

BOARD MEETING DATE: March 4, 2011

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the February 4, 2011 meeting.

RECOMMENDED ACTION:

Approve Minutes of the February 4, 2011 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

FRIDAY, FEBRUARY 4, 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
County of Los Angeles

Supervisor John J. Benoit
County of Riverside

Councilmember Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Ms. Jane W. Carney
Senate Rules Committee Appointee

Mayor Ronald O. Loveridge (left at 10:15 a.m.)
Cities of Riverside County

Dr. Joseph K. Lyou
Governor's Appointee

Councilmember Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson
County of Orange

Mayor Miguel A. Pulido
Cities of Orange County

Members Absent:

Supervisor Josie Gonzales
County of San Bernardino

Councilmember Jan Perry
City of Los Angeles

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

- Pledge of Allegiance: Led by Mayor Yates.
- Swearing In of Reappointed Board Member Ronald O. Loveridge and Newly Appointed Board Member Shawn Nelson

Chairman Burke administered the oath of office to Mayor Loveridge, who was reappointed to the Board by the Cities of Riverside County, for a term ending January 15, 2015; and to Supervisor Shawn Nelson, who was appointed by the Orange County Board of Supervisors to serve as the County's representative on the Board, for a term ending January 15, 2014.

- Opening Comments

Dr. Lyou. Asked what the appropriate venue would be for staff to explain to the Board the implications of a recent 9th Circuit Court decision in the case of Association of Irrigated Residents vs. U.S. EPA.

Dr. Wallerstein responded that counsel will be preparing a memo regarding the implications which will be provided to the Board within the next week.

Mayor Pulido. Announced that he attended the winter meeting of the U.S. Council of Mayors in Washington D.C., which included a session with the Energy Committee, which he Chairs, that included participation from mayors across the country, as well as the Secretary of Energy and Congressman Chaka Fattah. He reported that many cities have taken Recovery Act funds and implemented projects that are not only cleaning the air, but are creating wealth for the country; and encouraged his colleagues in their various representative capacities to continue to seek out funds for projects that create jobs and clean the environment in an effort to make Southern California more energy independent.

- Update on Distribution of 'State of the Air' Video to Local Cable and Public Access TV Stations in South Coast Air Basin

Sam Atwood, Media Manager, reported that the video had been aired by 45 local cable television stations and it is scheduled to air on an additional 7 stations in the coming weeks. In addition, copies were distributed to more than 120 public library branches in all four counties; various health, environmental and faith-based organizations; 146 high schools that participated in the "A World We Can Change" conference; and sent to all 8,400 Clean Air Connections members.

He added that distribution to City Councils, County Board of Supervisors, Councils of Government and Transportation Agencies will be completed shortly.

CONSENT CALENDAR

1. Approve Minutes of January 7, 2011 Board Meeting

2. Set Public Hearing March 4, 2011 to Consider Amendments and/or Adoption to AQMD Rules and Regulations:

Amend Regulation IX - Standards of Performance for New Stationary Sources

Budget/Fiscal Impact

3. Amend Contract for Policy Consultation Regarding Local, State and Federal Transportation Issues

4. Execute Sole Source Contracts, Amend Contract, and Recognize Revenues for CNG Vehicles and Education and Training in Support of U.S. DOE Clean Cities Programs

5. Execute Contract to Develop and Demonstrate Hydraulic Hybrid Heavy-Duty Vehicles

6. Execute Contract to Develop and Demonstrate Plug-In Hybrid Electric Drive System for Medium- and Heavy-Duty Vehicles

7. Transfer Funds from Clean Fuels Fund to DOE Plug-in Hybrid Electric Vehicle Fund

8. Execute Contract for Janitorial Services at Diamond Bar Headquarters

9. Amend Contract to Provide Technical Support for AQMD PAMS Upper Air Meteorological Monitoring Network

10. Issue Solicitations for Off-Road Diesel Exhaust After-treatment Demonstration and Major Event Center Transportation Programs under MSRC's FY 2010-11 AB 2766 Discretionary Fund Work Program

Items 11 through 18 -- Information Only/Receive and File

11. Legislative & Public Affairs Report
12. Hearing Board Report
13. Civil Filings and Civil Penalties Report
14. Lead Agency Projects and Environmental Documents Received by AQMD
15. Rule and Control Measure Forecast
16. Report of RFPs and RFQs Scheduled for Release in February
17. Summary of Changes to FY 2010-11 Approved Budget
18. Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2010-11

Dr. Lyou announced his abstention on Item No. 4 due to Sempra Energy being a source of income to him, and Item No. 5 due to Daimler Trucks North America Incorporated, Los Angeles Freightliner and Westport Innovations being a source of income to him.

