



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

ADMINISTRATIVE COMMITTEE MEETING

Committee Members

Chair Ben Benoit, Committee Chair
Senator (Ret.) Vanessa Delgado, Vice Chair
Council Member Michael Cacciotti
Board Member Gideon Kracov

February 10, 2023 ♦ 10:00 a.m.

Pursuant to Assembly Bill 361, a meeting of the South Coast Air Quality Management District Board will be held at 10:00 a.m. on Friday, February 10, 2023 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Given health and safety concerns, seating availability may be limited, and the meeting format may be changed to full remote via webcast. Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

Face Coverings

In accordance with state and local public health department guidelines, wearing a mask is based on personal preference for people attending the meeting at South Coast AQMD Headquarters.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop

<https://scaqmd.zoom.us/j/93760468442>

Zoom Webinar ID: 937 6046 8442 (applies to all)

Teleconference Dial In

+1 669 900 6833

One tap mobile

+16699006833,93760468442#

Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

CALL TO ORDER

- Roll Call

DISCUSSION ITEMS – Items 1 through 9:

1. Board Members' Concerns (***No Motion Required***)
Any member of the Governing Board, on his or her own initiative may raise a concern to the Administrative Committee regarding any South Coast AQMD items or activities. Chair Ben Benoit
Committee Chair
2. Chair's Report of Approved Travel (***No Motion Required***) Chair Benoit
3. Report of Approved Out-of-Country Travel (***No Motion Required***) Wayne Nastri
Executive Officer
4. Review March 3, 2023 Governing Board Agenda Wayne Nastri pgs. 6-15
5. Approval of Compensation for Board Member Assistant(s)/
Consultant(s) (Any material, if submitted, will be distributed at the
meeting.) (***Motion Requested if Proposal Made***) Chair Benoit
6. Update on South Coast AQMD Inclusion, Diversity and Equity
Efforts (***No Motion Required***)
*Staff will provide an update on current and future efforts for our
internal processes and programs.* Cessa Heard-Johnson, pgs. 16-24
PhD, Diversity, Equity
and Inclusion Officer
7. South Coast AQMD's FY 2022-23 Second Quarter Ended December
31, 2022 Budget vs. Actual (Unaudited) (***No Motion Required***)
*Staff will provide a comparison of budget vs. actual results for the
second quarter which ended December 31, 2022.* Sujata Jain pgs. 25-32
Chief Financial Officer,
Finance
8. Receive and File Annual Report on South Coast AQMD's Deferred
Compensation Plans (***No Motion Required***)
*South Coast AQMD sponsors IRS-approved 457(b), 401(a) and
Omnibus Budget Reconciliation Act of 1990 (OBRA) Deferred
Compensation Plans for its employees. The Annual Report for Plan
Year Ending June 2022 addresses the Board's responsibility for
monitoring the activities of the Deferred Compensation Plan
Committee and ensuring the Committee carries out its fiduciary
duties and responsibilities under the Committee Charter. This action
is to receive and file the Annual Report on the South Coast AQMD's
Deferred Compensation Plans.* John Olvera pgs. 33-71
Deputy Executive Officer,
Administrative & Human
Resources

9. Status Report on Major Ongoing and Upcoming Projects for Information Management (**No Motion Required**)
Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.
- Ron Moskowitz pgs. 72-78
Chief Information Officer,
Information Management

ACTION ITEMS – Items 10 through 11:

10. Authorize Purchase of Servers and Storage Devices (**Motion Requested**)
The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System (CLASS) for all South Coast AQMD core business activities and air quality modeling applications that support Planning and development of AQMPs. Upgrades of these equipment are required to support these activities. This action is to obtain approval for the purchase of server and storage upgrades in an amount not to exceed \$430,000. Funds for these purchases are included in Information Management’s FY 2022-23 Budget and Planning, Rule Development & Area Sources’ FY 2022-23 Budget.
- Ron Moskowitz pgs. 79-80
11. Authorize Purchase of Maintenance and Support Services for Servers and Storage Devices (**Motion Requested**)
The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System (CLASS) for all South Coast AQMD core activities. Maintenance support for these systems will expire on April 30, 2023. This action is to obtain approval for the sole source purchase of hardware and software maintenance and support services for servers and storage devices from Hewlett Packard Enterprise Company for one year, in an amount not to exceed \$190,000. Funds for these purchases are included in Information Management’s FY 2022-23 Budget.
- Ron Moskowitz pgs. 81-82

WRITTEN REPORTS:

12. Environmental Justice Advisory Group Minutes for the October 28, 2022 Meeting (**No Motion Required**)
Attached for information only are the Environmental Justice Advisory Group minutes for the October 28, 2022 meeting.
- Derrick J. Alatorre pgs. 83-86
Deputy Executive
Officer, Legislative,
Public Affairs &
Media
13. Local Government & Small Business Assistance Advisory Group Minutes for the December 9, 2022 Meeting (**No Motion Required**)
Attached for information only are the Local Government & Small Business Assistance Advisory Group minutes for the December 9, 2022 meeting.
- Derrick J. Alatorre pgs. 87-91

//
//

OTHER MATTERS:

14. Other Business

Chair Benoit

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt Code Section 54954.2)

15. Public Comment

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

16. **Next Meeting Date:** Friday, March 10, 2023 at 10:00 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disabilities and language-related accommodations can be requested to allow participation in the Administrative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Cindy Bustillos at (909) 396-2377 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cbustillos@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Cindy Bustillos at (909) 396-2377, or send the request to cbustillos@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar, and three (3) minutes or **less** for other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.



South Coast Air Quality Management District

South Coast
AQMD

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

2/3/23 – 5:30 p.m.

DRAFT A G E N D A

HYBRID GOVERNING BOARD MEETING MARCH 3, 2023

Pursuant to Assembly Bill 361, a meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, March 3, 2023 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Given health and safety concerns, seating availability may be limited, and the meeting format may be changed to full remote via webcast. Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

Face Coverings

In accordance with state and local public health department guidelines, wearing a mask is based on personal preference for people attending the meeting at South Coast AQMD Headquarters.

Electronic Participation Information

(Instructions provided at
the bottom of the
agenda)

Join Zoom Meeting - from PC, Laptop or Phone

<https://scagmd.zoom.us/j/93128605044>

Meeting ID: **931 2860 5044** (applies to all)

Teleconference Dial In +1 669 900 6833 or +1 253 215 8782

One tap mobile +16699006833,,93128605044# or

+12532158782,,93128605044#

Spanish Language Only Audience (telephone)

Número Telefónico para la Audiencia que Habla Español

Teleconference Dial In/Numero para llamar: +1 669 900 6833

Meeting ID/Identificación de la reunión: **932 0955 9643**

One tap mobile: +16699006833,,93209559643#

Public Comment Will Still Be Taken

Audience will be allowed to provide public comment in person and through Zoom connection or telephone.

Phone controls for participants:

The following commands can be used on your phone's dial pad while in meeting: *6 (Toggle mute/unmute); *9 - Raise hand

Questions About an Agenda Item	<ul style="list-style-type: none">▪ The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.▪ In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.
Meeting Procedures	<ul style="list-style-type: none">▪ The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, <u>any item</u> may be considered in <u>any order</u>.▪ After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at South Coast AQMD's Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765 or web page at www.aqmd.gov

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov. Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cob@aqmd.gov

A webcast of the meeting is available for viewing at:

<http://www.aqmd.gov/home/news-events/webcast>

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Opening Comments: Chair
 Other Board Members
 Wayne Nastri, Executive Officer
- Swearing in of Chair and Vice Chair for Terms February 2023 - January 2024

Staff/Phone (909) 396-

CONSENT AND BOARD CALENDAR (Items X through XX)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. XX

Items 1 through X – Action Items/No Fiscal Impact

- | | | |
|--------|---|--------------------|
| 11932. | Approve Minutes of February 3, 2023 | Thomas/3268 |
| 12042. | Set Public Hearing April 7, 2023 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations: | Nastri/3131 |
| 12036. | Determine That Proposed Rule 1110.3 – Emissions from Linear Generators and Proposed Amended Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines, Are Exempt from CEQA; and Adopt Rule 1110.3 and Amend Rule 1110.2

Proposed Rule 1110.3 will establish NOx, CO and VOC emission limits for linear generators, as well as provisions for monitoring, reporting and recordkeeping. Proposed Amended Rule 1110.2 will exempt linear generators from Rule 1110.2 and remove provisions currently applicable to linear generators. This action is to adopt the Resolution: 1) Determining that Proposed Rule 1110.3 – Emissions from Linear Generators and Proposed Amended Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines, are exempt from the requirements of the California Environmental Quality Act; 2) Adopting Rule 1110.3; and 3) Amending Rule 1110.2. (Reviewed: Stationary Source Committee, February 17, 2023) | Krause/2706 |

Item X through X – Budget/Fiscal Impact

12037. Authorize Purchase of Maintenance and Support Services for Servers and Storage Devices **Moskowitz/3329**
- The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System for all South Coast AQMD core activities. Maintenance support for these systems will expire on April 30, 2023. This action is to obtain approval for the sole source purchase of hardware and software maintenance and support services for servers and storage devices from Hewlett Packard Enterprise Company for one year, in an amount not to exceed \$190,000. Funds for these purchases are included in Information Management's FY 2022-23 Budget. (Reviewed: Administrative Committee, February 10, 2023; Recommended for Approval)
12038. Authorize Purchase of Servers and Storage Devices **Moskowitz/3329**
- The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System for all South Coast AQMD core business activities and air quality modeling applications that support Planning and development of AQMPs. Upgrades of these equipment are required to support these activities. This action is to obtain approval for the purchase of server and storage upgrades in an amount not to exceed \$430,000. Funds for these purchases are included in Information Management's FY 2022-23 Budget and Planning, Rule Development & Implementation's FY 2022-23 Budget. (Reviewed: Administrative Committee, February 10, 2023; Recommended for Approval)
12019. Appropriate Funds for Development of Carl Moyer Grant Management System and Transfer Funds for Voucher Incentive Program **Katzenstein/2219**
- In September 2021, the Board approved the development of the Carl Moyer Grant Management System to support the online application process for participants as well as streamline the application review process. The next phase in the development of the Grant Management System is required to incorporate business and administrative processes. Additionally, a transfer of \$4 million to the Voucher Incentive Program (VIP) Fund (59) is needed to fund truck projects. These actions are to: 1) transfer and appropriate up to \$150,000 comprised of \$75,000 from the administrative portion of the Community Air Protection Program (Grant #G19-MCAP-03-1) Fund (77) and \$75,000 from the administrative portion of the Carl Moyer Program (Grant #G21-MO-27) Fund (32) into Information Management's FY 2022-23 and/or 2023-24 Budget, Services and Supplies and/or Capital Outlays Major Objects; 2) reimburse the General Fund (01) using the administrative funds for the further development of the Carl Moyer Grant Management System; and 3) transfer up to \$4 million from the Carl Moyer Program AB 923 Special Revenue Fund (80) to the VIP Fund (59). (Reviewed; Technology Committee, February 17, 2023; Recommended for Approval)

12025. Recognize Funds, Execute Contracts and Reimburse General Fund for Zero-Emission School Bus Funding Using CARB Supplemental Environmental Project Funds **Katzenstein/2219**

In December 2022, the Board recognized a \$2.9 million award from CARB in Supplemental Environmental Project (SEP) funds to replace diesel school buses with zero-emission buses by contracting with local school districts from a Board-approved backup project list. CARB is providing an additional \$973,655 in SEP funding consisting of \$707,780 from Dr. Ing. H.C. F. Porsche AG and Porsche Cars North America, Inc. and \$265,875 from BP Products North America for South Coast AQMD to fund additional zero-emission school bus replacement projects. These actions are to: 1) recognize up to \$973,655 into the CARB SEP Special Revenue Fund (87); 2) execute contracts with local school districts to replace diesel school buses with zero-emission buses; and 3) reimburse the General Fund for administrative costs of up to \$68,154 from the CARB SEP Special Revenue Fund (87). (Reviewed: Technology Committee, February 17, 2023; Recommended for Approval)

11954. Approve Contract Modification as Approved by MSRC **McCallon**

Items X through XX – Information Only/Receive and File

11906. Legislative, Public Affairs and Media Report **Alatorre/3122**

This report highlights the January 2023 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

11873. Hearing Board Report **Verdugo-Peralta**

This reports the actions taken by the Hearing Board during the period of January 1 through January 31, 2023. (No Committee Review)

12009. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from January 1 through January 31, 2023. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, February 17, 2023)

11884. Lead Agency Projects and Environmental Documents Received **Rees/2856**

This report provides a listing of CEQA documents received by South Coast AQMD between January 1, 2023 and January 31, 2023, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, February 17, 2023)

