impact in the interaction between the greenhouse gas program and the air quality management programs. CARB is also going to adopt a statewide phase-out of perc. They are coordinating with AQMD's programs so that the sources under AQMD's jurisdiction are not impacted. Board Member Verdugo-Peralta added that she wanted to make sure that while they are looking at greenhouse gases, they do not allow the criteria pollutants emissions to rise which is an important factor.

Mr. Adams stated given the tremendous level of activity that is going on with AB 32, he would like to suggest a regular monthly report for the next year since it will impact everyone.

**Action:** *Agendize report on AB 32 activities on an ongoing basis.*

### **Agenda Item #6 – Update on Recent Studies Regarding Health Effects of Air Pollution**

This item was taken out of order. Dr. Linda Smith, CARB, provided an update on recent studies regarding health effects of air pollution (see attached). The focus was on the PM exposure and the adverse health effects it can cause.

A member asked would the study show that cancer rate has dropped significantly in this area? Dr. Smith stated that they did not look at lung cancer, but looked at premature mortality, hospitalization, exacerbations, and emergency room visits.

A member asked if CARB might revisit the standards based on the most recent studies? Dr. Smith responded for the standards that were set recently, they would not be revisited; however, there hasn't been a short-term PM<sub>2.5</sub> standard set due to issues with the data. There were some reanalysis that had to be done and CARB will revisit the reanalyzed data.

A member inquired as to how many PM<sub>2.5</sub> stations existed in the Year 2000. Dr. Smith indicated that possibly staff could look into it.

**Action:** *Staff to look into how many PM<sub>2.5</sub> stations existed in Year 2000.*

A member asked if the electronic PowerPoint presentation could be forwarded to LGSBA members. Dr. Smith responded yes.

**Action:** *Staff to forward Dr. Smith's presentation to LGSBA members.*

Dr. Ganguli stated that the PM<sub>2.5</sub> is combustion related. Dr. Smith concurred. Dr. Ganguli asked is there a correlation between the diesel component in terms of combustion as opposed to non-diesel? Dr. Smith responded that CARB is being conservative by saying PM is independent of source. Studies in all these different cities only considered bulk PM and CARB didn't want to deviate from the original studies and imply more than there really is. On the other hand, CARB is considering diesel PM to be more toxic than windblown dust or smoke. CARB is trying to solicit some interest and contracts to exam the relative toxicity of these different types of PM.

Board Member Verdugo-Peralta had a concern about not using actual data and implying that PM<sub>2.5</sub> is decreasing, which may affect the direction of policy. Dr. Smith stated that the slide that shows the decrease in PM is actual data, not model data. It shows that the control measures that are being used are working to decrease PM. Standards will never be relaxed in terms of control measures. In terms of the modeling results, it is looking at the health impacts, but not trends of PM, which need to be estimated. CARB has conducted studies where monitors have been placed in various locations to see if the network is adequate in estimating what people are actually exposed to.

Staff inquired as to whether the association between PM<sub>2.5</sub> and lung cancer was considered statistically significant. Dr. Smith responded that the Pope Study referred to the association as statistically significant. PM<sub>2.5</sub> does not result directly from combustion, but from cars spewing out NO<sub>x</sub> and emitting ammonia in the air. It appears to be localized in the South Coast Air Basin.

A member inquired if there was a threshold level that can calculate exposure? Dr. Smith responded that what is meant by exposure is what the people are breathing, not dose. There's a difference between dose and exposure. An example of dose is if someone was to run really hard, which results in breathing harder, the runner would be getting more air inside the lungs.

A member inquired if the study findings increase the value of reducing NO<sub>x</sub> in the basin. Dr. Smith responded the message that CARB is trying to send is that PM is very important.

**Agenda Item #3 – Discuss 2006 LGSBA Accomplishments, & 2007 Goals & Objectives**

This item was continued to February 2007's meeting.

