

BOARD MEETING DATE: June 3, 2011

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the May 6, 2011 meeting.

RECOMMENDED ACTION:

Approve Minutes of the May 6, 2011 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

dp

FRIDAY, MAY 6, 2011

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman
Cities of San Bernardino County

Supervisor Michael D. Antonovich (arrived at 9:50 a.m.)
County of Los Angeles

Supervisor John Benoit
County of Riverside

Councilman Michael A. Cacciotti (arrived at 9:20 a.m.)
Cities of Los Angeles County – Eastern Region

Ms. Jane W. Carney
Senate Rules Committee Appointee

Supervisor Josie Gonzales
County of San Bernardino

Dr. Joseph K. Lyou
Governor's Appointee

Supervisor Shawn Nelson (arrived at 9:20 a.m.)
County of Orange

Councilwoman Jan Perry (arrived at 10:30 a.m.)
City of Los Angeles

Mayor Miguel A. Pulido
Cities of Orange County

Members Absent:

Mayor Ronald O. Loveridge
Cities of Riverside County

Councilwoman Judith Mitchell
Cities of Los Angeles County – Western Region

CALL TO ORDER: Chairman Burke called the meeting to order at 9:10 a.m.

- Pledge of Allegiance: Led by Chairman Burke.
- Swearing in of Reappointed Board Member Joseph K. Lyou, PhD.

Chairman Burke announced that Dr. Lyou, who was reappointed by Governor Brown to serve as his representative on the AQMD Governing Board for a term ending January 15, 2015, was sworn in on April 9, 2011.

- Opening Comments

Dr. Wallerstein. Noted that staff is recommending that Item No. 33, the public hearing to consider adoption of Proposed Rule 1325, be continued to the June 3, 2011 Board Meeting; and that copies of the revised staff report and proposed rule were available for the public.

- Recognize Hearing Board Chair Edward Camarena for 50 years of Service

Chairman Burke presented a crystal award and resolution to Hearing Board Chairman Edward Camarena in recognition and commendation of his 50 years of dedicated service to the District; including 33 years as a District employee and 17 years serving on the Hearing Board.

(Councilman Cacciotti and Supervisor Nelson arrived at 9:20 a.m.)

CONSENT CALENDAR

1. Approve Minutes of April 1, 2011 Board Meeting
2. Set Public Hearings to Consider Amendments and/or Adoption to AQMD Rules and Regulations as follows:
 - (A). Set Public Hearing June 3, 2011 to Amend Rule 2005 – New Source Review for RECLAIM
 - (B). Set Public Hearing June 3, 2011 to Adopt Proposed Rule 310.1 – Amnesty for Unpermitted Equipment and Small Business Discount for Control Equipment
 - (C). Set Public Hearing July 8, 2011 to Amend Rule 1147 – NOx Reductions from Miscellaneous Sources

Budget/Fiscal Impact

3. Execute and Amend Contracts for Implementation of U.S. EPA's Targeted Air Shed Grant Program
4. Amend Contract to Provide Technical Support for AQMD Coachella Valley Meteorological Network
5. Issue Purchase Order for Calibration Gas Dilution Systems and Primary Ozone Standard
6. Execute Contract to Electrify Ship to Receive Shore Power with U.S. EPA Grant Funds
7. Execute Contracts to Demonstrate NOx and PM Emission Controls on Construction Equipment in Showcase Program
8. Issue RFP for Deployment of Five Megawatts or More of In-Basin Renewable Distributed Electricity Generation and Storage to Support Electric Transportation Technologies
9. Execute Contract Under Carl Moyer Program and Issue Program Announcement for SOON Provision
10. Issue Purchase Order for CNG Passenger Vehicles for AQMD Fleet
11. Execute Contract for Worker's Compensation Claims Third-Party Administration
12. Amend Policy Pertaining to Board Assistants/Consultants Vehicle Mileage Traveled and Other Travel Expenses
13. Approve Contract Awards and Issue RFP for Programmatic Outreach Services under FY 2010-11 AB 2766 Discretionary Fund Work Program

Items 14 through 21 – Information Only/Receive and File

14. Legislative & Public Affairs Report
15. Report to Legislature and CARB on AQMD's Regulatory Activities for Calendar Year 2010
16. Hearing Board Report

17. Civil Filings and Civil Penalties Report
18. Lead Agency Projects and Environmental Documents Received by AQMD
19. Rule and Control Measure Forecast
20. Report of RFPs and RFQs Scheduled for Release in May
21. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2010-11

Supervisor Nelson announced his abstention on Item No. 13 due to campaign contributions from UPS.