MOVED BY LOVERIDGE, SECONDED BY YATES,
AGENDA ITEMS 1 THROUGH 18 APPROVED AS
RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Antonovich, Benoit, Burke, Cacciotti,
Carney, Lyou (*except Items #4 and #5*),
Loveridge, Mitchell, Nelson, Pulido and
Yates.

NOES: None.

ABSTAIN: Lyou (*Items #4 and #5 only*).

ABSENT: Gonzales and Perry.

19. Items Deferred from Consent Calendar – none.

BOARD CALENDAR

20. Administrative Committee
21. Legislative Committee
22. Mobile Source Committee
23. Stationary Source Committee
24. Technology Committee
25. Mobile Source Air Pollution Reduction Review Committee

MOVED BY YATES, SECONDED BY CACCIOTTI,
THE BOARD APPROVED AGENDA ITEMS 20
THROUGH 25 AS RECOMMENDED, RECEIVING
AND FILING THE BOARD COMMITTEE AND MSRC
REPORTS, AND APPROVING THE PENSION
REFORM PRINCIPLES WITH AMENDMENTS, BY
THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: Gonzales and Perry.

PUBLIC HEARINGS

26. Adopt Proposed Rule 1315 – Federal New Source Review Tracking System
(Continued from January 7, 2011 Board Meeting for Board Deliberation Only)

At Chairman Burke's request, Mohsen Nazemi, DEO/Engineering and Compliance, gave the presentation summarizing the highlights of public comments received prior to and during the January 4, 2011 Board meeting and District staff's responses to those comments, in particular related to Alternative D. An errata sheet containing modifications to pages 17 and 18 of the Statement of Findings was distributed to Board members and copies made available to the public.

Dr. Lyou noted his concern with the assumption that growth and emission reductions cannot occur concurrently, because that has been achieved by the District in the past.

Dr. Wallerstein explained that as reflected in the AQMP, the region's air quality will continue to improve over time, while accommodating an appropriate amount of growth. Staff proposed to continue with source specific regulation which will, with the help of BACT, continue to improve air quality in the coming years.

Dr. Lyou questioned the staff's statement that under Alternative D there will not be adequate offsets to allow for AQMP's projected growth and there will be a net deficit in both major and minor sources NSR Tracking.

Mr. Nazemi pointed to both the federal equivalency tables in the previous Annual NSR Equivalency Reports, which show that there are years and pollutants for which, in that time period, the amount of credits generated were fewer than the amount of offsets used during those years. For the state equivalency that includes minor sources there would be multiple years, for multiple pollutants, that in that year fewer credits would be generated than the amount of offsets needed to permit the projects. These Annual NSR Equivalency Reports have been presented to the Governing Board and available to the public at previous years' Governing Board meetings. This information shows that Alternative D would not provide enough credits in a given time period to cover the emissions increases from sources permitted under Rules 1304 and 1309.1.

Dr. Lyou questioned the overall value of all of the available credits on the open market.

Mr. Nazemi responded that he is not able to predict that, however, for example, particulate matter or PM₁₀ emission reduction credits or ERCs have been sold in the open market for as much as \$300,000 per pound per day. He then noted that while many organizations are not making the ERCs they possess available for sale, there are currently about 800 pounds per day of PM₁₀ credits on the market which, at an average of \$200,000 per pound, which would equate to 160 million dollars in potential value.

Dr. Wallerstein again noted the concern that the short supply of credits prevents certain types of projects from procuring the necessary particulate credits in the open market; and cautioned that a limited supply, which would be the result of Alternative D, would further disrupt the market by narrowing the pool and causing an increase in price.

Kurt Wiese, General Counsel, noted that the concerns associated with Alternative D include the uncertainty that would result in the market, which would also hamper the ability for businesses to plan for growth; and noted that the tracking elements in the staff proposed Rule 1315 are necessary.

Dr. Lyou asked about the health impacts and projected deaths associated with both the staff proposal and Alternative D; and he suggested that future EIRs contain a section that is dedicated to assessing the environmental justice impacts of the proposed rule.