11838. Rule and Control Measure Forecast **Rees/2856**
This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2023. (No Committee Review)
12030. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, February 10, 2023)
12031. FY 2022-23 Contract Activity **Jain/2804**
This report lists the number of contracts let during the first six months of FY 2022-23, the respective dollar amounts, award type, and the authorized contract signatory for the South Coast AQMD. (No Committee Review)
12033. Receive and File Annual Report on South Coast AQMD's Deferred Compensation Plans **Olvera/2309**
South Coast AQMD sponsors IRS-approved 457(b), 401(a) and Omnibus Budget Reconciliation Act of 1990 Deferred Compensation Plans for its employees. The Annual Report for Plan Year Ending June 2022 addresses the Board's responsibility for monitoring the activities of the Deferred Compensation Plan Committee and ensuring the Committee carries out its fiduciary duties and responsibilities under the Committee Charter. This action is to receive and file the Annual Report. (Reviewed: Administrative Committee, February 10, 2023; Recommended for Approval)

Items XX through XX -- Reports for Committees and CARB

11943. Administrative Committee (Receive & File) Chair: Benoit **Nastri/3131**
11895. Legislative Committee (Receive & File) Chair: Cacciotti **Alatorre/3122**
11848. Mobile Source Committee (Receive & File) Chair: Kracov **Rees/2856**
11922. Stationary Source Committee (Receive & File) Chair: **Aspell/2491**
11967. Technology Committee (Receive & File) Chair: **Katzenstein/2219**
11976. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Liaison: **Katzenstein/2219**
11862. California Air Resources Board Monthly Report (Receive & File) Board Rep.: Kracov **Thomas/3268**
- XX. **Items Deferred from Consent and Board Calendar**

PUBLIC HEARINGS

12021. Determine that Proposed Amended Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Proposed Amended Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, Are Exempt from CEQA; and Amend Rule 219 and Rule 222

Krause/2706

Proposed Amended Rule 219 will add or clarify permit exemption requirements and includes enhanced recordkeeping provisions to address comments by U.S. EPA. Proposed Amended Rule 219 also includes targeted exemptions per the Governing Board's direction to encourage the usage of low-emission technologies. Proposed amendments to Rule 222 are necessary to align with the proposed revisions in Rule 219 and address certain sources with negligible emissions. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Proposed Amended Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II. (Reviewed: Stationary Source Committee, January 20, 2023)

12023. Determine That Proposed Amended Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools, Is Exempt from CEQA; and Amend Rule 1401.1

Krause/2706

In March 2015, the Office of Environmental Health Hazard Assessment (OEHHA) approved revisions to its Risk Assessment Guidelines to include age sensitivity factors for young children. The school definition in recently adopted or amended air toxics rules includes early learning and development programs, such as pre-kindergarten centers, to expand the protection to younger children. Amendments are proposed to harmonize the definition of school in Rule 1401.1 with other air toxic rules. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools. (Reviewed: Stationary Source Committee, January 20, 2023)

12027. Annual RECLAIM Audit Report for 2021 Compliance Year

Aspell/2491

The annual report on the NO_x and SO_x RECLAIM program is prepared in accordance with Rule 2015 - Backstop Provisions. The report assesses emission reductions, availability of RECLAIM Trading Credits (RTCs) and their average annual prices, job impacts, compliance issues, and other measures of performance for the twenty-eighth year of this program. Recent trends in trading future year RTCs are analyzed and presented in this report. A list of facilities that did not reconcile their emissions for the 2021 Compliance Year is also included in the report. (Reviewed: Stationary Source Committee, February 17, 2023)

12028. Approve and Adopt Technology Advancement Office Clean Fuels Program 2022 Annual Report and 2023 Plan Update, Resolution and Membership Changes for Clean Fuels Advisory Group

Katzenstein/2219

Each year by March 31, South Coast AQMD must submit to the California Legislative Analyst an approved Annual Report for the past year and a Plan Update for the current calendar year for the Clean Fuels Program. These actions are to: 1) approve and adopt the Technology Advancement Clean Fuels Program Annual Report for 2022 and 2023 Plan Update; 2) adopt the Resolution finding that proposed projects do not duplicate any past or present programs; 3) approve and adopt membership changes to the SB 98 Clean Fuels Advisory Group; and 4) receive and file membership changes to the Technology Advancement Advisory Group. (Reviewed: Technology Committee, February 17, 2023; Recommended for Approval)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CONFLICT OF INTEREST DISCLOSURE – (No Written Material)

CLOSED SESSION -- (No Written Material)

Gilchrist/3459

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so in person or remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the "Raise Hand" at the bottom of the screen, or if participating via Dial-in/Telephone Press *9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and website, <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD's authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to cob@aqmd.gov, on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NATTS =National Air Toxics Trends Station
AQIP = Air Quality Investment Program	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AQMP = Air Quality Management Plan	NGV = Natural Gas Vehicle
AVR = Average Vehicle Ridership	NOx = Oxides of Nitrogen
BACT = Best Available Control Technology	NSPS = New Source Performance Standards
BARCT = Best Available Retrofit Control Technology	NSR = New Source Review
Cal/EPA = California Environmental Protection Agency	OEHHA = Office of Environmental Health Hazard Assessment
CARB = California Air Resources Board	PAMS = Photochemical Assessment Monitoring Stations
CEMS = Continuous Emissions Monitoring Systems	PEV = Plug-In Electric Vehicle
CEC = California Energy Commission	PHEV = Plug-In Hybrid Electric Vehicle
CEQA = California Environmental Quality Act	PM10 = Particulate Matter ≤ 10 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM2.5 = Particulate Matter ≤ 2.5 microns
CNG = Compressed Natural Gas	RECLAIM=Regional Clean Air Incentives Market
CO = Carbon Monoxide	RFP = Request for Proposals
DOE = Department of Energy	RFQ = Request for Quotations
EV = Electric Vehicle	RFQQ=Request for Qualifications and Quotations
EV/BEV = Electric Vehicle/Battery Electric Vehicle	SCAG = Southern California Association of Governments
FY = Fiscal Year	SIP = State Implementation Plan
GHG = Greenhouse Gas	SOx = Oxides of Sulfur
HRA = Health Risk Assessment	SOON = Surplus Off-Road Opt-In for NOx
LEV = Low Emission Vehicle	SULEV = Super Ultra Low Emission Vehicle
LNG = Liquefied Natural Gas	TCM = Transportation Control Measure
MATES = Multiple Air Toxics Exposure Study	ULEV = Ultra Low Emission Vehicle
MOU = Memorandum of Understanding	U.S. EPA = United States Environmental Protection Agency
MSERCs = Mobile Source Emission Reduction Credits	VOC = Volatile Organic Compound
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	ZEV = Zero Emission Vehicle

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

For language interpretation:

Click the interpretation Globe icon at the bottom of the screen
Select the language you want to hear (either English or Spanish)
Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla
Seleccione el idioma que desea escuchar (inglés o español)
Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Directions to provide public comment on ZOOM from a DESKTOP/LAPTOP or SMARTPHONE:

Click on the "Raise Hand" feature at the bottom of the screen.
This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions to provide public comment via TELEPHONE:

Dial *9 on your keypad to signal that you would like to comment.

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same (+1 669 900 6833)
- The meeting ID number is 932-0955-9643
- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:

- El número de llamada es el mismo (+1 669900 6833 o +1 93209559643)
- El número de identificación de la reunión es 932-0955-9643
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

Administrative Committee

Friday, February 10, 2023

Dr. ANISSA CESSA HEARD-JOHNSON
Deputy Executive Officer
Diversity, Equity, and Inclusion
aheard-johnson@aqmd.gov



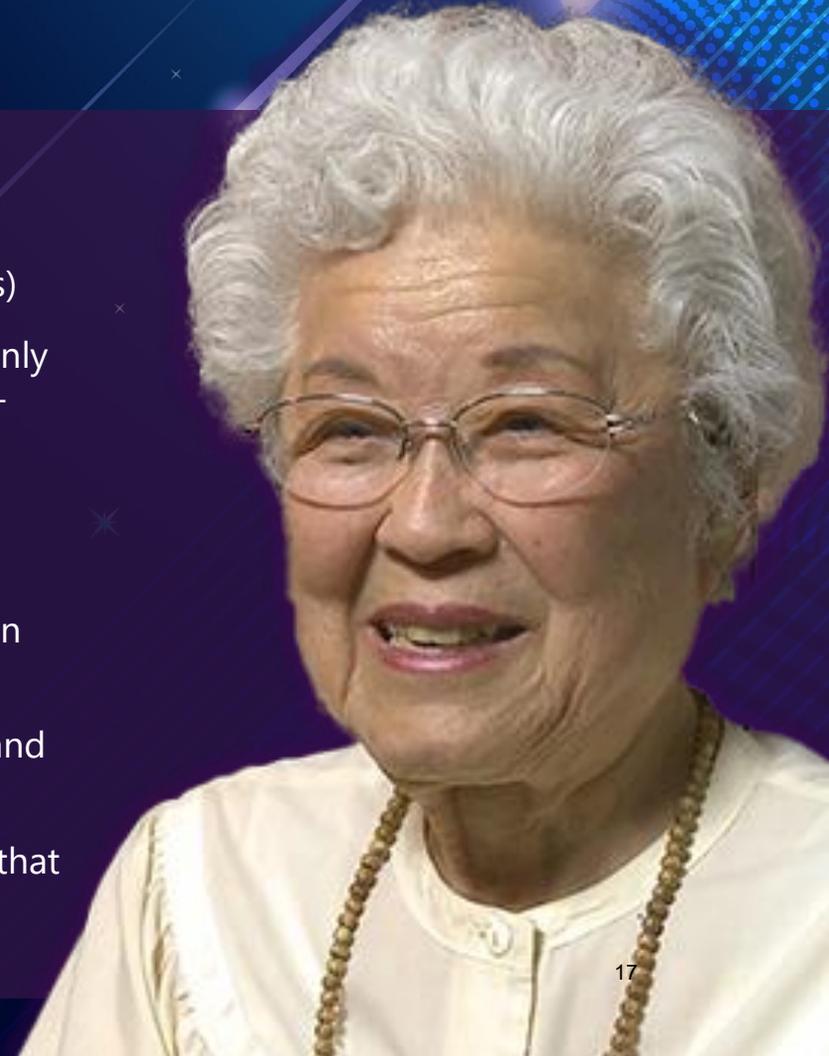
FABULOUS FEMALE FRIDAY

Aiko Herzig-Yoshinaga

August 5, 1925 – July 18, 2018

Researcher and Political Activist

- She was a high school senior in Los Angeles before she was sent to California's Manzanar Relocation Center (her parents and siblings were sent to Jerome and Rohwer camps in Arkansas)
- In the 1960s she joined an activist group called Asian Americans for Actions - composed of mainly Nisei (2nd generation) women -who engaged in numerous activities including anti-war and anti-nuclear research protests
- In 1978, she began meticulously investigating and cataloging information on wartime exclusion and incarceration in the National Archives
 - Uncovered the last remaining copy of the original 1942 Final Report on Japanese American Evacuation that would help prove the government's policy was discriminatory
- In 1980, Congress created the Commission on Wartime Relocation and Internment of Civilians and hired Yoshinaga as a researcher
- Her research equipped the CWRIC to persuade Congress to pass the Civil Liberties Act of 1988 that included a formal apology from President Reagan and a \$20,000 restitution payment for each survivor.



Lunar New Year Display



[Click to view entire infographic](#)

J.E.D.I. Think Tank: January 2023 DEI Community Engagement

DEI COMMUNITY ENGAGEMENT



J.E.D.I. THINK TANK



"The greatness of a community is most accurately measured by the compassionate actions of its members."

-Coretta Scott King



"Alone we can do so little; Together, We can do so much."

-Helen Keller

"This was needed. I'd like to learn more about the experiences and perspectives of our community members."

"I'm excited to connect with our communities and feel like I can participate better in my own community too."

"Engagement with communities where there is historical trauma like redlining is difficult, but I like the approaches in this video and resources DEI provides like The Color of Law."

Fabulous Female Fridays: January 2023

The Pursuit of Civil and Human Rights

South Coast AQMD

Office of Diveristy, Equity, and Inclusion



FABULOUS FEMALE FRIDAYS

**The Pursuit of
Civil and Human Rights**

"Each fabulous female and video brought tears of heartache, inspiration and pride"

"It was a lot of information"

"Impactful, especially in light of the issues taking place right now in the US"

Employee Resource Groups (ERG) – February Updates



Ongoing issues of global and local social injustice

Agencywide Event/Activity/Resource Planning

Teambuilding within ERGs

DEI/ERG Workgroups February 2023

*To further understand the experiences of employees ✧
“employers should take the bold step of analyzing employee engagement data by race and ethnicity. . .Doing so indicates truly understanding the way lived experiences may diverge from others within the organization”
(Cohen & Gavett, 2019, p. 91).*

ERG Engagement/ Agency Retention (1st Wednesday of the month)

- ERG Officer Transition
- Individual ERG Meet and Greets/Regularly scheduled teambuilding events
- Landing pages for ERGs and information for new hires about ERGs

Employee Leadership Development (2nd Wednesday of the month)

- Development of Intra ERG Mentorship Resources
- Revisit process to become a mentor; mentor training

Recruitment/Onboarding (3rd Wednesday of the month)

- Developing virtual platforms for ERG information and resources

Outreach [Community & Educational Equity Organizations] (4th Wednesday of the month)

- ✧ Develop a database of professional groups (i.e. Society for Hispanic Professional Engineers, National Society of Black Engineers).

