

BOARD MEETING DATE: February 3, 2012

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the January 6, 2012 meeting.

RECOMMENDED ACTION:

Approve Minutes of the January 6, 2012 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

SM:dp

FRIDAY, JANUARY 6, 2012

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 (left at 10:30 a.m.)
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

Mayor Pro Tem Michael A. Cacciotti
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

Councilmember Judith Mitchell (arrived at 9:20 a.m.)
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson
County of Orange

Mayor Miguel A. Pulido (left at 10:15 a.m.)
Cities of Orange County

Members Absent:

Mayor Ronald O. Loveridge
Cities of Riverside County

Councilmember Jan Perry
City of Los Angeles

CALL TO ORDER: Chairman Burke called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Dr. Lyou.
- Swearing In of Chair and Vice Chair for Terms January 2012 – January 2014

Supervisor Antonovich administered the oath of office to Chairman Burke and Vice Chairman Yates, who were re-elected, for terms ending January 15, 2014.


Chairman Burke commented that he appreciates the support of his colleagues on the Board and looks forward to continuing to serve as Chairman. He added that he would like to extend a thank you to Ms. Carney, who has declined to seek reappointment to the Board, for her service towards the AQMD's mission of cleaning the air while also protecting the people who do not have adequate representation.

Dr. Barry R. Wallerstein, Executive Officer. Noted that an errata sheet containing a redistribution of funds being utilized for the various projects for Item No. 3 was distributed to Board members and copies made available to the public.


CONSENT CALENDAR


1. Approve Minutes of December 2, 2011 Board Meeting
2. Set Public Hearing February 3, 2012 to Receive Public Input on Executive Officer's Priority Goals for FY 2012-13

Budget/Fiscal Impact

3. Execute Contracts for Deployment of In-Basin Renewable Distributed Electricity Generation and Storage to Support Electric Transportation Technologies 

An errata sheet containing an amendment to the funds to be utilized was provided to the Board Members and copies made available to the public.

 These items are related to the implementation of the AQMD Air-Quality Related Energy Policy.

4. Allocate Funds and Issue Program Announcement for Replacement of CNG School Bus Tanks, and Award Funds to Replace Fuel Tanks on School Buses 
5. Approve Contract Modification under Alternative Fuel School Bus Incentives Program as Part of FY 2010-11 AB 2766 Discretionary Fund Work Program

Action Item/No Fiscal Impact

6. Adopt Resolution Amending Records Retention Schedule

Items 7 through 14 - Information Only/Receive and File

7. Legislative & Public Affairs Report
8. Hearing Board Report
9. Civil Filings and Civil Penalties Report
10. Lead Agency Projects and Environmental Documents Received by AQMD
11. Rule and Control Measure Forecast
12. Report of RFPs and RFQs Scheduled for Release in January
13. Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2011-12
14. Designation of Environmental Justice Areas for Coachella Valley Pursuant to AB 1318 (***Continued from December 2, 2011 Board Meeting***)

Staff recommended that this item be continued to the February 3, 2012 Board Meeting.

Supervisor Benoit announced his abstention on Item No. 3 because of campaign contributions from Wintec Energy Ltd. Dr. Lyou announced his abstention on Item No. 3 because Siemens Industry Incorporated and Southern California Gas Company are potential sources of income to him.

Agenda Item Nos. 2 and 3 were withheld for discussion.

MOVED BY NELSON, SECONDED BY CACCIOTTI, AGENDA ITEMS 1 AND 4 THROUGH 14, APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 12-1 AMENDING THE DISTRICT'S RECORDS RETENTION SCHEDULE, AND CONTINUING ITEM NO. 14 TO THE FEBRUARY 3, 2012 MEETING, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: Loveridge, Mitchell, Perry and Pulido.

15. Items Deferred from Consent Calendar

2. Set Public Hearing February 3, 2012 to Receive Public Input on Executive Officer's Priority Goals for FY 2012-13

Dr. Lyou asked for confirmation that the Brown Act merely requires that an item be noticed 72 hours prior to a meeting and does not require that materials associated with the item be made available in advance.

Kurt Wiese, General Counsel, confirmed Dr. Lyou's interpretation of the requirements.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM 2 APPROVED, AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: Loveridge, Mitchell, Perry and Pulido.

3. Execute Contracts for Deployment of In-Basin Renewable Distributed Electricity Generation and Storage to Support Electric Transportation Technologies 

Dr. Lyou and Supervisor Benoit left the room during the discussion and the vote on Item 3.