**Agenda Item #4 – Presentation on Proposed R1309.1 Priority Reserve**

Dr. Laki Tisopulos provided a presentation on Proposed Amendments to R1309.1 Priority Reserve (see attached).

Chair Carney inquired if in Zone 2, cancer risk applies to the proposed facility, or to the area in which the proposed facility is to be located? Dr. Tisopulos responded that the proposed facility if located in Zone 2 would have to demonstrate that they are meeting those standards.

A member inquired as to what percentage of non-attainment is due to mobile vs. stationary sources. Dr. Tisopulos responded that the vast majority of non-attainment pollutant comes from mobile sources. There are several precursors contributing to PM<sub>2.5</sub>; one of the major culprits is NO<sub>x</sub> emissions and 90% is mobile source generated; VOC emissions contribute to some extent. SO<sub>x</sub> emissions are major contributors of PM<sub>2.5</sub>. Most of the SO<sub>x</sub> emissions come from sulfur content of diesel, but that content is coming down based on state regulations that went into effect, as well as local regulations.

A member asked for clarification if there would be a prohibition against constructing the plants in Zone 3. Dr. Tisopulos stated no. The version of the draft proposal that AQMD workshopped intended to have as one of the options, available to the Board, is a prohibition to access the priority reserve. If those plants find credits in the open market, they are free to go. A member further stated that I think you need to be very careful on how you characterize that because I think the message that you said was accurate, there is no prohibition against building these facilities under this proposal, you have to be very honest with people about that and I think you need to be very careful that what you're saying that they just don't get access to these priority reserve credits. So I wanted to make sure that was clear.

Dr. Lyou commented that there will not be a prohibition against constructing power plants in Zone 3. Dr. Tisopulos stated that those plants are free to find credits in the open market. He further stated that there is a lot of concern with the proposal since there was hope that there would be protection for the most impacted communities, such as a

proposal that would prevent additional pollution sources from going into those heavily impacted communities. These are the type of midstream rule changes that always seem to make matters worse for the most heavily impacted communities. For-profit companies should not have access to the priority reserve which is supposed to provide credits for schools, hospitals, fire stations and police stations. If every time there is a rule change people are allowed to get out from under it, there is no way that anyone is going to make the long-term investments and the very difficult decisions, which is necessary to create nonpolluting and less polluting sources of energy. Dr. Lyou further mentioned that he had asked for maps based on the state standard and when he looked at the proposal, it did not have a map based on the federal standard. He would like to see what a proposal would look like if 12 and 15 was used to create different zone designations rather than 20, 18 and below, which seems to be an arbitrary number. He feels that the standard should be looked at.

A member commented that the community he was involved with is very concerned with opening the priority reserves for communities that are heavily impacted and feel that it's not considering environmental justice, specifically looking at the cumulative impacts, as well as localized impacts. As far as the community comments in terms of collapsing Zone 2 into Zone 3, there is a need to look at what specific elements really build the zones.

Mr. Adams commented that he did not see how the proposal comported with New Source Review and in particular, Rule 1303. He held up a map that divided the District into two trading zones (prior to 1990, there were 15 or 18 zones). The sensitive trading zone provisions of Sally Tanner's legislation were designed to prevent pollution generated in the Western counties from wafting into the Eastern counties. The staff proposal is now saying exactly the opposite thing in effect, that it is not okay to locate a power project in the Eastern counties, but it is okay to locate that same project along the coast where the pollution drifts inland. Furthermore, there were affirmative findings that the Board had to make embodied in Tanner's legislation that probably could not be made without a modeling study.

Dr. Tisopulos stated that this proposal does not supersede the Tanner Requirements. Facilities that come into this basin would have to comply with the Tanner Requirements, as well as those additional restrictions from proposed Rule 1309.1. Chair Carney stated that it would be most logical not to give any of the facilities access to the Priority Reserve, but then we have to somehow find enough electricity.