Statewide DEI

Our DEI team presented to Sacramento AQMD – DEI Organizational Development

1. Provide assistance as they are in early stages of developing DEI initiatives

Environmental Protection Agency (EPA) Resource Share

1. Shared EPA Region 9 Environmental Justice and External Civil Rights Implementation Plan
2. Begun discussions on the impact of EPA Title 6 on our DEI work

Global Social Injustice Responses

1. Mass Shootings
2. Police Related Deaths
3. Global Political Injustices



Any
Questions?



FY 2022-23 2nd Quarter Budget vs. Actual (Unaudited)

Administrative Committee February 10, 2023

General Fund Overview

- FY 2022-23 2nd Quarter Budget vs. Actual (unaudited)
- Revenues
- Expenditures
- Use of Fund Balance
- Updated General Fund Five Year Projection

General Fund Budget Summary

	Fiscal Year 2022-23		
(\$ in millions)	Adopted Budget	Amended Budget	FY 2022-23 Q2 Actuals (unaudited)
Revenues/Transfers In	\$189.2	\$192.4	\$101.8
Expenditures/Transfers Out	\$189.2	\$199.0	\$85.4

Revenue Comparison FY 2022-23 2nd Quarter Budget vs. Actual & FY 2021-22 2nd Quarter

Revenue Type (\$ in millions)	Fiscal Year 2022-23 Q2			Fiscal Year 2021-22 Q2	
	Amended Budget	Actuals (unaudited)	Actual % of Budget	Actuals	Actual % of Budget
Emissions Fees	\$ 21.3	\$10.0	47%	\$9.8	49%
Annual Operating Fees	68.9	53.8	78%	50.6	79%
Permit Fees	17.3	9.1	53%	8.7	54%
Mobile Sources/Transportation	33.8	9.0	27%	6.0	18%
Other*	44.5	17.2	39%	12.9	31%
Area Sources	2.2	0.0	0%	0.4	19%
Transfers In	<u>4.4</u>	<u>2.7</u>	61%	<u>3.0</u>	45%
Total	<u>\$192.4</u>	<u>\$101.8</u>	53%	<u>\$91.4</u>	50%

*Includes revenues from Federal & State Grants, State Subvention, Penalties/Settlements, "Hot Spots", Interest, PERP, Hearing Board, Source Test/Lab Analysis, Leases, Subscriptions, and Misc.

Expenditure Comparison FY 2022-23 2nd Quarter Budget vs. Actual & FY 2021-22 2nd Quarter

Major Object (\$ in millions)	Fiscal Year 2022-23 Q2			Fiscal Year 2021-22 Q2	
	Amended Budget	Actuals (unaudited)	Actuals % of Budget	Actuals	Actuals % of Budget
Salaries & Benefits	\$159.2	\$62.8	39%	\$62.6	43%
Services & Supplies	29.5	14.5	49%	12.9	46%
Capital Equipment	3.4	1.2	35%	1.3	38%
Debt Service	4.1	4.1	100%	7.2	100%
Transfers Out	<u>2.8</u>	<u>2.8</u>	100%	<u>0.8</u>	100%
Total	<u>\$199.0</u>	<u>\$85.4</u>	43%	<u>\$84.8</u>	46%

Board Approved Use of Fund Balance FY 2022-23 2nd Quarter

Board Letter Approval	Use	Amount
11/5/2021, #1	AB 617 Expenditures	\$60,000
3/4/2022, #10	IM Projects	250,000
6/3/2022, #7	Rule 1180 Activities	845,000
6/3/2022, #9	Outside Legal Counsel	180,000
6/3/2022, #10	Addition of DEO & Sr. Admin. Assistant to STA	488,837
9/2/2022, #3	Engineering and Permitting Staffing Assistance	400,000
9/2/2022, #6	Lab Equipment	250,000
10/7/2022, #9	WHAM program	171,575
10/7/2022, #10	Adding & Deleting Positions for Operational needs	<u>\$4,000,000</u>
Total:		<u>\$6,645,412</u>

FY 2022-23 Actuals and Five-Year Projection

(\$ in millions)	FY 21-22 Actuals	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected
Staffing	959	1,002	1,002	1,002	1,002	1,002
Salary Savings %	13%	11%	11%	11%	11%	11%
Funded Staffing	834	892	892	892	892	892
Revenues	\$183.9	\$189.2	\$193.9	\$195.4	\$197.3	\$200.1
Program Costs	\$180.9	\$195.5	\$202.5	\$205.8	\$208.8	\$211.8
Changes in Fund Balance	\$3.0	(\$6.3)	(\$8.6)	(\$10.4)	(\$11.5)	(\$11.7)
Unreserved Fund Balance (at Year-End)	\$82.4	\$76.1	\$67.5	\$57.1	\$45.6	\$33.9
% of Revenue	45%	40%	35%	29%	23%	17%
CPI projections include the following: FY 23/24 - 3.8%; FY 24/25 - 3.0%; & FY 25/26 - 3.1%; FY 26/27 - 3.3%						



Questions?

BOARD MEETING DATE: March 3, 2023

AGENDA NO.

PROPOSAL: Receive and File Annual Report on South Coast AQMD's Deferred Compensation Plans

SYNOPSIS: South Coast AQMD sponsors IRS-approved 457(b), 401(a) and Omnibus Budget Reconciliation Act of 1990 (OBRA) Deferred Compensation Plans for its employees. The Annual Report for Plan Year Ending June 2022 addresses the Board's responsibility for monitoring the activities of the Deferred Compensation Plan Committee and ensuring the Committee carries out its fiduciary duties and responsibilities under the Committee Charter. This action is to receive and file the Annual Report on the South Coast AQMD's Deferred Compensation Plans.

COMMITTEE: Administrative, February 10, 2023; Recommended for Approval

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

AJO:mm

Background

South Coast AQMD sponsors and administers 457(b), 401(a) and OBRA Deferred Compensation Plans for its employees. The Deferred Compensation Plans, which include the 457(b), 401(a) and OBRA plans, are administered by Empower Retirement, LLC (Empower), one of the largest workplace retirement savings plan providers in the United States. State law governs the fiduciary requirements for the operation and investment of deferred compensation plans sponsored by governmental entities. South Coast AQMD's Board serves a fiduciary role, subject to the duties and obligations under Article XVI, Section 17 of the California Constitution.

To meet its fiduciary responsibilities, the Board has established a Deferred Compensation Plan Committee (“Committee”) to oversee the administration of the Plans. On May 2, 2008, the Board approved the Deferred Compensation Plan Committee Charter, formalizing the fiduciary duties and responsibilities of the Committee. The four members of the Deferred Compensation Plan Committee are the Chief Financial Officer, the Deputy Executive Officer/Administrative and Human Resources, the Human Resources Manager over employee benefits, and the General Counsel.

In October 2021, as the result of an RFP process, the Board approved a 5-year contract with Empower for record-keeping and administrative services, beginning January 1, 2022. In addition to the retirement plan administrator, South Coast AQMD utilizes the services of an independent, third-party consulting firm, Benefit Financial Services Group (BFSG), to provide services to the Plans as a fiduciary under a Registered Investment Advisor agreement.

Summary of Report

The Committee meets on a quarterly basis to review the Plan design, investment options, asset allocation, and demographics, and to make changes as necessary. During the 2021-22 fiscal year period, the Committee adopted a revised Investment Policy Statement to update proxy voting and Watch List-related procedures, and to reallocate the foreign large equity category. The Committee also placed two funds on the Watch List due to short-term underperformance, updated the Target Date Model allocations, replaced the General Interest Account (GIA) with the Great West Fixed Account, utilized excess market value from the GIA to supplement future crediting rates in the Fixed Account and to provide a one-time benefit to participants invested in the GIA, and extended the contract with the BFSG consulting firm for one year.

As of June 30, 2022, the Plans have:

- 1,055 participants (employees and retirees)
- Approximately \$204 million in assets
- Outperformed the 3-, 5- and 10-year performance benchmarks

The Annual Report provides detailed information regarding Plan Assets/Demographics, Committee Actions, and Plan Performance.

Proposal

Staff recommends the Board receive and file the Deferred Compensation Plan Annual Report to the Board for Plan Year Ending June 2022.

Attachment

Deferred Compensation Plan Annual Report for Plan Year Ending June 2022



Report To The Board

Plan Year Ending: June 2022

Prepared for: South Coast Air
Quality Management District 457
Deferred Compensation & 401(a)
Defined Contribution Plans



Table of Contents

Section 1

Plan Background

Section 2

Committee Meeting Summary and Plan Updates

Section 3

Plan Assets / Demographics

Section 4

Plan Performance / Cost Benchmarking

Section 5

Appendix



Plan Background

Section 1

South Coast Air Quality Management District Plan

South Coast Air Quality Management District Plan Overview

Plan Name	South Coast Air Quality Management District 457 Deferred Compensation & 401(a) Defined Contribution Plans
Inception Date (457 Plan)	January 1, 1987
Inception Date (401 Plan)	January 1, 2017

Plan Features (457 Plan)

Plan Year End	June 30 th
Entry Date	Immediate
Employee Deferrals	Pre-tax & Roth
Catch-up	Age 50 & Special 457 Catch-up Contributions
Employer Contributions	Yes - determined in accordance with the terms of the employment contract

Default Investment Alternative

Default Fund	T. Rowe Price Retirement Series
--------------	---------------------------------

Service Providers

Recordkeeper	Empower
Directed Trustee	Reliance Trust Company
Plan Advisor	Benefit Financial Services Group (“BFSG”)

Committee Oversight

Membership	John Olvera (Chair), Bayron Gilchrist, Sujata Jain, and Raquel Arciniega
Duties	Settlor and Fiduciary
California Government Code 53213.5 Compliance	The Committee intends for the Plan to comply with the provisions of California Government Code 53213.5 providing Plan fiduciaries with relief from liability for the investment decisions made by participants.



Committee Meeting Summary & Plan Updates

Section 2

Fiduciary Updates

Meeting Date	Item	Update
September 23, 2021	Watch List	Agreed to place MFS International New Discovery on the Watch List.
September 23, 2021	Fixed Account Selection	Agreed to terminate the GIA and utilize the Fixed Account.
October 15, 2021	Fixed Account	Agreed to utilize \$4.5 million GIA's excess market value to supplement future crediting rates of the Great West Fixed Account and utilize the remainder to provide a one-time benefit to participants invested in the GIA.
December 14, 2021	Investment Policy Statement ("IPS")	Agreed to adopt the revised IPS.
December 14, 2021	Target Date Models Allocation	BFSG updated the model allocations.
February 1, 2022	Watch List	Agreed to place American Funds Fundamental Investors on the Watch List.

Settlor (Administrative) Updates

Meeting Date	Item	Update
February 1, 2022	Special Catch-up Provision	Approved a more flexible administration of the special catch-up provision in accordance with Empower’s viewpoint.
June 9, 2022	BFSG Contract Renewal	Noted the contract with BFSG will be extended for another year beginning July 1, 2022.



Plan Assets / Demographics

Section 3

Range of Investments

Lower risk/lower potential reward

Higher risk/higher potential reward

FIXED INCOME		BALANCED	EQUITY		
CAPITAL PRESERVATION	INCOME	HYBRID	VALUE	BLEND	GROWTH
DOMESTIC					
STABLE VALUE Great West Fixed Investment Account - Series IV	INTERMEDIATE CORE BOND Vanguard Total Bond Market Index Adm		LARGE VALUE DFA US Large Cap Value I Hartford Dividend and Growth R5	LARGE BLEND American Funds Fundamental Invs R6 Vanguard FTSE Social Index Admiral Vanguard Institutional Index I	LARGE GROWTH T. Rowe Price Blue Chip Growth I
	INTERMEDIATE CORE-PLUS BOND Metropolitan West Total Return Bd I	ALLOCATION—50% TO 70% EQUITY American Funds American Balanced R6	MID VALUE Vanguard Selected Value Inv	MID BLEND Vanguard Mid Cap Index Admiral	MID GROWTH Carillon Eagle Mid Cap Growth A
			SMALL VALUE American Beacon Small Cap Value R6 Vanguard Small Cap Value Index Admiral	SMALL BLEND Vanguard Small Cap Index Adm	SMALL GROWTH Fidelity Advisor® Small Cap Growth Z
FOREIGN					
				FOREIGN LARGE BLEND Hartford International Opportunities R5 Vanguard Developed Markets Index Admiral	
					FOREIGN SMALL/MID GROWTH MFS International New Discovery A
				DIVERSIFIED EMERGING MKTS Vanguard Emerging Mkts Stock Idx Adm	
SPECIALTY					
			UTILITIES Vanguard Utilities Index Adm	REAL ESTATE Vanguard Real Estate Index Admiral	HEALTH Hartford Healthcare R5
ALLOCATION					
		TARGET DATE SERIES T. Rowe Price Retirement I Series			

Funds listed in **Red** are scheduled to be removed.
 Funds listed in **Green** are scheduled to be added.
 Funds listed in **Blue** are frozen to contributions.
 Funds listed in **Purple** represent Default Fund.