Chairman Burke announced his abstention from Item 2(C) due to a financial interest in ExxonMobil. Ms. Carney announced her abstention from Item 2(C) because Brithinee Electric, Loma Linda University Medical Center, Maruhachi Ceramics of America, Precision Stampings, U.S. Battery, and Modular Metal Fabricators are sources of income to her.

Agenda Item Nos. 2(C), 3 and 8 were withheld for comment and discussion.

MOVED BY CACCIOTTI, SECONDED BY BENOIT, THE BOARD APPROVED AGENDA ITEMS 1, 2(A), 2(B), 4 THROUGH 7, AND 9 THROUGH 21, AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke (*on Item #13 only*), Carney, Cacciotti, Gonzales, Lyou, Nelson (*except Item #13*), and Yates.

NOES: None.

ABSTAIN: Burke (*on all items except #13*) and Nelson (*Item #13 only*).

ABSENT: Antonovich, Loveridge, Mitchell, Perry and Pulido.

22. Items Deferred from Consent Calendar –

2(C). Set Public Hearing July 8, 2011 to Amend Rule 1147- NOx Reductions from Miscellaneous Sources

Bill LaMarr, California Small Business Alliance, addressed the Board and expressed concern for the financial impact that the rule amendment will have on small businesses.

Agenda Item 2(C) was withheld to address the item once a quorum of Board Members were present to take action on the item.

3. Execute and Amend Contracts for Implementation of U.S. EPA's Targeted Air Shed Grant Program

Ms. Carney asked about the use of limited funds in areas greatly affected by toxic air contaminants where it appears this will provide only a small benefit.

Dr. Wallerstein responded that the items currently before the Board are part of a larger program; and these items will be augmented with additional items which will focus on industrial as well as mobile source applications.

MOVED BY CARNEY, SECONDED BY CACCIOTTI, AGENDA ITEM 3 APPROVED AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Cacciotti, Carney, Gonzales, Lyou, Nelson and Yates.

NOES: None.

ABSENT: Antonovich, Loveridge, Mitchell, Perry and Pulido.

8. Issue RFP for Deployment of Five Megawatts or More of In-Basin Renewable Distributed Electricity Generation and Storage to Support Electric Transportation Technologies

In response to Ms. Carney's inquiry regarding the anticipated response to the RFP and the types of projects that may be included, Dr. Matt Miyasato, Assistant DEO of Science and Technology Advancement, explained that the intent is to establish and demonstrate the feasibility of in-basin renewable generation that could be used for the transportation sector. Staff anticipates broad mix of technologies, for example photovoltaics on warehouses and small scale wind turbines with battery storage, as well as fuel cells powered by biogas.

Mayor Pulido announced his abstention on Item No. 8 due to a financial interest in i Cel Systems.

MOVED BY CARNEY, SECONDED BY CACCIOTTI, THE BOARD APPROVED AGENDA ITEM 8 AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Cacciotti, Carney, Gonzales, Lyou, Nelson and Yates.

NOES: None.

ABSTAIN: Pulido.

ABSENT: Antonovich, Loveridge, Mitchell and Perry.

BOARD CALENDAR

23. Administrative Committee
24. Legislative Committee
25. Mobile Source Committee
26. Stationary Source Committee

- 27. Technology Committee
- 28. Mobile Source Air Pollution Reduction Review Committee

MOVED BY CACCIOTTI, SECONDED BY LYOU, THE BOARD APPROVED AGENDA ITEMS 23 THROUGH 28, AS RECOMMENDED, RECEIVING AND FILING THE BOARD COMMITTEES' AND MSRC REPORTS AND ADOPTING THE POSITIONS ON LEGISLATION AS SET FORTH BELOW, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Cacciotti, Carney, Gonzales, Lyou, Nelson, Pulido and Yates.

NOES: None.

ABSENT: Antonovich, Loveridge, Mitchell and Perry.

Bill/Title	Recommended Position
H.R. 402 (DeLauro) National Infrastructure Development Bank Act of 2011	Support
H.R. 1122 (Richardson) The Freight FOCUS Act of 2011	Support in Concept
H.R. 1123 (Richardson) TIFIA Expansion Act of 2011	Support
SB 585 (Kehoe) Energy: solar energy systems: funding	Watch
SB 771 (Kehoe) Renewable energy resources	Support if amended

- 29. California Air Resources Board Monthly Report

MOVED BY YATES, SECONDED BY CACCIOTTI, THE BOARD APPROVED AGENDA ITEM 29 AS RECOMMENDED, RECEIVING AND FILING THE CARB REPORT, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Cacciotti, Carney, Gonzales, Lyou, Nelson, Pulido and Yates.

NOES: None.

ABSENT: Antonovich, Loveridge, Mitchell and Perry.