A member commented that sources that aren't permitted in the Eastern counties are being driven into the Western counties to eventually dump the pollution back on the Eastern counties. Chair Carney stated if they are in the Eastern portion, they are there every single day regardless of the wind. A member replied perhaps a modeling study needs to be done to conclusively demonstrate that. Dr. Tisopulos stated the pollution from the power plant will have an overall impact and a localized aspect. Most of their emissions that are released from very high stacks, at high temperatures, typically disperse.

A member inquired about the cause of high PM<sub>2.5</sub>, and if it was due to the optimum time in the atmosphere, from the time it goes from the West Coast to the East Coast. He stated that a modeling study needs to be done. Mr. Adams stated that contrary to what was stated earlier, there were no privately-owned credits available to build power plants. He further claimed that we are effectively banning or controlling the construction of these facilities and that Chair Carney had stated earlier that it's not the policy of the Board to get into land use planning. This is determining where facilities go and where they don't go. Chair Carney asked what is the relationship between the level of the fees being set and the cost of emission reduction projects? Dr. Tisopulos stated particulate emission reductions are extremely expensive because there are very few stationary sources that are amenable to these type of reductions. There are some mobile sources that produce some emission reductions, such as catalytic converters. Ships could be another source, but very expensive. Chair Carney stated that she was more interested in the money actually going towards reducing the demand on facilities. She further asked if the relative cost of solar and emissions reductions costs of these credits have been researched. She further discussed asking the company who wants the credits, to propose emission reduction projects. Mr. Adams concluded his remarks by expressing his concerns that any project drawing on the Priority Reserve credit bank could be similarly conditioned by the SCAQMD, even essential public services' projects. In many instances, it simply did not make sense to relocate a project, such as a sewage treatment plant, that functionally and hydraulically was needed in one area, to another less environmentally-impacted area.

A member commented that the District needs to get out of the position that it's in where it's making decisions that are basically power plant decisions since it is the mission of the AQMD to protect public health and reduce air pollution. He added that there is an enormous task of trying to reach attainment of criteria pollutant standards and trying to reduce toxic air pollutants and toxic hot spots around the entire basin. Energy efficiency can reduce electricity demand tremendously. A member further added that he doesn't feel that the amendments to the rule adequately address the problems for the most impacted communities that seem to face continuous burden.

A member stated that mixed messages were being sent as far as the desire to build more power plants. He further added that the City of Carson only received a small portion of the BP/ARCO settlement funds.

**Action:** *Staff to forward a response to Member Jacob Haik regarding how the BP/ARCO funding was spent.*

A member stated that part of the solution would be to increase transportation of power into the basin. He added that Roy Wilson recommended that we allow transfer of 5,000 lbs. of VOC credits to Antelope Valley. Chair Carney stated that this is not the first time that we have allowed credits to go outside the basin for electric generation up in the high desert, but there needs to be some kind of rough balance because you just can't transport electricity from far distances. Dr. Tisopulos stated that we need 18,000 megawatts of power for the L.A. Basin. We locally produce 10,500 megawatts so most of it is already being imported from other sources. When you look at the infrastructure, the transmission lines, there is a bottleneck.

A member commented that he had attended the Huntington Park meeting where this item was discussed, and there was a sense from the community that it was a one-way conversation, with AQMD telling the public this is what's going to happen. The community was of the impression that their issues were not properly addressed. The community felt that AQMD staff had taken on a condescending attitude toward them and did not properly address their concerns.

**Agenda Item #5 – Presentation on AQMP Socioeconomic Analysis**

This item was continued to February 2007's meeting.

**Agenda Item #7 - Monthly Report on Small Business Assistance Activities**

No comment.

**Agenda Item #8 - Other Business**

No comment.

**Agenda Item #9 - Public Comment**

Mr. Art Montez, City of Maywood, stated he attended the Huntington Park meeting, regarding Priority Reserve, and felt that there was a lack of communication between AQMD staff and the community. He had a sense that AQMD staff were talking down to the public and the public's concerns were not addressed.

**Agenda Item #10 - Adjournment**

The meeting adjourned at 12:25 p.m.