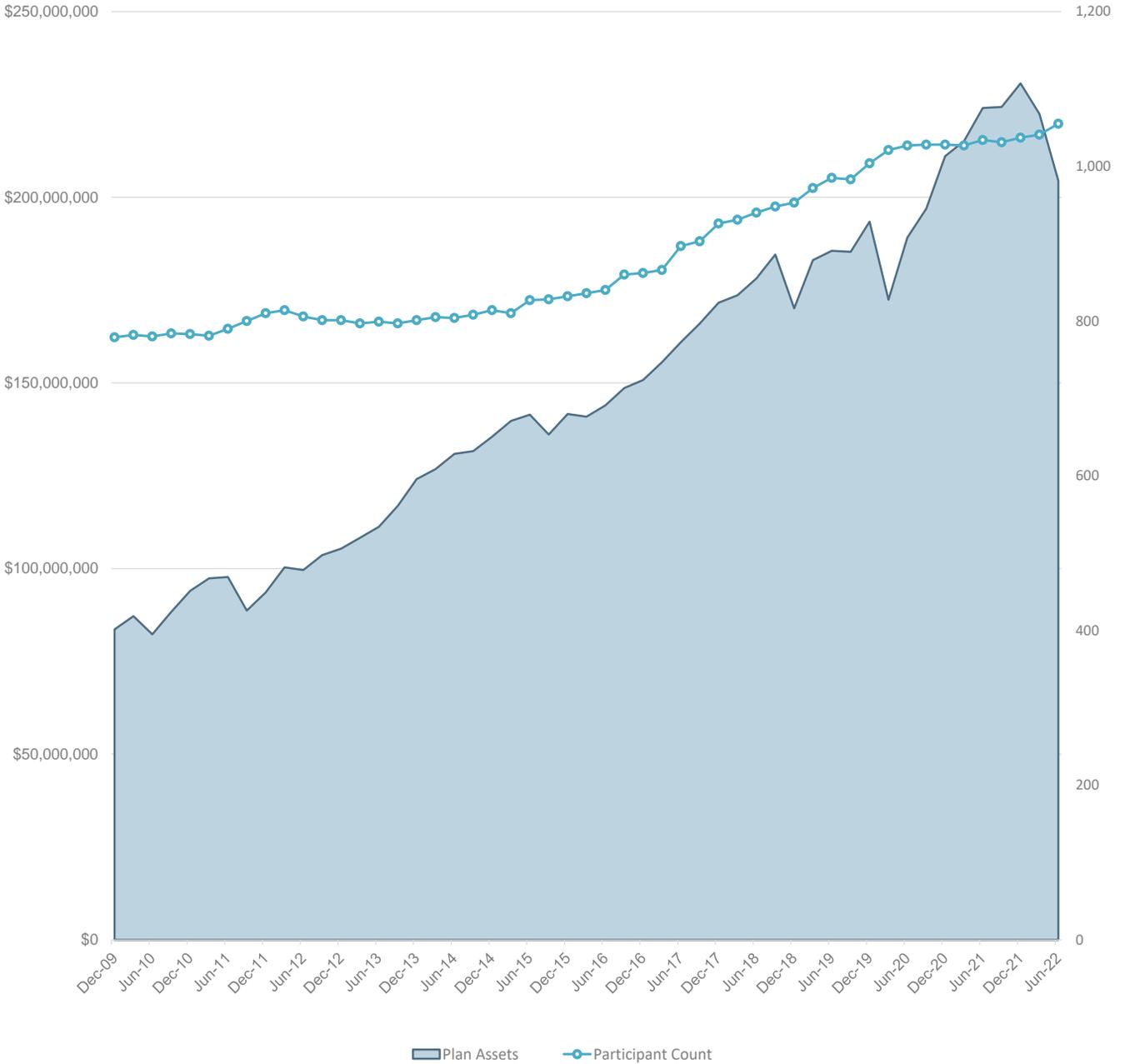
Asset Allocation by Fund

Investment Option	2Q 2022	% of Assets	# of Balances
Great West Fixed Investment Account - Series IV	\$89,312,905	43.86%	645
T. Rowe Price Blue Chip Growth I	\$21,142,921	10.38%	487
American Funds Fundamental Invs R6	\$14,153,417	6.95%	286
Vanguard Institutional Index I	\$12,192,468	5.99%	289
Hartford Dividend and Growth R5	\$9,290,220	4.56%	393
Carillon Eagle Mid Cap Growth A	\$5,805,758	2.85%	368
Hartford International Opportunities R5	\$4,738,147	2.33%	384
T. Rowe Price Retirement I 2045 I	\$4,503,082	2.21%	84
American Funds American Balanced R6	\$3,967,757	1.95%	118
T. Rowe Price Retirement I 2035 I	\$3,352,669	1.65%	47
Metropolitan West Total Return Bd I	\$3,263,784	1.60%	270
Hartford Healthcare R5	\$3,111,813	1.53%	102
Vanguard Mid Cap Index Admiral	\$3,075,577	1.51%	216
Vanguard Selected Value Inv	\$2,956,008	1.45%	319
Vanguard Total Bond Market Index Adm	\$2,542,953	1.25%	224
Fidelity Advisor® Small Cap Growth Z	\$2,357,840	1.16%	309
Vanguard FTSE Social Index Admiral	\$2,150,322	1.06%	78
American Beacon Small Cap Value R6	\$1,992,334	0.98%	295
Vanguard Small Cap Index Adm	\$1,792,815	0.88%	201
Vanguard Utilities Index Adm	\$1,614,855	0.79%	83
MFS International New Discovery A	\$1,598,390	0.78%	169
Vanguard Small Cap Value Index Admiral	\$1,382,232	0.68%	46
Vanguard Developed Markets Index Admiral	\$1,340,743	0.66%	159
T. Rowe Price Retirement I 2040 I	\$957,257	0.47%	19
Vanguard Real Estate Index Admiral	\$855,286	0.42%	70
DFA US Large Cap Value I	\$680,257	0.33%	121
Vanguard Emerging Mkts Stock Idx Adm	\$651,948	0.32%	114
T. Rowe Price Retirement I 2055 I	\$631,612	0.31%	24
T. Rowe Price Retirement I 2060 I	\$600,767	0.30%	40
T. Rowe Price Retirement I 2025 I	\$555,641	0.27%	15
T. Rowe Price Retirement I 2050 I	\$552,416	0.27%	29
T. Rowe Price Retirement I 2030 I	\$320,779	0.16%	12
T. Rowe Price Retirement I 2020 I	\$142,814	0.07%	6
T. Rowe Price Retirement I 2015 I	\$19,638	0.01%	4
T. Rowe Price Retirement I 2065 I	\$16,442	0.01%	6
T. Rowe Price Retirement I 2005 I	\$9,819	0.00%	3
T. Rowe Price Retirement I 2010 I	\$9,334	0.00%	3
Guaranteed Interest Account	\$0	0.00%	0
Subtotal	\$203,643,018	100.00%	1,055
Self-Directed Brokerage Account	\$790,385		
Total	\$204,433,403		
Total # of Participants	1,055		
Average Account Balance	\$193,776		

Note: Funds listed in **Bold** are included in the Target Date Models.

Note: Personal Choice Retirement Account had 11 balances as of quarter end.

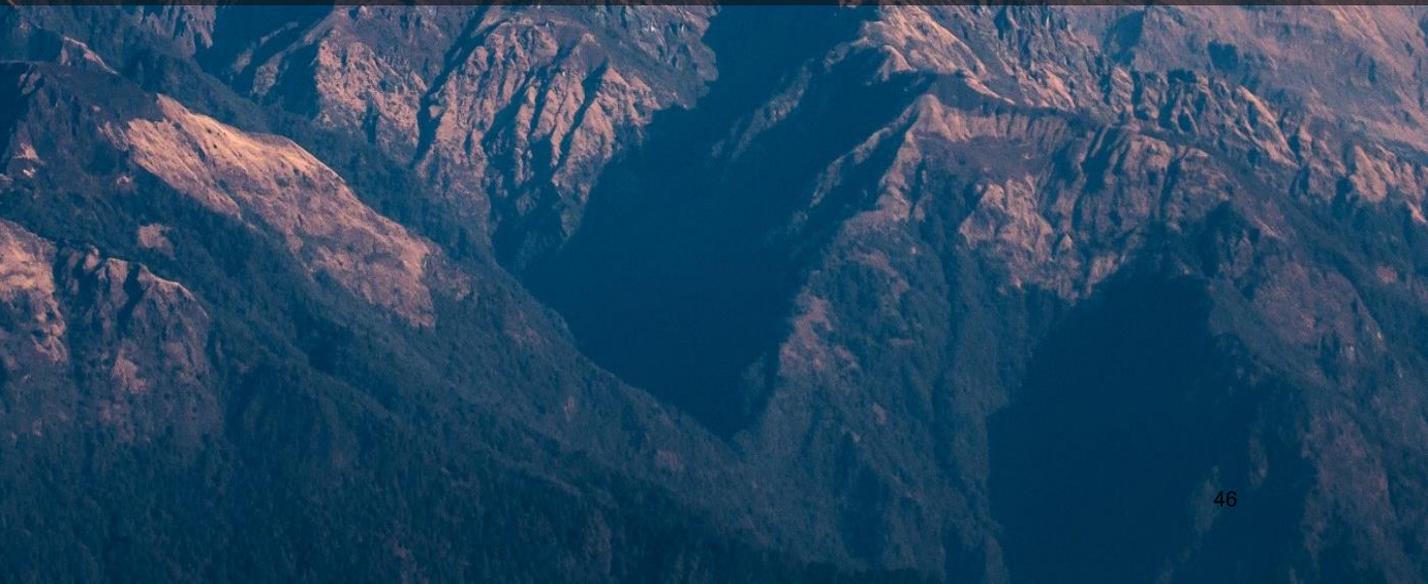
Growth of Plan Assets





Plan Performance / Cost

Section 4

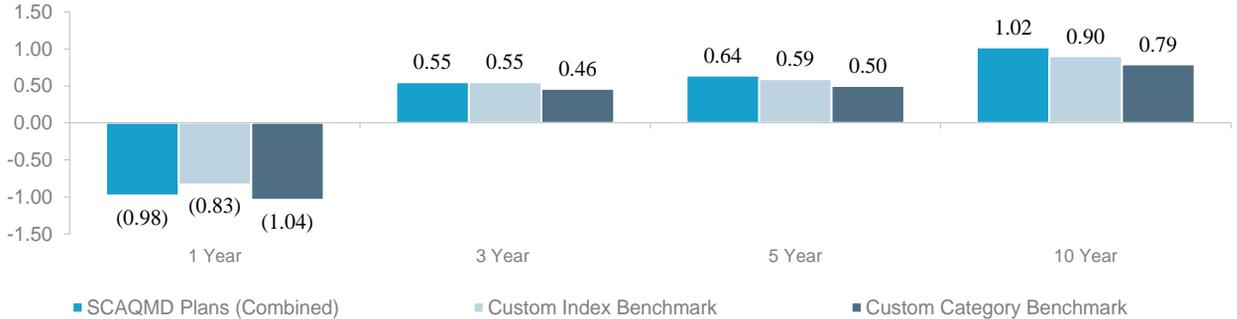


Portfolio Return vs. Custom Benchmark

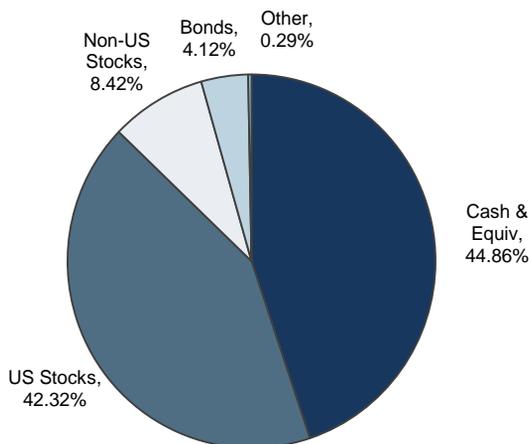
Annualized Returns



Sharpe Ratio



Current Quarter



Benchmark Weightings

Index	Category	Weight
BFSG Custom Stable Value	Stable Value	43.86%
Bloomberg US Agg Float Adj TR USD	Intermediate Core Bond	1.25%
Bloomberg US Agg Bond TR USD	Intermediate Core-Plus Bond	1.60%
40% BC Agg - 60% S&P 500	Allocation--50% to 70% Equity	1.95%
Russell 1000 Value TR USD	Large Value	0.33%
Russell 1000 Value TR USD	Large Value	4.56%
S&P 500 TR USD	Large Blend	6.95%
S&P 500 TR USD	Large Blend	1.06%
S&P 500 TR USD	Large Blend	5.99%
Russell 1000 Growth TR USD	Large Growth	10.38%
Russell Mid Cap Value TR USD	Mid Value	1.45%
CRSP US Mid Cap TR USD	Mid Blend	1.51%
Russell Mid Cap Growth TR USD	Mid Growth	2.85%
Russell 2000 Value TR USD	Small Value	0.98%
CRSP US Small Cap Value TR USD	Small Value	0.68%
CRSP US Small Cap TR USD	Small Blend	0.88%
Russell 2000 Growth TR USD	Small Growth	1.16%
MSCI ACWI Ex USA NR USD	Foreign Large Blend	2.33%
FTSE Dvlp ex US All Cap(US RIC)NR USD	Foreign Large Blend	0.66%
MSCI ACWI Ex USA Small Growth NR USD	Foreign Small/Mid Growth	0.78%
FTSE EMs AC China A Incl (US RIC) NR USD	Diversified Emerging Mkts	0.32%
S&P 500 Sec/Health Care TR USD	Health	1.53%
Real Estate Spliced Index*	Real Estate	0.42%
MSCI US IMI/Utilities 25-50 GR USD	Utilities	0.79%
S&P Target Date Series	Target Date Series	47 5.73%