Mr. Nazemi referred to page 6-101 of the PEA, which contains Tables 6-88 and 6-89 that compare the health impacts from ozone and from particulate matter, and indicated that the estimated mortality rate associated with the staff proposal, by year 2030, is 125 persons; compared to 17 persons under Alternative D, since Alternative D prevents the AQMP's projected growth. Mr. Nazemi clarified that the estimated cumulative health impacts in Table 6-91 are excess premature deaths per year compared to the no-project alternative based on the assumptions of projected growth as laid out in the AQMP, and it assumes that all offsets for each year's total cap, as shown under proposed Rule 1315, will be used.

Dr. Wallerstein noted that the analysis of potential mortality rates in these documents is the worst-case scenario and that the continued implementation of the AQMP reduces health impacts each year; and he highlighted the Board's policy since the inception of the District, to have allowances for adequate growth in order to have a strong economy to help fund the air pollution control program.

Dr. Wallerstein also noted that the potential environmental justice impacts are addressed in the staff report when comments are received or issues are raised relative to environmental justice impacts.

In response to Councilman Cacciotti's inquiry into how essential public services would be impacted, Mr. Nazemi explained that under Alternative D the industries subject to Rule 1309.1, mainly essential public services, as well as the exempt sources subject to Rule 1304, would not be able to expand their facilities or build new facilities such as landfills, sewage treatment plants, and additional police and fire stations as the population grows because the District's bank could not provide the necessary offsets and it is not financially feasible for many agencies to purchase those offsets on the open market. Mr. Nazemi added that these expanded and new projects could not be accommodated through Alternative D because there will not be enough operations shutting down to free up necessary credits for such growth.

Dr. Elaine Chang, DEO/Planning, Rule Development and Area Sources, responded to Councilman Cacciotti's question regarding job loss by indicating that over 400,000 jobs will be foregone by 2014 if Rule 1315 is not implemented allowing for growth in various industries including public safety, hospitals, gas stations, dry cleaners and construction.

Board Members Carney, Pulido, Mitchell and Benoit expressed support for the staff proposal, highlighting the benefits that will result from the use of offset credits to manage the projected growth of the region, including the ability to put essential infrastructure in place and provide increased employment opportunities, without sacrificing the District's continued efforts towards reaching its clean air quality goals.

Dr. Lyou referred to a graph included in the District's budget report that shows the relationship between the District's achievements in reducing ozone levels and population growth. The graph indicates that, over the last 60 years, the Basin has had significant population growth along with significant gains in air quality; and he expressed concern with that ideal being abandoned.

Dr. Wallerstein explained that the proposal continues what has been the District's policy for the past 20 years and further provides for an improved tracking system and enhanced backstop features.

MOVED BY CARNEY, SECONDED BY PULIDO,
THE BOARD APPROVED AGENDA ITEM 26,
ADOPTING RESOLUTION NO. 11-3,
CERTIFYING THE ENVIRONMENTAL
ASSESSMENT AND ADOPTING RULE 1315, AS
RECOMMENDED BY STAFF, WITH THE
MODIFICATIONS TO THE STATEMENT OF
FINDINGS AND MITIGATION MONITORING
PROGRAM AS STATED IN THE ERRATA SHEET
AND NOTED BELOW, BY THE FOLLOWING
VOTE:

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

NOES: Lyou.

ABSENT: Gonzales and Perry.

Modify language on pages 17 and 18 of the Statement of Findings:

Alternative D -- Use of Credits Generated in 2009 and Beyond Only. This alternative would allow only the use of credits generated in 2009 and beyond to be used to offset emissions from facilities that qualify for permits under Rules 1304 and 1309.1 ~~and in order~~ to demonstrate equivalency with federal offset requirements. Any unused credits in a given year would roll over to the next year.

Under this Alternative, much of the growth in emissions forecasted in the 2007 AQMP for the industries potentially eligible to receive permits under Rules 1304 and 1309.1 would not occur. The PEA forecasts emissions resulting from Rule 1315 based on the 2007 AQMP's forecasted growth in emissions for industries eligible to receive permits under Rules 1304 and 1309.1, whether the permitted sources are major or minor sources. The 2007 AQMP predicts that, over the 2007 AQMP planning horizon, emissions from the relevant industry categories will grow. In other words, replacement of such emissions as facilities shut down would not be sufficient to accommodate the 2007 AQMP's growth projections. Under Alternative D, However, emissions from sources that shut down or reductions at facilities that previously received permits under Rules 1304 and 1309.1 could be replaced with emissions from new or modified sources receiving new permits under Rules 1304 and 1309.1, but growth beyond such replacement would be limited to less than the amount anticipated in the 2007 AQMP.