In response to Ms. Carney's request for a brief report, Dr. Matt Miyasato, Assistant DEO/Science and Technology Advancement, noted that 46 proposals were submitted in response to the RFP which included a wide range of technologies including renewable photovoltaics, fuel cells on digestors and other types of renewable generators such as wind turbines and flywheels. He explained that a technical review panel which consisted of District staff and representatives from CARB, the National Renewable Energy Laboratory and two expert consultants selected five projects which aligned with the goals to couple renewable distributed energy with energy storage and electric vehicle transportation.

Dr. Wallerstein added that, at the suggestion of the Technology Committee, worthy proposals that were not selected, will be presented to other agencies, including the CEC and CARB to see if they have opportunities for those projects to be funded.

Supervisor Gonzales expressed appreciation for the incentive that this funding opportunity gave to many agencies who can now continue to strive to make renewable power generation a priority. She added that she looks forward to seeing the proposed applications and projects come to fruition.

Councilman Cacciotti asked staff about the current state of battery storage.

Dr. Miyasato replied that lithium-ion batteries continue to be used in electric vehicles such as the Nissan Leaf and the Chevrolet Volt and previous concerns with the high discharge rates which could cause fires, were determined to be tied to a coolant issue, rather than a problem with the batteries themselves. He noted that other battery chemistries that could potentially offer longer ranges are being investigated by the DOE.

Chairman Burke noted that he was scheduled to meet with a company that claims to have made noteworthy advancements in its storage technology following the meeting and invited a member of the staff to join him to learn more about their progress.

(Councilwoman Mitchell arrived at 9:20 a.m.)

MOVED BY CARNEY, SECONDED BY CACCIOTTI, AGENDA ITEM 3 APPROVED AS RECOMMENDED, WITH THE MODIFICATION AS STATED IN THE ERRATA SHEET AND SET FORTH BELOW, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSTAIN: Benoit and Lyou.

ABSENT: Loveridge, Perry and Pulido.

Modification to Item #3:

SYNOPSIS

“...\$~~68~~68,360,769 from Rule 1309.1 Mitigation Fund (36) and \$~~34~~34,600,000 from the Rule 1121 Mitigation Fee Fund (27).”

RECOMMENDED ACTION

“...\$~~68~~68,360,769 from Fund (36) – Rule 1309.1 Mitigation Fees Fund and \$~~34~~34,600,000 from Fund 27 - Rule 1121 Mitigation Fees Fund.”

RECOMMENDED ACTION, item 5

“...in an amount not to exceed \$2,000,000 from the ~~Rule 1309.1 Mitigation Fund (36)~~ Rule 1121 Mitigation Fund (27).”

ATTACHMENT, Table 2, row R-5

“~~Rule 1309.1 Mitigation Fund (36)~~ Rule 1121 Mitigation Fund (27).”

BOARD CALENDAR

16. Administrative Committee
17. Investment Oversight Committee
18. Technology Committee
19. Mobile Source Air Pollution Reduction Review Committee

20. California Air Resources Board Monthly Report

MOVED BY YATES, SECONDED BY NELSON, AGENDA ITEMS 16 THROUGH 20 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE BOARD COMMITTEES, MSRC AND CARB MEETING REPORTS, BY THE FOLLOWING VOTE:

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

NOES: None.

ABSENT: Loveridge and Perry.

Staff Presentation/Board Discussion

21. Continued Discussion Regarding Role of Electric Utilities in Plug-In Electric Vehicle Readiness (*No Written Material*) 

Dr. Miyasato noted that representatives from the local utility agencies were present to further address questions raised by the Board during the discussion of plug-in electric utility readiness at the December 3, 2011 meeting.

Mike Hertel, Director of Environmental Policy for Southern California Edison, explained that as a result of the discussion at the December Board meeting, it is evident that his organization's collaboration with the Board needs improvement and proposed establishing an effort between Edison and the District which would begin with them presenting staff with a series of proposals detailing where greater collaboration could occur. He gave a brief overview of the possible topics including electric vehicles and the transportation arena; leveraging savings from energy efficiency programs; coordinating on solar power technology; reforming New Source Review to address the offset shortage problem; and any additional items proposed by District staff. He asked the Board to allow 60 days for the parties to develop the specifics before presenting it to the Board.