Evaluation Methodology

Per Investment Policy Statement

Returns (40%)

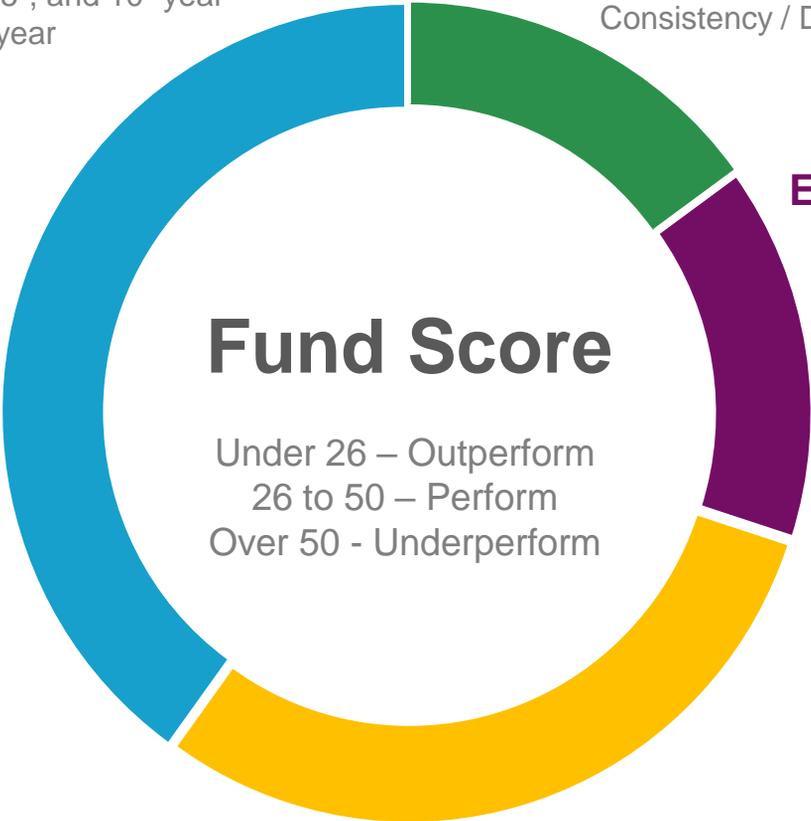
Trailing 3-, 5-, and 10- year
Rolling 10-year

Style (15%)

R²
Credit Quality
Consistency / Dispersion

Expense (15%)

Net Expense Ratio



Risk (30%)

Sharpe Ratio
Up-Capture Ratio
Down-Capture Ratio



All data points are percentile ranking relative to the Custom Peer Group. The Custom Peer Group is the fund's Morningstar Category excluding Index Funds, fund-of-funds, and funds with less than 3 Years of Returns. Only the lowest expense share class is evaluated.

Evaluation Methodology Summary

Investment Name	Quarterly Ranking			
	2Q22	1Q22	4Q21	3Q21
Intermediate Core-Plus Bond				
Metropolitan West Total Return Bond Fund	26	23	17	18
Allocation--50% to 70% Equity				
American Funds American Balanced Fund	12	11	16	14
Large Value				
DFA US Large Cap Value Portfolio	30	30	29	23
Hartford Dividend and Growth Fund	0	0	2	4
Large Blend				
American Funds Fundamental Invs	56	48	44	37
Vanguard FTSE Social Index Fund	2	0	0	0
Large Growth				
T. Rowe Price Blue Chip Growth Fund	37	24	18	12
Mid Value				
Vanguard Selected Value Fund	36	34	40	40
Mid Growth				
Carillon Eagle Mid Cap Growth Fund	2	4	6	9
Small Value				
American Beacon Sm Cap Val Fd	34	35	40	37
Small Growth				
Fidelity® Small Cap Growth Fund	12	8	13	17
Foreign Large Blend				
Hartford International Opportunities Fd	20	17	14	18
Foreign Small/Mid Growth				
MFS International New Discovery Fund	62	86	88	73
Health				
Hartford Healthcare Fund	42	42	32	32
Target Date Series				
T. Rowe Price Retirement Series	16	13	10	9
Average Rank	26	25	26	24
Plan Weighted Rank (Reweighted)	28	23	21	19



Note: Average and Plan-Weighted Average rankings shown above reflect the actual funds offered in the Plan (and their respective weightings) during the applicable quarter.

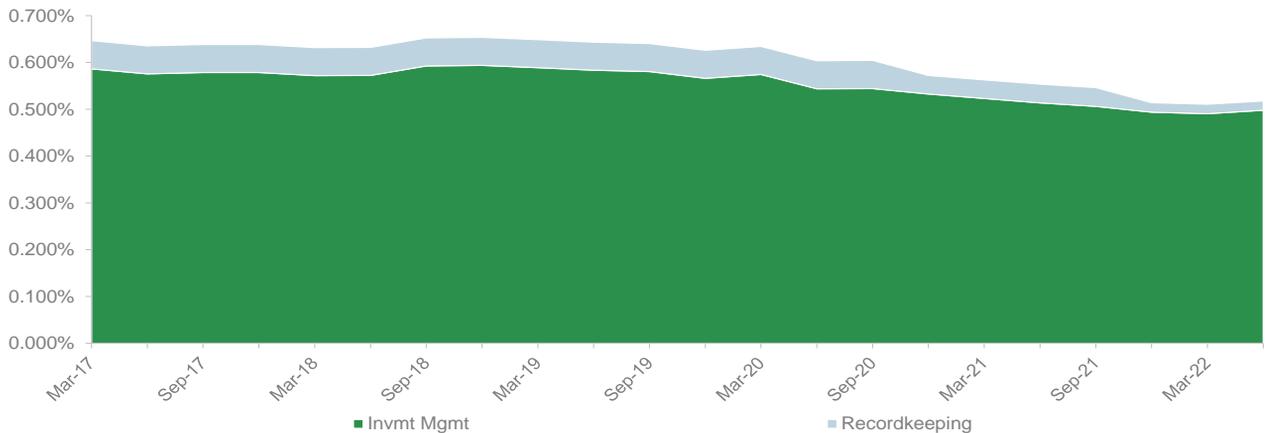
Fee Breakdown & Recordkeeping Costs

	Plan Assets 06/30/2022	Total Plan Expense (%) ²	Total Plan Expense (\$)	Revenue to Invmt. Mgmt. (\$)	Revenue to RK / Admin. (Vendor)
South Coast Air Quality Management District Retirement Savings Plan	\$203,643,018	0.518%	\$1,054,572	\$1,013,843	\$40,729
				0.498%	0.020%
<i>Industry Average¹</i>		<i>0.559%</i>	<i>\$1,139,365</i>		

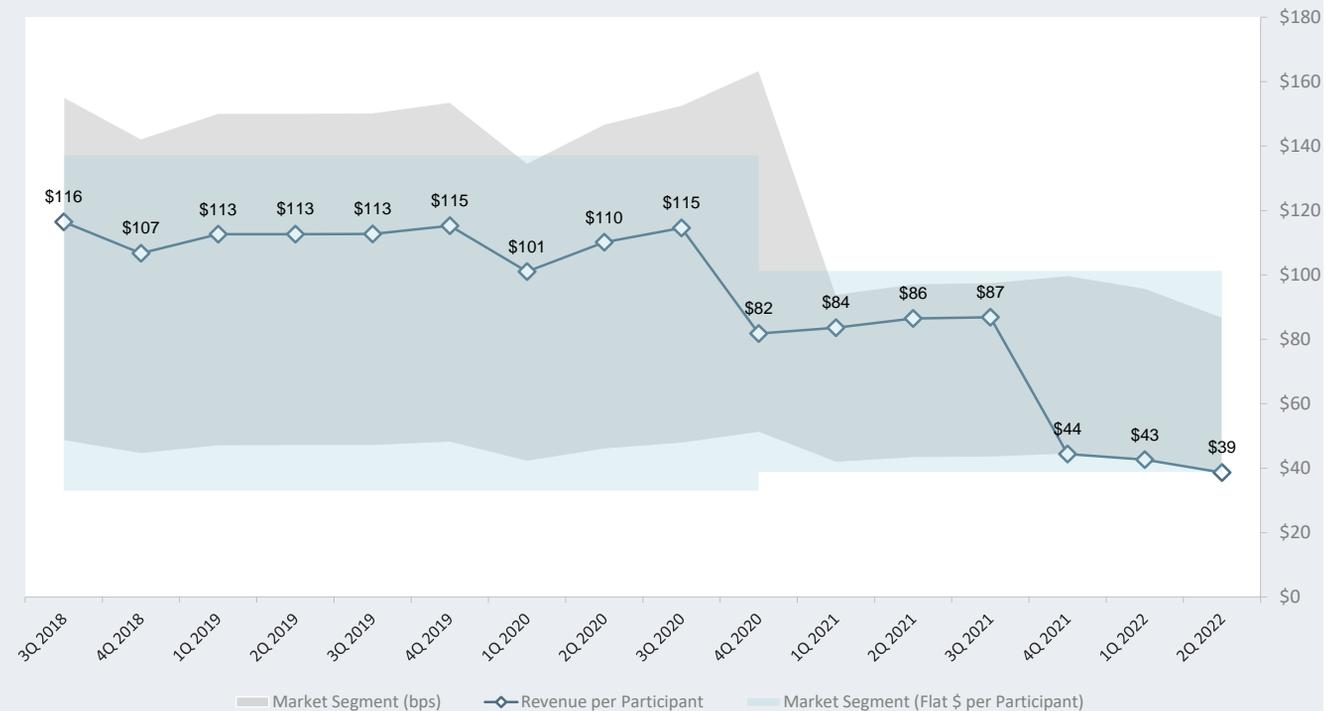
¹The Industry Average represents the weighted expense (based upon current allocation) of lowest cost Institutional and Retirement share classes in each asset category from Morningstar, plus the benchmark revenue requirement.

²Total Plan Expense does not include additional qualified Plan expenses or transaction costs.

Investment Management and Recordkeeping Costs



Recordkeeping Fee on a Per Participant Basis



A photograph of a wooden table with a white mug of coffee, a red pen, and a branch of holly. The mug is filled with dark coffee. The pen is a red ballpoint pen with silver accents. The holly branch has green leaves and clusters of red berries. The scene is lit with warm, natural light.

Appendix

Section 5



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: September 23, 2021

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on September 23, 2021, at 3:00 pm. The meeting was conducted via a Zoom web conference. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present

John Olvera – Deputy Executive Officer / Admin and Human Resources
Bayron Gilchrist – General Counsel
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager

Committee Members Absent

None

Guests

Darren Stewart, Benefit Financial Services Group (“BFSG”)
Aksana Munoz, BFSG
Dario Gomez, Empower Retirement (“Empower”)
Robert Gleason, Empower

Call to Order

Chair Olvera called the meeting to order at 3:03 pm.

Approval of Prior Meeting Minutes: The Committee unanimously approved the minutes of the meeting held on June 8, 2021.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 2nd Quarter 2021: The Committee received and unanimously approved the Retirement Plan Quarterly Investment Review (the “Report”) for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the “Plans”) for the quarter ending June 30, 2021.