Under Alternative D, sufficient offsets from the SCAQMD internal accounts would not be available ~~beyond May 1, 2012~~ for the 2007 AQMP's projected growth of facilities that rely on permits issued under Rules 1304 and 1309.1, including facilities providing essential public services. It is expected that few, if any, such facilities would be able to purchase credits on the open market. As a result, development of new or expanded facilities needed to improve essential public services and to serve population growth would be hampered.

In addition, growth in commercial and industrial manufacturing capacity in the district would be limited because the types of facilities that could obtain offsets pursuant to Rules 1304 or 1309.1 under the Project would have limited access to these sources of offsets under Alternative D. Because credits available on the open market may be too expensive to afford, many future affected facilities would likely not be built or could not be modified. This would limit the number of future new jobs

because fewer new or modified facilities could be built compared to a scenario where sufficient offsets from the SCAQMD's internal offset accounts are available to accommodate growth.

This alternative would not fully accomplish the project objectives, which include accommodating population growth through implementation of Rules 1304 and 1309.1. On balance, the environmental benefits of the Alternative do not outweigh its policy disadvantages when compared to the Project.

27. Receive Public Input on Executive Officer's Proposed Program Goals/Objectives for FY 2011-12

Dr. Wallerstein gave the staff presentation.

The public hearing was opened, and the following individuals addressed the Board on Agenda Item 27.

CURT COLEMAN, Southern California Air Quality Alliance

Expressed appreciation for the direction that staff has taken on recent rulemakings in order to balance public health goals and the need to have jobs available to residents and for local businesses to thrive in the Basin.

RITA LOOF, Radtech

Urged that the District provide some incentive to stationary sources that implement pollution prevention strategies; explained that her organization provides services to companies which produce emission reductions above and beyond the current requirements; and raised the concern of the difficulty in finding an appropriate test method to be able to measure the emissions of these older machines.

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

In response to Dr. Lyou's questioning regarding the ability to measure emissions on older equipment that is put into use at another facility, Dr. Wallerstein advised that staff will report on that matter at the next Stationary Source Committee meeting.

Dr. Lyou asked staff to clarify the meaning of Priority Project 3.

Dr. Wallerstein responded that the current credit shortage and the possibility of not having offsets available in the future warrant an overhaul of NSR. The priority was included in the FY 2011-12 Objectives with the intent to bring together a broad group of stakeholders, including environmental justice groups, representatives from the business community, the U.S. EPA, and CARB

to start a dialogue about completing a large overhaul to the NSR that would require changes to the CAA; with the goal to preserve the air quality gains of NSR while modifying the laws to be relevant to current times. He added that it will be essential to get some consensus among the stakeholders to ensure that the CAA and any future AQMP would be in alignment.

Dr. Lyou urged staff to further develop the workforce retention and recruitment plan in the coming year, so that the District can be better prepared for the vacancies that will result when a large number of senior staff seeks retirement in the coming years.

Mayor Loveridge and Councilman Cacciotti expressed support for the addition of items pertaining to working with SCAG and to electric vehicle proposals.

MOVED BY YATES, SECONDED BY CACCIOTTI,
AND UNANIMOUSLY CARRIED (Absent: Gonzales
and Perry), AGENDA ITEM 27 APPROVED, AS
RECOMMENDED, SETTING A PUBLIC HEARING
MAY 6, 2011 TO ADOPT THE FY 2011-12 AQMD
BUDGET.

28. Amend Rule 1150.1 - Control of Gaseous Emissions from Municipal Solid Waste Landfills

Staff recommended that the public hearing on this item be continued to the April 1, 2011 Board Meeting due to a recent court decision that affected regulations for GHGs from landfills as well as other entities, and the need to obtain further guidance from CARB.

MOVED BY LYOU, SECONDED BY CACCIOTTI,
AND UNANIMOUSLY CARRIED (Absent: Gonzales
and Perry), AGENDA ITEM 28 WAS CONTINUED TO
THE APRIL 1, 2011 BOARD MEETING.

29. Amend Rule 317 – Clean Air Act Non-Attainment Fees

Ms. Carney left the meeting after announcing her abstention on Agenda Item No. 29 because of Loma Linda University being a source of income to her.

Dr. Laki Tisopoulos, Assistant DEO/Planning, Rule Development and Area Sources, gave the staff presentation.

Dr. Wallerstein highlighted the work that has been completed on this issue over the last six months and applauded the assistance received from the offices of Senator Feinstein, Senator Boxer and Congressman Waxman.