Dr. Lyou expressed support for the proposed collaboration effort and asked Mr. Hertel to clarify how the utilities earn profit and whether or not there is a conflict with them selling electricity and urging people to conserve it at the same time.

Mr. Hertel replied that the providers earn profits only from invested capital in hard equipment such as wires, substations and some power generation once the rate of return is authorized by the PUC. He explained that the PUC's

decoupling of the payment of rates for every kWh of electricity consumed was meant to incentivize the providers to focus on energy efficiency programs.

Mayor Yates expressed disappointment with the level of current efforts by the utilities to promote the use of alternatively fueled vehicles. He urged that, along with investing in necessary infrastructure, the providers should provide rebates or assistance to make electric vehicles affordable, convenient and a worthwhile choice for consumers. He added that it is essential that a partnership be formed between the utility companies and the air quality districts throughout California to ensure that the goals of cleaning the air while advancing alternative fuel and energy sources are being met.

Supervisor Benoit expressed appreciation for the valuable discussions that are taking place and the advancements that have been made in the last 15 months to eliminate some of the confusion associated with purchasing and utilizing electric vehicles. He looks forward to future efforts and suggested that Edison participate in an informational meeting in the Coachella Valley where local organizations and members of the public could come together to learn more about alternatively-fueled vehicles.

Mayor Pulido agreed that although there is still a lot of work to be done in many areas, he is encouraged by the advancements that other entities have made such as a municipally-owned utility that has installed multiple charging stations in one local city. He suggested looking towards the success that other entities have achieved in order to coordinate future development plans.

Councilwoman Mitchell noted that AQMD, SCAG and Edison need to work together to implement zero-emissions goods movement in the ports in order to ensure that the roadside power or overhead catenary systems can perform as needed.

Councilman Cacciotti explained his experience with the recent purchase of a Nissan Leaf where he dealt with some obstacles that consumers face including being denied a rebate because of his city of residence and learning about the true financial output required to equip his home with the necessary charging technology. He expressed concern for the lack of adequate charging infrastructure to support the relatively short range of the vehicles and emphasized the importance of the widespread availability of superchargers so that driving electric vehicles will not be seen as an inconvenience.

Mr. Hertel acknowledged that range anxiety is an aggravating factor for consumers.

Supervisor Gonzales restated previous concerns including the importance of working together to move forward with the implementation of this developing technology. She questioned the utilities' involvement with the California League of Cities, California Association of Counties and Building Industry Association to

ensure that they are keeping alternatively-fueled vehicle infrastructure in mind with their redevelopment and planning projects.

Chairman Burke expressed a concern that the representatives will have the necessary authority to make the collaboration efforts effective because of a lack of full support from their agency.

Ed Kjaer, Director of Plug-in Vehicle Readiness, Southern California Edison, commented that large amounts of work have been performed to further plug-in vehicle readiness and acknowledged that clear communication and coordination with the AQMD will be key moving forward. He added that all of the utilities have shared their experiences to better coordinate efforts to ensure the infrastructure exists to support current electric vehicle consumers since those customers will be essential to the spread of alternatively-fueled vehicles to a larger market.

Supervisor Gonzales confirmed that the partnering and sharing of information is critical to increase consumer confidence and government funding opportunities for commercial, residential and industrial projects.

Marvin Moon, LADWP explained that in order to facilitate a positive customer experience his organization has performed expedited permitting, offers charger rebates, and provides continued customer education. He added that in regards to infrastructure, they are currently retrofitting 117 legacy chargers and plan to focus on workplace charging in the future.

Joel Pointon, Manager of Electric Transportation, San Diego Gas & Electric, noted their participation in the California Electric Transportation Coalition, the Plug-In Electric Vehicle Collaborative and the local regional planning agency, SANDAG. He highlighted their outreach efforts which include workshops for the community on topics such as residential and workplace charging and visits to automobile dealers to ensure that they have information about electric vehicle TOU rates to distribute to their customers. He added that they look forward to working more closely with the Board on further implementation efforts.

22. Outreach Program for the 2012 Air Quality Management Plan

Dr. Elaine Chang, DEO/Planning, Rule Development and Area Sources, gave the staff presentation.

Dr. Lyou noted that the challenges in the AQMP development process include 1) receiving constructive feedback and input from a large and diverse group of stakeholders and 2) the ability to educate and involve people who would otherwise not participate in the process. He suggested that the dates of the

stakeholder group meetings and the topical workshops be staggered so that the public could learn about the entire process through the various offerings.