To provide context to the performance of the investment options in the Plan, BFSG provided an overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plans’ Investment Policy Statement (the “IPS”).

MFS International New Discovery slightly underperformed both benchmarks over the quarter and one-year period, largely due to the fund’s defensive style. One of the fund managers retired in April 2021. Another long-term manager is retiring next year. Due to changes in management, BFSG recommended placing the fund on the Watch List. The Committee unanimously agreed.

Hartford Healthcare Fund is currently on the Watch List due to a change in management. Strong stock selection contributed to short-term performance. One of

the fund's co-managers will retire in 2021. After discussion, the Committee agreed to keep the fund on the Watch to monitor fund management.

The Committee reviewed performance, costs, and utilization of the Target Date Models. As of the end of the reporting period, 69 participants utilized the Models. The total amount invested in the Models was approximately \$6.9 million.

The Committee reviewed point-in-time Plan-level performance noting the Plan demonstrated better risk-adjusted returns than the active benchmark, as measured by 3-year Sharpe ratio, and had a lower expense ratio than the active peer group.

The Committee reviewed fees paid to Empower for recordkeeping and administration of the District's Plans. During the recent Request for Proposal ("RFP"), Empower proposed to reduce their revenue requirement for the 457 Plan to 2 basis points on Plan assets. The Committee will meet with the Governing Board on September 24, 2021, and recommend to award the contract to Empower.

Fixed Account Analysis and Selection: As Empower's proposal includes the utilization of their MassMutual Guaranteed Interest Account ("GIA") or the Great West Fixed Account ("Fixed Account"), BFGS prepared and presented a comparison of both investment options for the Committee's review and consideration.

One drawback to the GIA is the restrictive sponsor liquidity provision should the fund need to be removed when the market-to-book value is less than 100%. Assets would be available at market value or through 60 quarterly installments. The assets would not be liquid to participants, even for distributions, during the installment period. The Fixed Account offers more favorable sponsor liquidity options, including a 12-month put, a market-value adjustment, and an installment payment during which participants have full liquidity.

In terms of crediting rates, the products are similar, but a lack of historical data prevents a clear comparison. The GIA provides a higher crediting rate floor, starting at 2.5% and declining to 1.8% by the end of the five-year contract. The Fixed Account guarantees against loss but does not guarantee a specific interest rate. Both guarantees are provided by Great West, which has a strong credit rating.

A key provision of the GIA is that it offers a two-way market-value adjustment. Based on the market value calculation provided by Empower on September 7, 2021, an additional 15% of assets would be available to participants if the Committee chose to terminate the fund. The market value has increased substantially over the last few years, because of the declining interest rate environment. The market value would likely dissipate over the coming years if interest rates were to increase. The 15% excess could be amortized into future crediting rate of the Fixed Account, given as a one-time return to participants invested in the fund, or be split between the two.

BFSG reviewed an analysis of expected crediting rates for both products over life of the contract and discussed the changes to the market and environment that could impact the favorability of one decision over the other. After thorough review and discussion, the Committee unanimously agreed to terminate the GIA and utilize the Fixed Account, pending the Governing Board's approval to keep Empower as the recordkeeper.

The Committee also unanimously agreed to amortize \$4.5 million of the gains into the crediting rate of the Fixed Account over the next four years. This amount was chosen as it would likely keep the crediting rate of the Fixed Account above 2.5% for each of the five years, provided interest rates do not decline further. The remainder will be allocated to participants pro rata, based on their investment in the GIA as of market close on September 23, 2021.

Unfortunately, the Fixed Account cannot be added until the Plan converts to the Empower platform in mid-January 2022. During that time, rising interest rates could cause a reduction in the market value. The Committee asked Empower to provide an update on the market value of the GIA at a special meeting in a few weeks as well as options for potentially reducing the interest rate risk over the next four months.

SETTLOR AGENDA

Employee Education Meetings Update: BFSG provided an update on employee education meetings conducted for the District's Plan participants. During the second quarter of 2021, BFSG conducted a webinar, Estate and Legacy Planning. Over 90 Plan participants attended the webinar. BFSG's CFP, Mr. Johnson, had 7 one-on-one consultations and delivered 3 financial plans during the quarter. The year-to-date activity was also reviewed by the Committee.

Quarterly Review 457 and 401(a) Plans: Mr. Gleason presented a Plan Review report for the quarter ending June 30, 2021. The District's Plans are scheduled to transition to the Empower's recordkeeping platform in January 2022. The transition is expected to be completed over a weekend with no blackout period. Other areas discussed included Plan assets, demographics, cash flow, asset allocation, and loan utilization.

The Committee received and filed the 401(a) Plan Review for the reporting quarter.

Expense Budget Account Quarterly Activity Review: The Committee reviewed the accounting activity report for the Plan Expense Budget account. As of July 8, 2021, the balance in the account was \$5,393.

OTHER MATTERS:

Public Comments – There were no public comments.

Other Business – There was no other business.

Adjournment - The meeting adjourned at 5:15 p.m.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
DEFERRED COMPENSATION PLAN COMMITTEE
SPECIAL MEETING MINUTES

October 15, 2021

Members Present: John Olvera, Deputy Executive Officer / Admin and Human Resources
Sujata Jain, Chief Financial Officer
Bayron Gilchrist, General Counsel
Raquel Arciniega - Human Resources Manager

Committee Consultants: Darren Stewart, Benefit Financial Services Group (“BFSG”)
Aksana Munoz, BFSG
Robert Gleason, Empower

Call to Order: The special meeting of the Deferred Compensation Plan Committee (the “Committee”) was called to order by Mr. Olvera on October 15, 2021, at 2:30 pm. The purpose of the meeting was to discuss items listed on the agenda. The meeting was conducted via a Zoom web conference.

Action Item

1. Fixed Account Review

The Committee revisited the discussion held at the September meeting regarding the Guaranteed Interest Account (“GIA”) and the Fixed Account. Mr. Gleason noted Empower can administer the conversion of the GIA to the Fixed Account in two ways. Each of the proposed methods involves liquidating the GIA at market value and was discussed in detail. The most recent market value calculation is 116% of book value.

Under the first method, assets in the GIA would map directly into the Fixed Account on or about February 18, 2022. This method allows for the amortization of part of the gains into the crediting rate of the Fixed Account for the term of the contract with Empower but includes a lengthy period of uncertainty during which the market value could fluctuate. Empower would reduce its revenue requirement from 0.04% to 0.02% in November, instead of January as detailed in the Request for Proposal. Empower would also continue to credit an annualized rate of 2.5% to participants invested in the GIA until the mapping to the Fixed Account.

Under the second method, the GIA would be liquidated on or about November 19, 2021, and mapped into a money market fund as a holding place until the Great West Fixed Account could be added on or about February 18th. This method shortens the time for market value fluctuation but requires that all gains be credited to participants pro rata based on

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
DEFERRED COMPENSATION PLAN COMMITTEE
SPECIAL MEETING MINUTES

assets invested in the GIA as of close of business on September 23, 2021. During the period invested in the money market, the crediting rate would likely be zero.

After discussion, the Committee unanimously agreed to adopt the first method and map the GIA to the Fixed Account on or about February 18, 2022. The Committee will continue to monitor the market value of the GIA and asked Empower to provide an updated percentage to the Committee at its meeting on November 16, 2021. The Committee also asked Empower to inquire as to the last possible date the Committee could change its decision on liquidating the GIA.

Other Matters

2. **Public Comments** – There were no public comments.

Adjournment

With no further items to address, Mr. Olvera adjourned the meeting at 3:20 pm.



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: December 14, 2021

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on December 14, 2021, at 10:30 am. The meeting was conducted via a Zoom web conference. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present

John Olvera – Deputy Executive Officer / Admin and Human Resources
Bayron Gilchrist – General Counsel
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager

Committee Members Absent

None

Guests

Darren Stewart, Benefit Financial Services Group (“BFSG”)
Aksana Munoz, BFSG
Dario Gomez, Empower Retirement (“Empower”)
Robert Gleason, Empower

Call to Order

Chair Olvera called the meeting to order at 10:30 am.

Approval of Prior Meeting Minutes: The Committee unanimously approved the minutes of the meetings held on September 23, 2021, and October 15, 2021.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 3rd Quarter 2021: The Committee received and unanimously approved the Retirement Plan Quarterly Investment Review (the “Report”) for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the “Plans”) for the quarter ending September 30, 2021.

To provide context to the performance of the investment options in the Plan, BFSG provided an overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plans’ Investment Policy Statement (the “IPS”).

Metropolitan West Total Return Bond – It was noted the firm’s chief investment officer (“CIO”) is retiring at the end of the year. Two managers of the fund will then serve as co-CIO and will remain on the fund. A strong and well experienced analyst team will continue to support the fund. As such, this change is not concerning at this time.

MFS International New Discovery is currently on the Watch List. Short-term underperformance was largely due to the fund’s defensive nature as illustrated by its

up-capture ratio ranking of 100 (“underperform”). The fund is positioned to perform well in declined markets based on its strong down capture ratio of 22 (“outperform”). During the quarter, an overweight to emerging markets and poor stock selection in real estate weighed on fund performance. One of the fund managers retired earlier this year and another is expected to retire in April 2023. The fund will continue to be managed by the experienced team of comanagers. Due to management changes, BFSG recommended keeping the fund on the Watch List. The Committee unanimously agreed.

Hartford Healthcare Fund is currently on the Watch List due to management changes. One of fund comanagers is retiring in 2022. Another gave up her comanager position on this strategy in June 2021 in order to become the CEO of the subadvisor Wellington Management Company. Due management changes, BFSG recommended keeping the fund on the Watch List. The Committee unanimously agreed.

The Committee reviewed point-in-time Plan-level performance noting the Plan demonstrated better risk-adjusted returns than the active benchmark, as measured by 3-year Sharpe ratio, and had a lower expense ratio than the active peer group.

The Committee reviewed fees paid to Empower for recordkeeping and administration of the District’s Plans. As of November 1, 2021, the required revenue to Empower was reduced to 2 basis points on each Plan. This places Empower’s fees within a lower band of the market segment based on a Request for Proposal conducted in 2021.

Investment Policy Statement Update: To assist the Committee with its ongoing diligence, BFSG proposed updates to the Investment Policy Statement (the “IPS”) for the Plans. The noteworthy updates included proxy voting, Watch List-related procedures, and splitting the foreign large equity category into growth, value, and blend. BFSG reviewed and discussed each section of the IPS in detail. It was noted Empower sends proxies for voting to the plan sponsor on behalf of participants. After discussion, the Committee agreed to adopt the revised IPS through these minutes.

Target Date Models Allocation Update: BFSG discussed updates to the Target Date Models. The updates included minor allocation changes in each asset class. The Committee unanimously approved the proposed updates to the Models.

Share Class Review: To assist the Committee with its ongoing due diligence, BFSG prepared and reviewed a Share Class analysis to examine the investment options in both Plans. The analysis illustrated a comparison of the current and lowest possible share class of each fund in the Plans. No changes were proposed at this time. The Committee agreed to revisit this topic in 2022 once the decision regarding the GIA is finalized.

Committee’s Meeting Schedule 2022: The Committee unanimously approved the meeting calendar for 2022. The meetings dates are February 8, June 9, September 14, and December 7.

Fixed Account Review: Empower noted the most recent market value calculation is 113% of book value. The Committee revisited its decision to move assets from the Guaranteed Interest Account (“GIA”) to the Fixed Account. As noted at the prior meetings, the Fixed Account cannot be added until the Plans convert to the Empower platform. Mr. Gleason noted the migration to the Empower platform has been pushed from January 2022 to February 2022, pushing the effective date of moving assets to the Fixed Account after the platform migration date.

After discussion, the Committee unanimously agreed to schedule a special meeting once Empower has more information on the platform migration time frame.

SETTLOR AGENDA

Employee Education Meetings Update: BFSG provided an update on employee education meetings conducted for the District’s Plan participants. In early December, BFSG conducted a webinar, Social Security. Approximately 70 Plan participants attended the webinar. The year-to-date activity with BFSG’s CFP included 34 one-on-one consultations and 11 financial plan deliveries. During the year, BFSG conducted 3 workshops which had over 200 attendees.

Quarterly Review 457 and 401(a) Plans: Mr. Gleason presented the 457(b) Plan Review report for the quarter ending September 30, 2021. Areas reviewed included Plan assets, demographics, cash flow, asset allocation, and loan utilization.

The Committee received and filed the 401(a) Plan Review for the reporting quarter.

Expense Budget Account Quarterly Activity Review: The Committee reviewed the accounting activity report for the Plan Expense Budget account. As of October 11, 2021, the balance in the account was \$7,569. MassMutual will reallocate any unused balance in the EBA back to participants automatically at the end of the year.

OTHER MATTERS:

Public Comments – There were no public comments.

Other Business – There was no other business.