The public hearing was opened, and the following individuals addressed the Board on Agenda Item 29.

MIKE CARROLL, Latham & Watkins

Expressed support for staff's proposal and commended staff and the Board for their continued work toward the reduction and control of emissions from stationary sources.

PATTY SENEAL, Western States Petroleum Association

Expressed support for PAR 317 and the fee-equivalency approach proposed, which would give facilities credit for fees paid pursuant to Regulation III; and asked for assurance that the various programs which staff has identified be available for fee crediting remain viable in the future, even though a potential future deficiency in the fee-equivalency account would trigger implementation of the backstop provision.

(Mayor Loveridge left the meeting at 10:15 a.m.)

ANGELA JOHNSON MESZAROS, California Communities Against Toxics
ADRIANO MARTINEZ, Natural Resources Defense Council
MAYA GOLDEN-KRASNER, Communities for a Better Environment

Noted that, as further evidenced in the recent federal court decision, the District is clearly in non-attainment with the one-hour ozone standard and PM_{2.5} standards; and, along with the Board's recent adoption of Rule 1315, the ability for the Basin to reach the goals set by the CAA have been significantly impeded. Urged the Board to adopt rules that make actual reductions to unhealthy air quality, rather than simply collecting a fee while allowing businesses to continue to pollute.

BILL QUINN, California Council for Environmental and Economic Balance
GREG ADAMS, Los Angeles County Sanitation District
BILL LA MARR, California Small Business Alliance
CURT COLEMAN, Southern California Air Quality Alliance

Urged the Board to adopt Rule 317 and thanked the Board, particularly former Board Member Bill Campbell, for solving the fundamental inequity with the Section 185 fees, which will allow many businesses to continue operations in California and retain the jobs these industries provide.

WENDY BOLLMAN, Newport Laminates

Expressed support for the compromise that has been reached; thanked Mayor Pulido for his commitment to the growth of small businesses, and the Board for their recognition of the plight of small business owners; and explained that as a result of the changes that have been made, she will be able to continue providing the services that she has been and even expand her business.

DAVID TIEU, Orange County Waste and Recycling
DANIEL MCGIVNEY, So Cal Gas Company and San Diego Gas & Electric

Noted appreciation for the work that was done to minimize the burden the Section 185 fees would have placed on the small business community in the region; suggested the Board consider the alternatives mentioned in U.S. EPA's guidance, especially multi-pollutant aggregation and a fee-equivalent alternative program pursuant to Section 172B of the Clean Air Act that would allow business with more than one facility subject to Section 185 to combine their annual emissions in determining their fees; and urged the Board to adopt Rule 317.

MIKE HOOD, Hood Manufacturing, Inc.

Expressed appreciation for the collaborative efforts utilized by the Board Members, staff and Mayor Pulido; noted that Rule 317 will help to provide opportunities for the growth of green businesses and jobs in the Basin; and urged the Board to adopt Rule 317.

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

Written Comments Submitted By:
Craig D. Peterson, Xerxes Corporation

Dr. Wallerstein commented that 2010 was the cleanest year on record relative to the one-hour ozone standard; however, the U.S. EPA's replacement of the one-hour standard with an eight-hour standard has caused CARB to withdraw its mobile source submittal. The Board, however, has fully implemented stationary source commitments relative to the one-hour standards adopted by the Clean Communities Plan to enable the District to move forward with available technologies through command-and-control regulations or through the RECLAIM program and to look at revenues that will offset the Section 185 stationary source fees, and will assist in bringing more money from the State and Federal governments to this region for the control of mobile sources.

Councilwoman Mitchell expressed support for the staff recommendation and noted the importance of coming to a reasonable resolution to the problems raised by stakeholders.

In response to Dr. Lyou's comment regarding assessing fees on mobile sources, Dr. Wallerstein explained that it is not a feasible measure for the District to implement a vehicle license fee similar to the San Joaquin Valley District because staff's attempts to obtain similar authority from the legislature were refused, and the passage of Proposition 26 has further restricted this possibility. He added that the only other remedy would be to put the proposal to a vote of the residents in the District; and, given the current climate of public opinion regarding local government spending, passage of such a fee by way of a vote is nearly impossible.

Dr. Lyou expressed concern that a formal definition of "surplus" is not in place, which may create difficulties in the future.