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

In response to Supervisor Benoit's question about the current status of attainment in the Coachella Valley, Dr. Chang clarified that the area is in attainment for PM_{2.5} but not in attainment for PM₁₀ and ozone standards.

Dr. Wallerstein noted that there is some discrepancy between U.S. EPA's monitoring and the District's two monitoring stations in the area regarding PM₁₀ levels, so further data analysis is being performed.

Councilwoman Mitchell suggested that more effort be focused on reaching underserved or under-informed populations.

Chairman Burke commented that outreach is a very integral part of the AQMD's responsibility and he sees education and outreach as a key element to the District's mission in 2012.

Lee Wallace, Southern California Gas Company, urged the Board to focus the 2012 AQMP only on PM_{2.5} requirements and leave the current and future ozone standards to 2013 and later, and suggested amending the outreach plan to extend beyond 2012 to allow the discussion to continue.

Dr. Wallerstein commented that the AQMP has always been an integrated planning document to address both PM_{2.5} and ozone, in order to prepare for what must be done over the next 10 to 30 years. He added that staff will join with CARB and the San Joaquin Valley District to prepare a comprehensive planning document that may address the commentor's concern. Staff will brief the AQMP Advisory Group and the Mobile Source Committee on this joint report later in the month.

23. Update on Air Quality-Related Health Studies Released During Year 2011

Dr. Jean Ospital, Health Effects Officer, gave a presentation detailing recent health-related air pollution studies including two studies performed in California relative to PM_{2.5} exposure; one of which tracked teachers and another which looked at mortality rates across the various regions of California. He noted another study performed in California found an increase in preterm births relative to air pollutants. He detailed two additional studies that were performed in Denmark that looked at traffic pollutants and cancer risk.

(Chairman Burke left the meeting at 10:30 a.m. and Vice Chair Yates presided over the remainder of the meeting)

Dr. Lyou commented that with evidence showing that NO_x exposure is related to lung, brain and cervical cancer perhaps the District should start to look more closely at the potential localized impacts and environmental justice problems associated with the RECLAIM program which trades NO_x emissions.

Dr. Ospital responded that NO_x is not likely the contributing factor, but rather was used by the researchers as a marker for traffic emissions. Other toxics from traffic emissions such as diesel particulates and PM_{2.5} are hypothesized to be related to such health effects.

In response to Ms. Carney's inquiry regarding where ammonium nitrate pollution would be addressed, Dr. Wallerstein explained that would be addressed in the 2012 AQMP under the particulate plan.

OTHER BUSINESS

24. Amend Salary Resolution and District Contracts to Incorporate Changes Required by AB 1344

MOVED BY NELSON, SECONDED BY CARNEY, AND UNANIMOUSLY CARRIED (Absent: Burke, Loveridge, Perry and Pulido), AGENDA ITEM 24 APPROVED, AS RECOMMENDED, ADOPTING RESOLUTION NO. 12-2 AMENDING AQMD'S SALARY RESOLUTION TO ADD ARTICLE 6, SECTION 60(E) – SEVERANCE, TO COMPLY WITH REQUIREMENTS OF AB 1344.

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

Joe Hower, President of Air & Waste Management Association, West Coast Section, presented Vice Chairman Yates with an award in appreciation of the District's support of the Association's educational activities in 2011.

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:

- Association of American Railroads, et al. v. South Coast Air Quality Management District, et al, U.S. District Court, Central, Case No. CV06-1416 JFW (PLAx).

It was also necessary for the Board to recess to closed session under Government Code section 54956.9(c) to consider initiation of litigation (two cases).

In addition, it was also necessary for the Board to recess to closed session pursuant to 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].

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 Kurt Wiese at 11:25 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on January 6, 2012.

Respectfully Submitted,

Denise Pupo
Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan
CARB = California Air Resources Board
CEC = California Energy Commission
DOE = Department of Energy
FY = Fiscal Year
GHG = Greenhouse Gas
LADWP = Los Angeles Department of Water and Power
NO_x = Oxides of Nitrogen
PM_{2.5} = Particulate Matter ≤ 2.5 microns
PUC = Public Utilities Commission
RFP = Request for Proposals
RFQ = Request for Quotations
RTP = Regional Transportation Plan
SCAG = Southern California Association of Governments
SCS = Sustainable Communities Strategy
TOU = Time of Use
U.S. EPA = United States Environmental Protection Agency