Staff Presentation/Board Discussion

30. Update on Communications Technology and Discussion on Request by Other Agencies to Use AQMD Apps

Oscar Abarca, DEO of Public Affairs, introduced a video that illustrated the updates to current applications and upcoming technological projects that are part of the District's public outreach program. The expanded offerings include providing application features in multiple languages, the ability to quickly locate alternative fuel stations, obtain live air quality index information, and the development of these same applications for the Android and Blackberry formats.

Denny Shaw, Supervising Radio/Telephone Operator, explained that as a result of staff's participation in outreach efforts, the District has received requests from other governmental agencies, including the Nebraska Department of Environmental Quality and CARB, to provide technical assistance in the development of similar applications; and requested guidance from the Board regarding the sharing of the source codes with outside organizations, such as private companies or governmental agencies.

Dr. Burke expressed optimism for the additional applications and noted the importance of increasing the efficiency of the District's email program.

Supervisor Nelson remarked that if there is no disadvantage to sharing the source code, it would be prudent to ask for a reciprocal agreement; in that, if the District provides source codes without cost to an agency, they agree to share information that they may develop if the District could benefit from similar programs.

Dr. Lyou suggested the addition of a ridesharing application along with information about public transit options and other such links. He also

inquired whether the District would have to comply with a Public Records Act request for the source codes.

General Counsel Kurt Wiese replied that, as a general rule, under the Public Records Act all information is available; therefore, counsel would have to further research the applicability of this situation.

MOVED BY YATES, SECONDED BY CACCIOTTI, THE BOARD APPROVED AGENDA ITEM 30 AS RECOMMENDED BY STAFF, WITH THE CAVEAT THAT THE DISTRICT ASK FOR A RECIPROCAL AGREEMENT WHEN PROVIDING SOURCE CODES WITHOUT COST TO AN AGENCY, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Cacciotti, Carney, Gonzales, Lyou, Nelson, Pulido and Yates.

NOES: None.

ABSENT: Antonovich, Loveridge, Mitchell and Perry.

31. Approve Ships-At-Berth Projects Under Proposition 1B-Goods Movement Program and Amend Contracts to Secure Technical Assistance

Dr. Lyou left the room after announcing his abstention on Item No. 31 because the City of Los Angeles is a potential source of income to him.

Fred Minassian, Technology Implementation Manager of Science and Technology Advancement, gave the staff presentation detailing the ships-at-berth projects at the Ports of Los Angeles, Long Beach and Hueneme that were funded through the Proposition 1B Program.

Mayor Yates asked for clarification on the purpose of the Port Hueneme projects.

Dr. Wallerstein explained that CARB and Ventura County APCD asked for the District's assistance to administer the program at Port Hueneme and directed funds for said project, along with reimbursement for administrative costs, to the District. He added that Port Hueneme is a large agricultural hub which requires refrigeration infrastructure.

(Supervisor Antonovich arrived at 9:55 a.m.)

Supervisor Benoit asked why the cost was so much less for the Port Hueneme projects than the others and inquired as to the percentage of the berths that would be electrified.

Mr. Minassian explained that the size of the project does make a difference with the cost and that the projects were selected based on their cost effectiveness. The contracts will require usage based on a schedule, as follows: starting in 2014, 60 percent of the visits to each berth must use electric power, after 2017, it will be 80 percent and after 2020, it will be 90 percent. The ten year contract provides that the District will recover the funds if these amounts are not reached.

MOVED BY YATES, SECONDED BY CACCIOTTI,
THE BOARD APPROVED AGENDA ITEM 31 AS
RECOMMENDED BY STAFF, BY THE FOLLOWING
VOTE:

AYES: Antonovich, Benoit, Burke, Carney,
Cacciotti, Gonzales, Nelson, Pulido and
Yates.

NOES: None.

ABSTAIN: Lyou.

ABSENT: Loveridge, Mitchell and Perry.

PUBLIC HEARINGS

32. Adopt Executive Officer's FY 2011-12 AQMD Budget and Work Program and CPI Fee Adjustment

Mike O'Kelly, Chief Financial Officer, gave the staff presentation.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 32.

BILL LAMARR, California Small Business Alliance

Expressed appreciation that the agency is trying to operate in manner that reflects the current economic climate; and is encouraged by

the proposal of the amnesty program and the discount for small businesses.

CURTIS COLEMAN, Southern California Air Quality Alliance

Complimented staff on building a sound budget and working cooperatively with the Budget Advisory Committee.

BILL QUINN, California Council for Environmental and Economic Balance (CCEEB)

Illustrated the impact that the District fees and budget have on the various industries that CCEEB is comprised of; noted that CCEEB has worked to preserve the subvention funding and is ready to step in and work with District staff to make sure those funds are preserved; and expressed support for the budget proposal.

There being no further public testimony on this item, the public hearing was closed.