Adjournment - The meeting adjourned at 11:55 a.m.



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: February 1, 2022

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on February 1, 2022, at 3:30 pm. The meeting was conducted via a Zoom web conference. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present

John Olvera – Deputy Executive Officer / Admin and Human Resources
Bayron Gilchrist – General Counsel
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager

Committee Members Absent

None

Guests

Darren Stewart, Benefit Financial Services Group (“BFSG”)
Aksana Munoz, BFSG
Dario Gomez, Empower Retirement (“Empower”)
Robert Gleason, Empower
Armando Llanes, Empower
Paul Wright, Empower

Call to Order

Chair Olvera called the meeting to order at 3:30 pm.

Approval of Prior Meeting Minutes: The Committee unanimously approved the minutes of the meeting held on December 14, 2021.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 4th Quarter 2021: The Committee received and unanimously approved the Retirement Plan Quarterly Investment Review (the “Report”) for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the “Plans”) for the quarter ending December 31, 2021.

To provide context to the performance of the investment options in the Plan, BFSG provided an overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plans’ Investment Policy Statement (the “IPS”).

Changes to the Plan’s Target Date Models were completed by Empower in December 2021.

American Funds Fundamental Investors: The management team has experienced moderate turnover over the last few years. The fund underperformed its peers and benchmark during the quarter and underperformed both over all periods measured in

the Report except for its peers on a ten-year basis. During the third quarter of 2021, an out-of-benchmark position in mining stocks detracted from relative performance. During the fourth quarter of 2021, an out-of-benchmark position in gambling stocks detracted from relative performance, as did a significant overweight to tobacco, and underweight to automobile manufacturers. A significant position in foreign equity continues to detract from relative performance. Due to underperformance and manager turnover, BFSG recommended placing the fund on the Watch List. The Committee unanimously approved placing the fund on the Watch List.

T. Rowe Price Blue Chip Growth - In September 2021, Paul Greene officially took over for long-term manager Larry Puglia. Paul had worked with the fund as an analyst for more than a decade and gradually took on management responsibilities beginning in January 2020. BFSG held a conference call with fund management to discuss the transition as well as recent underperformance on February 1, 2022. Greene's portfolio shifts are nearly complete as he has reduced the number of holdings by approximately one-third, mostly by selling off the small positions that had little impact on performance. The portfolio remains diverse with approximately ninety stock positions. Greene utilized most of those proceeds to purchase stocks with higher growth potential than have historically been held in the portfolio. Among others, this included initiating positions in Tesla and Rivian leading the fund to have a higher P/E ratio than its peers and index. During the quarter management held an underweight to Tesla, which detracted from performance relative to its peers and index. The most noticeable disparity in performance for the quarter was between the peers and the index, caused by the concentration of Microsoft and Apple in the index (more than 20% of the holdings). Despite recent underperformance, the fund is easily outperforming its peers on a five- and ten-year basis and the Evaluation Methodology score remains an outperform at 18. The Committee unanimously agreed to continue monitoring the changes to the portfolio.

MFS International New Discovery underperformed its both benchmarks during the quarter, largely due to its conservative investment style. Lead manager retired in early-2021 and another long-term manager is planning to retire in 2023. The fund will continue to be managed by the experienced team of comanagers. Due to management changes, BFSG recommended keeping the fund on the Watch List. The Committee agreed.

Hartford Healthcare Fund underperformed category peers and the index benchmark during the quarter. Recent underperformance was largely due to an overweight to biotech stocks. One of fund managers is planning to retire this year. The Committee unanimously agreed to keep the fund on Watch to monitor performance and management changes.

The Committee reviewed point-in-time Plan-level performance noting the Plan demonstrated better risk-adjusted returns than the active benchmark, as measured by 3-year Sharpe ratio, and had a lower expense ratio than the active peer group.

The Committee reviewed fees paid to Empower for recordkeeping and administration of the District's Plans. As of November 1, 2021, the required revenue to Empower was reduced to 2 basis points on each Plan. This places Empower's fees within a lower band of the market segment based on a Request for Proposal conducted in 2021.

The Plan operates under a level fee arrangement where fund revenue sharing payments are credited directly to the participants invested in the fund. The Committee reviewed the share classes used in the Plan and noted that after adjusting for credited revenue sharing, using the optimal share class for each fund provided annualized savings of approximately \$32,000.

Transition to Fixed Account: On January 18, 2022, SCAQMD executed the investment change authorization and signed the group annuity contracts and funding agreement relative to the upcoming Fixed Account change for all Plans. The MassMutual GIA will be replaced with the Great West Fixed Investment Account - Series IV. The last updated MassMutual GIA MVA was 114.573% as of January 31, 2022. The investment change is scheduled for February 24, 2022, and a participant communication was sent by Empower on January 24, 2022. Following this update, the Committee reaffirmed their decision to make this investment change.

Fiduciary Education – Cybersecurity: In April 2021, the U.S. Department of Labor (the "DOL") issued new Cybersecurity guidance for plan sponsors, providers, and participants. Although ERISA does not apply to governmental plans, best practice is to attempt to follow the guidelines and regulations established for private plans. The guidance establishes a baseline for a fiduciary breach should a claim arise. BFSG issued a cybersecurity questionnaire to Empower for the Committee's fiduciary file and stored that information on the BFSG e-library. SCAQMD can share that information with their internal IT specialists for a detailed review and evaluation.

After discussion, the Committee agreed to invite a cybersecurity specialist from Empower to the next regularly scheduled meeting to discuss the recordkeeper's cybersecurity protocols.

SETTLOR AGENDA

Special Catch-up Provision: The Committee discussed a potential change in the interpretation of how to apply the special catch-up provision. This provision is already utilized by the District. Mr. Wright noted Empower's interpretation of this provision is slightly more flexible than MassMutual and Hartford. As Empower's interpretation

is more favorable for participants, the Committee unanimously approved the change to begin administering this provision in accordance with Empower's viewpoint. This change does not require a Plan amendment.

Quarterly Review 457 and 401(a) Plans: Mr. Gleason presented the 457(b) Plan Review report for the quarter ending December 31, 2021. Areas reviewed included Plan assets, demographics, cash flow, asset allocation, and loan utilization.

The Committee received and filed the 401(a) Plan Review for the reporting quarter.

Expense Budget Account Quarterly Activity Review: The Committee reviewed the accounting activity report for the Plan Expense Budget account. As of January 6, 2022, the ending balance in the account was \$2,491.63.

Participant Communications: The Committee discussed participant communication efforts for the 2022 year. Mr. Llanes provided an overview of Empower's targeted, goal-specific, and event-based campaigns which are designed to engage employees and drive specific actions. These campaigns will be available for the District once the Plans move to the Empower's platform this quarter.

OTHER MATTERS:

Public Comments – There were no public comments.

Other Business – There was no other business.

Adjournment - The meeting adjourned at 5:00 p.m.



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: June 9, 2022

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on June 9, 2022, at 2:00 pm. The meeting was conducted via a Zoom web conference. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present

John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager

Committee Members Absent

Bayron Gilchrist – General Counsel

Guests

Anthony Tang, South Coast Air Quality Management District (“SCAQMD”)
Mae Mendoza, SCAQMD
Darren Stewart, Benefit Financial Services Group (“BFSG”)
Antonia Lipovac, BFSG
Dario Gomez, Empower Retirement (“Empower”)
Robert Gleason, Empower
Trish McGinity, Empower
Claudia Leao, Empower

Call to Order

Chair Olvera called the meeting to order at 2:06 pm.

Approval of Prior Meeting Minutes: The Committee unanimously approved the minutes of the meeting held on February 1, 2022.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 1st Quarter 2021: The Committee received and unanimously approved the Retirement Plan Quarterly Investment Review (the “Report”) for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the “Plans”) for the quarter ending March 31, 2022.

To provide context to the performance of the investment options in the Plans, BFSG provided an overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plans’ Investment Policy Statement (the “IPS”).

American Funds Fundamental Investors – The fund underperformed relative to its peers during the first quarter. An overweight in foreign securities and poor stock selection in communication services and financials detracted from recent performance. An underweight to insurance also detracted from recent performance. Committee agreed to maintain the fund on the Watch List.

MFS International New Discovery – The fund significantly outperformed its Foreign Small/Mid Growth category peers during the first quarter. The strategy’s bias to downside protection had been a headwind as markets made new highs over the last two years. However, the fund outperformed its peers by 6% in the volatile first quarter and has outperformed by another 4% since the end of the quarter. Contributing to more recent performance has been an underweight to technology and biotechnology stocks, along with strong stock selection in the portfolio’s healthcare sleeve. The Committee agreed to maintain the fund on the Watch List and BFGS will bring a fund search to the next meeting to review potential alternatives, as the fund will have been on the Watch List for one year.

Hartford Healthcare Fund – The fund is currently on the Watch List due to a recent manager change. During the first quarter, the fund performed in line with its peers but underperformed relative to its index. The index is market-cap weighted and therefore consists largely of large cap pharmaceutical companies that have performed well during the market downturn. The fund and its peer group have more small and mid cap exposure as well as larger weightings in medical devices and biotechnology. The fund current ranks a 42 (“perform”) per the Evaluation Methodology and it was noted the fund’s expense ratio of 0.88 remained below its category benchmark of 0.94. There were 2 new co-managers added to the fund in March 2022 and the Committee agreed to maintain the fund on the Watch List.

The Committee reviewed point-in-time Plan-level performance noting the Plan demonstrated better risk-adjusted returns than the active benchmark, as measured by 3-year Sharpe ratio, and had a lower expense ratio than the active peer group.

The Committee reviewed fees paid to Empower for recordkeeping and administration of the District’s Plans.

The Plan operates under a level fee arrangement where fund revenue sharing payments are credited directly to the participants invested in the fund. The Committee reviewed the share classes used in the Plan and noted that after adjusting for credited revenue sharing, using the optimal share class for each fund provided annualized savings of approximately \$32,500.

Cybersecurity: Ms. McGinity from Empower’s Cybersecurity team hosted an educational presentation covering Empower’s cybersecurity protocols. Ms. McGinity also reviewed the Department of Labor cybersecurity guidance issued in April 2021. Other items covered included cybersecurity best practices, online security tips, guidance for plan sponsors, data protection, security testing, and Empower’s security guarantee.

Fiduciary Education – Cryptocurrency: On March 10, 2022 the U.S. Department of Labor (“DOL”) released guidance to plan sponsors regarding the risks of

cryptocurrency investments and their place in retirement plans. BFSG reviewed the guidance with the Committee. Empower has confirmed they have no way to broadly exclude cryptocurrency and related products from the brokerage window due to the subjectivity of the DOL's language, and further clarification from the DOL is needed before such an exclusion could be made possible. With respect to monitoring individual investments inside the brokerage window, the Committee will continue to rely on historical DOL direction and federal court decisions and will look for further guidance from the DOL on this issue in the future.

SETTLOR AGENDA

BFSG Contract Renewal: The Committee noted the contract with BFSG will be extended for another year beginning July 1, 2022.

Quarterly Review 457 and 401(a) Plans: Mr. Gleason presented the 457(b) Plan Review report for the quarter ending March 31, 2022. Areas reviewed included Plan assets, demographics, cash flow, asset allocation, and loan utilization.

The Committee received and filed the 401(a) Plan Review for the reporting quarter.

Expense Budget Account Quarterly Activity Review: The Committee reviewed the accounting activity report for the Plan Expense Budget account. As of March 31, 2022, the ending balance in the account was \$2,491.46.

OTHER MATTERS:

Public Comments – There were no public comments.

Other Business – There was no other business.

Adjournment - The meeting adjourned at 3:33 p.m.

BOARD MEETING DATE: March 3, 2023

AGENDA NO.