Dr. Wallerstein responded that attorneys for all of the regulatory agencies, as well as various congressional staff, have reviewed the District's approach and concurred that it is a surplus. He added that staff compiled a list of potential sources and carefully screened it to identify those that meet the definition of surplus; and, as the AQMP is revised in the future, the District will have plans to meet the full text of the law without having to rely on any of these sources.

Mayor Pulido recognized the collaboration between Stationary Source Committee members and stakeholders and expressed optimism for the continued development of clean technologies, sustainable jobs and the benefits that will result.

MOVED BY MITCHELL, SECONDED BY BENOIT,
AGENDA ITEM 29 APPROVED, ADOPTING
RESOLUTION NO. 11-4 CERTIFYING THE FINAL
SUBSEQUENT ENVIRONMENTAL ASSESSMENT
AND AMENDING RULE 317, AS RECOMMENDED
BY STAFF, BY THE FOLLOWING VOTE:

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

NOES: Lyou.

ABSTAIN: Carney.

ABSENT: Loveridge, Gonzales and Perry.

OTHER BUSINESS

30. Make Findings Regarding Board Member Assistant/Consultant

Dr. Wallerstein explained that Item 30, which will approve the appointment of a Board Consultant for Supervisor Nelson, was brought to the Board to expedite his ability to begin carrying out his duties.

MOVED BY YATES, SECONDED BY CACCIOTTI,
AND UNANIMOUSLY CARRIED (Absent: Gonzales,
Loveridge and Perry), AGENDA ITEM 30
APPROVED, AS RECOMMENDED, APPOINTING
DENIS R. BILODEAU AS BOARD CONSULTANT
AND INDEPENDENT CONTRACTOR FOR BOARD
MEMBER SHAWN NELSON.

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

There was no public comment on non-agenda items.

CLOSED SESSION

The Board recessed to closed session at 11:00 a.m., pursuant to Government Code section 54956.9(a) to confer with its counsel regarding pending litigation which has been initiated formally and to which the District is a party, as follows:

- NRDC, et al. v. SCAQMD, et al., U.S. District Court Case No. CV08-05403 GW (PLAx) and United States Court of Appeals, 9th Circuit, Case No. 09-57064;
- CCAT, et al. v. State of California; SCAQMD, et al., Los Angeles Superior Court Case No. BS124264 and California Court of Appeal, Second District, Case No. B226692;
- Petition Before the Administrator of the U.S. Environment Protection Agency In the Matter of Alleged Failure of California to Comply with Mandatory Procedures to Amend SIP Regarding Internal Bank Offset Credits Held by the South Coast Air Quality Management District (filed December 10, 2009); and

- Communities for a Better Environment v. South Coast Air Quality Management District, et al., Los Angeles Superior Court Case No. BS091275, and Carlos Valdez, et al. v. South Coast Air Quality Management District, et al., Los Angeles Superior Court Case No. BS091276, Court of Appeal of the State of California Case No. B193500, and Supreme Court of California Case No. S161190.

In addition, it was also necessary for the Board to recess to closed session pursuant to Government Code sections 54956.8 to confer regarding real property negotiations regarding:

Property: 21825 Copley Drive, Diamond Bar, California 91765

Agency Negotiator: Barry Wallerstein

Negotiating Party: City of Diamond Bar

Under Negotiation: Price and terms of lease.

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 11:20 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on February 4, 2011.

Respectfully Submitted,

Denise Pupo
Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan
BACT = Best Available Control Technologies
CAA = Clean Air Act
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
CNG = Compressed Natural Gas
DOE = Department of Energy
EIR = Environmental Impact Report
ERC = Emission Reduction Credit
FY = Fiscal Year
GHG = Greenhouse Gas
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
NSR = New Source Review
PAMS = Photochemical Assessment Monitoring Stations
PAR = Proposed Amended Rule
PEA = Final Program Environmental Assessment
PM₁₀ = Particulate Matter ≤ 10 microns
PM_{2.5} = Particulate Matter ≤ 2.5 microns
RECLAIM = Regional Clean Air Incentives Market
RFP = Request for Proposals
RFQ = Request for Quotations
SCAG = Southern California Association of Governments
SIP = State Implementation Plan
U.S. EPA = United States Environmental Protection Agency

ERRATA SHEET FOR AGENDA #1

Approve Minutes of February 4, 2011 Board Meeting

Board Meeting March 4, 2011

Add the following language to page 7, paragraph 5:

“Dr. Lyou noted that the California State Lands Commission includes environmental justice analyses in their environmental impact reports and committed to providing examples to Chairman Burke.”