MOVED BY GONZALES, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 32 APPROVED AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Antonovich, Benoit, Burke, Carney, Cacciotti, Gonzales, Lyou, Nelson, Pulido and Yates.

NOES: None.

ABSENT: Loveridge, Mitchell and Perry.

33. Adopt Proposed Rule 1325 – Federal PM2.5 New Source Review Program

MOVED BY LYOU, SECONDED BY CACCIOTTI, AND UNANIMOUSLY CARRIED (Absent: Loveridge, Mitchell and Perry) THE PUBLIC HEARING ON PROPOSED RULE 1325 WAS CONTINUED TO THE JUNE 3, 2011 BOARD MEETING, AS RECOMMENDED BY STAFF.

34. Annual Report for 2010 on AB 2588 Air Toxics Hot Spots Program

Naveen Berry, Planning and Rules Manager, gave the staff presentation. An errata sheet containing the addition of the following language to the Background Section, as requested by Dr. Lyou, was distributed to Board members and copies made available to the public:

“Under AB2588, AQMD is required to use OEHHA’s procedures to assess risks. These standardized procedures provide a valuable tool for statewide consistency in evaluating risks, communicating those risks to the public, and designing risk reduction programs.

“However, it is also recognized that the estimates of health risks are based on the state of current knowledge, and the process has undergone extensive scientific and public review. However, there is uncertainty associated with the processes of risk assessment. This uncertainty stems from the lack of data in many areas necessitating the use of assumptions. The assumptions are consistent with current scientific knowledge, but are often designed to be conservative and on the side of health protection in order to avoid underestimation of public health risks.

“As noted in the OEHHA risk assessment guidelines, sources of uncertainty, which may either overestimate or underestimate risk, include: (1) extrapolation of toxicity data in animals to humans, (2) uncertainty in the estimation of emissions, (3) uncertainty in the air dispersion models, and (4) uncertainty in the exposure estimates. Uncertainty may be defined as what is not known and may be reduced with further scientific studies. In addition to uncertainty, there is a natural range or variability in the human population in such properties as height, weight, and susceptibility to chemical toxicants.

“Thus, the risk estimates should not be interpreted as actual rates of disease in the exposed population, but rather as estimates of potential risk, based on current knowledge and a number of assumptions. However, a consistent approach to risk assessment is useful to compare different sources and different substances to prioritize public health concerns.”

Supervisor Benoit suggested a review to determine the necessity of an annual report, noting that reducing the reporting to once every other year or every three years would alleviate staff time spent preparing the reports and cut down on associated costs.

Dr. Lyou noted his disappointment that the Air Toxics report does not address cumulative impacts and indirect sources.

The public hearing was opened, and there being no requests to speak, the public hearing was closed.

RECEIVED AND FILED; NO ACTION NECESSARY.

CONSENT CALENDAR (continued)

22. Item Deferred from Consent Calendar –

2(C). Set Public Hearing July 8, 2011 to Amend Rule 1147- NOx Reductions from Miscellaneous Sources

There being a quorum of Board Members now present to take action on Item 2(C),

MOVED BY BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 2(C) APPROVED, AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Antonovich, Benoit, Cacciotti, Gonzales, Lyou, Nelson, Pulido, and Yates.

NOES: None.

ABSTAIN: Burke and Carney.

ABSENT: Loveridge, Mitchell and Perry.

(Councilwoman Perry arrived at 10:30 a.m.)

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

There were no comments from the public on non-agenda items.

CLOSED SESSION

The Board recessed to closed session at 10:30 a.m., pursuant to:

(1) Government Code section 45956.9(c), to consider initiation of litigation (one case).

(2) Government Code section 54957.6, to confer regarding upcoming labor negotiations with:

- designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: William Johnson; Represented Employees: Teamsters Local 911 & SCAQMD Professional Employees Association]

and to confer with:

- labor negotiators regarding unrepresented employees [Agency Designated Representative: William Johnson; Unrepresented Employees: Designated Deputies and Management and Confidential employees].

Following closed session, General Counsel Kurt Wiese announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board and made available upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned by General Counsel Kurt Wiese at 11:10 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on May 6, 2011.

Respectfully Submitted,

ALTHERESA ROTHSCHILD
Deputy Clerk Transcriber

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

APCD =Air Pollution Control District
CARB =California Air Resources Board
CEQA =California Environmental Quality Act
CNG =Compressed Natural Gas
FEA = Final Environmental Assessment
FY =Fiscal Year
LNG = Liquefied Natural Gas
NO_x = Oxides of Nitrogen
PAR = Proposed Amended Rule
PM =Particulate Matter
RFP = Request for Proposals
RFQ =Request for Quotations
SOON =Surplus Off-Road Opt-In for NO_x
U.S. EPA =United States Environmental Protection Agency