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, February 10, 2023

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

RMM:MAH:XC:dc

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
March 3, 2023 Board Meeting
Status Report on Major Ongoing and Upcoming Projects for
Information Management

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Phone System Upgrade	Upgrade components of the agency Cisco Unified Communications System that are past end of support	\$175,000	<ul style="list-style-type: none"> • RFQ released September 3, 2021 • Awarded January 7, 2022 	<ul style="list-style-type: none"> • Complete upgrade February 28, 2023
AQ-SPEC Cloud Platform Phase 2	Integrate separate data systems into the AQ-SPEC cloud-based platform to manage data and build interactive data visualizations and data dashboards for web-based viewing	\$313,350	<ul style="list-style-type: none"> • Project Charter released • Task Order issued, evaluated, and awarded • Project kickoff completed • Requirements gathering completed • Fit Gap and data storage analysis completed • Architecture and functional design completed • Work Plan development for Phase 2 completed • Dashboard designs approved • Discovery Phase completed • Proposal for implementation phase received 	<ul style="list-style-type: none"> • Begin implementation phase
PeopleSoft Electronic Requisition	This will allow submittal of requisitions online, tracking multiple levels of approval, electronic archival, pre-encumbrance of budget, and streamlined workflow	\$75,800	<ul style="list-style-type: none"> • Project Charter released • Task Order issued, evaluated, and awarded • Requirements gathering and system design completed • System setup and code development, and User Acceptance Testing for Information Management completed • System setup and code development, and User Acceptance Testing completed for Administrative and Human Resources, and Technology Advancement Office completed 	<ul style="list-style-type: none"> • Deploy to IM and AHR divisions • Training and Integrated User Testing for other divisions

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for staff	\$525,000	<ul style="list-style-type: none"> • Board approved initial Phase 2 funding December 2017 • Board approved remaining Phase 2 funding October 5, 2018 • Completed report outlining recommendations for automation of Permitting Workflow • Developed application submittals and form filing for first nine of 32 400-E forms • Completed application submittals and form filing for 23 types of equipment under Rule 222 for User Testing • Deployed production of the top three most frequently used Rule 222 forms: Negative Air Machines, Small Boilers and Charbroilers • Deployment to stage of Phase 2 additional 12 400-E-XX forms completed • Deployed to production 3 additional Rule 222 forms (Tar Pots, Cooling Towers, and Power Washers) • Deployment to production 8 additional Rule 222 forms (Food Ovens, Storage of Odorants, Equipment Used to Store Aqueous Urea Solutions, Asphalt Day Tanker, Asphalt Pavement Heater, Diesel Fueled Boiler, Micro Turbines, and Portable Diesel Fueled Heater) completed. • Deployment to production of the Emergency Internal Combustion Engine (EICE) application completed. 	<ul style="list-style-type: none"> • Requirements gathering for Phase 3 of the project (final twelve 400-E-XX forms) • Complete User Acceptance Testing and deployment to production of Phase 1 of the project (first ten 400-E-XX forms) • Complete User Acceptance Testing and deployment to production of next set of Rule 222 forms

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Warehouse Indirect Source Rule Online Reporting Portal	Development of online reporting portal for Rule 2305 – Warehouse Indirect Source	\$250,000	<ul style="list-style-type: none"> • Task Order issued • Deployed Phase 1.1 – Warehouse Operations Notification Submittal • Deployed Phase 1.2 – Warehouse Operations Notification Evaluation • Deployed Phase 2 – Early Annual WAIRE Report (EAWR) , Initial Site Information Report (ISIR), full Annual WAIRE Report (AWR) • Deployed Phase 3– Final Annual WAIRE Report 	<ul style="list-style-type: none"> • Phase 4 Enhancements
Carl Moyer Program GMS	Development of simplified and streamlined Online Grant Management System (GMS) Portal for Carl Moyer Program	\$116,275	<ul style="list-style-type: none"> • Task Order issued • Phase 1 completed and approved by stakeholder • Solicitation for On-Road opened to public • Phase 2 – tasks module enhancement User Acceptance Testing completed • Phase 2 – 30-day Letter User Acceptance Testing for completed • Phase 2 CARL Import for Infrastructure and Marine Development completed • Phase 2 – CARL Import for Off-Road and On-Road User Acceptance Testing completed • Application Status Tracking User Acceptance Testing completed • Evaluation – Messages Module User Acceptance Testing completed • Carl Moyer Program – PA2023-04 opened 01/10/23@ 1pm 	<ul style="list-style-type: none"> • Phase 2 – Sprint 3 Development • Phase 2 – sprint 4 requirements gathering • Phase 2 – management reports

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Agenda Tracking System	Develop new Agenda Tracking System for submittal, review and approval of Governing Board meeting agenda items	\$250,000	<ul style="list-style-type: none"> • Project initiation completed • Task order issued • Project planning completed • Vision and Scope completed • Task order issued • Project Kick-off completed 	<ul style="list-style-type: none"> • System design
PeopleSoft HCM (Human Capital Management) upgrade	Upgrade PeopleSoft HCM product to latest tools and image level to maintain regulatory and functional support	\$180,000	<ul style="list-style-type: none"> • Project initiation completed • Task order issued • System assessment completed • Customization assessment completed • Installation certification completed • Data migration completed 	<ul style="list-style-type: none"> • User Acceptance Testing
Source Test Tracking System (STTS)	Online STSS will keep track of timelines and quantify the number of test protocols and reports received. System will provide an external online portal to submit source testing protocols and reports, track the review process, and provide integration to all other business units. It will also provide an external dashboard to review the status of a submittal.	\$250,000	<ul style="list-style-type: none"> • Project initiation completed • Task Order issued • Project kickoff completed • User requirements gathering for internal users completed • Developed full business process model • Developed screens mock-ups • Reviewed proposed automation with EQUATE Working Group completed • Completed development of all Sprints 1 through 8 • Completed overview of development progress to EQUATE Working Group. • Deploy updated STTS Data Model and move application to stage completed • Internal and external orientation/training for testers completed • Development of all modifications identified by users completed. 	<ul style="list-style-type: none"> • Complete User Acceptance Testing of STTS Portal in stage environment • Complete testing of STTS Portal with regulated community volunteers • Deploy STTS Portal to production
Compliance System	Develop new Compliance System to help streamline the compliance business process	\$450,000	<ul style="list-style-type: none"> • Project initiation 	<ul style="list-style-type: none"> • High level requirement gathering

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Renewal of HP Server Maintenance & Support	Purchase of maintenance and support services for servers and storage device	\$150,000		<ul style="list-style-type: none"> • Request Board approval for HP server maintenance and support April 7, 2023 • Execute contract April 30, 2023
Purchase of Server and Storage Upgrades	Purchase servers and storage upgrades to support enterprise-level software applications including the Clean Air Support System for all South Coast AQMD core business activities and modeling applications that support Planning and AQMP development	\$430,000		<ul style="list-style-type: none"> • Request Board approval for server and storage upgrades April 7, 2023 • Execute purchases April 30, 2023

Projects that have been completed within the last 12 months are shown below.

Completed Projects

Project	Date Completed
Carl Moyer GMS – PA2023-04	January 10, 2023
AB 2766 for reporting year 2022	January 3, 2023
WAIRE Program Online Portal – Phase 3	December 31, 2022
Annual Emission Reporting for reporting year 2022	December 31, 2022
Online Application Filing – Eight Additional Rule 222 Forms	December 2, 2022
CLASS Database Software Licensing	November 30, 2022
Upgrade of Ingres Database Software	August 5, 2022
Upgrade of OnBase Software	August 2, 2022
Renewal of OnBase Software Support	July 15, 2022
Replace Your Ride (RYR)/One Stop Shop Integration	July 7, 2022
Warehouse Operations Notification Online Submittal Portal Phase 2.2 Initial Site Information Report (ISIR) and full Annual WAIRE Report (AWR)	June 1, 2022
Alternative Colors for Air Quality Map	May 20, 2022
Permit Application Enhancements for Rule 1109.1 Tracking	May 04, 2022
Mobile Application Enhancements	May 03, 2022
HP Server Maintenance & Support	April 30, 2022
National Weather Service Alert Integration	April 21, 2022
Prop 1B GMS – Locomotive and Cargo	April 19, 2022

BOARD MEETING DATE: March 3, 2023

AGENDA NO.

PROPOSAL: Authorize Purchase of Servers and Storage Devices

SYNOPSIS: The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System (CLASS) for all South Coast AQMD core business activities and air quality modeling applications that support Planning and development of AQMPs. Upgrades of these equipment are required to support these activities. This action is to obtain approval for the purchase of server and storage upgrades in an amount not to exceed \$430,000. Funds for these purchases are included in Information Management's FY 2022-23 Budget and Planning, Rule Development & Area Sources' FY 2022-23 Budget.

COMMITTEE: Administrative, February 10, 2023; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Procurement Manager to purchase servers and storage devices at a cost not to exceed \$430,000.

Wayne Natri
Executive Officer

RMM:MH:LG:ir

Background

South Coast AQMD uses Hewlett Packard Enterprise Company (HP) servers and storage devices running Windows Server and Linux operating systems. The HP servers support several production applications such as CLASS, Permit Processing, Finance, Compliance, NSR, Emission Fee Billing, Notice of Violations, Facility Permits, ERS Interim Reports, Subscription Services, Web Servers, PeopleSoft Financial and HCM database, OnBase document management system, Legal system, AQMP Modeling and Telemetry system. The existing storage systems total 430 terabytes and are over 73

percent utilized. Existing servers are not capable of supporting new business applications or increased modeling and forecasting simulations.

Proposal

In accordance with South Coast AQMD’s Administrative Policies and Procedures No. 35, bids will be solicited from firms on the List of Prequalified Vendors to Provide Computer, Network, Printer Hardware and Software, and Desktop Computer Hardware Upgrades, and through vendor master agreements, cooperative agreements and other interagency agreements with governmental entities in order to achieve the best available price. The prequalified vendor list was approved by the Board on February 4, 2022 and is in effect for a period ending February 4, 2024. Of the 11 vendors on the list, three are near-zero delivery vehicles; five are women-owned business enterprises; five are minority-owned business enterprises; six are local business enterprises; and four are small business enterprises.

This action is to authorize the Procurement Manager to execute purchase orders for servers and storage devices with the vendor providing the lowest cost bid at a total cost not to exceed \$430,000.

Resource Impacts

Sufficient funding is available in Information Management’s FY 2022-23 Budget and Planning, Rule Development & Area Sources’ FY 2022-23 Budget.

BOARD MEETING DATE: March 3, 2023

AGENDA NO.

PROPOSAL: Authorize Purchase of Maintenance and Support Services for Servers and Storage Devices

SYNOPSIS: The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System (CLASS) for all South Coast AQMD core activities. Maintenance support for these systems will expire on April 30, 2023. This action is to obtain approval for the sole source purchase of hardware and software maintenance and support services for servers and storage devices from Hewlett Packard Enterprise Company for one year, in an amount not to exceed \$190,000. Funds for these purchases are included in Information Management's FY 2022-23 Budget.

COMMITTEE: Administrative, February 10, 2023; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Procurement Manager to purchase one year of maintenance and support services for South Coast AQMD servers and storage devices from Hewlett Packard Enterprise Company at a cost not to exceed \$190,000.

Wayne Natri
Executive Officer

RMM:MH:LG:ir

Background

South Coast AQMD uses Hewlett Packard Enterprise Company (HP) servers and storage devices running Windows Server and Linux operating systems since 2000. The HP servers support several production applications such as the CLASS, Permit Processing, Finance, Compliance, NSR, Emission Fee Billing, Notice of Violations, Facility Permits, ERS Interim Reports, Subscription Services, Web Servers, PeopleSoft Financial and HCM database, OnBase document management system, Legal system,

AQMP Modeling and Telemetry system. Hardware and software maintenance and support services are required to ensure the continued operation of these programs with minimum interruption. Maintenance and support services for these servers expires on April 30, 2023.

HP is the sole manufacturer and provider of the hardware and software, and the only source for maintenance support licensing agreements. HP also provides South Coast AQMD with substantial discounts through cooperative agreements.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.c(2) and (3). The project involves the use of proprietary technology, and the contractor has ownership of key assets required for project performance. HP is the sole provider of this hardware and software and therefore, the only source for its maintenance and support licensing agreements.

Proposal

This action is to purchase one year of maintenance and support services for server hardware and software from HP at a cost not to exceed \$190,000.

Resource Impacts

Sufficient funds are included in the FY 2022-23 Budget.



South Coast Air Quality Management District



21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

MEETING OF THE ENVIRONMENTAL JUSTICE ADVISORY GROUP FRIDAY, OCTOBER 28, 2022 MEETING MINUTES

Members Present:

Senator Vanessa Delgado (Ret.), EJAG Chair (Board Member)
Veronica Padilla-Campos (Board Member)
Manuel Arredondo
Angie Balderas
Dr. Lawrence Beeson
Suzanne Bilodeau
Kerry Doi
Kareem Gongora
Dr. Afif El-Hasan
Mary Figueroa
Angela GarciaAna Gonzalez
Dr. Monique Hernandez
Rafael Yanez

Members Absent:

Supervisor Janice Rutherford (Board Member)
Elizabeth Alcantar
Rhetta Alexander
Paul Choe
Dr. Jill Johnston
Humberto Lugo
David McNeill
Donald Smith

South Coast AQMD Staff:

Derrick Alatorre, Deputy Executive Officer/Legislative, Public Affairs & Media
Nicholas Sanchez, Assistant Chief Deputy Counsel/Legal
Alicia Lizarraga, Senior Public Affairs Manager/Legislative, Public Affairs & Media
Evangelina Barrera, Senior Public Affairs Specialist/Legislative, Public Affairs & Media
Iliana Garcia, Senior Public Affairs Specialist/Legislative, Public Affairs & Media
Alejandra Vega, Senior Public Affairs Specialist/Legislative, Public Affairs & Media

Brandee Keith, Senior Public Affairs Specialist/Legislative, Public Affairs & Media

Dr. Elaine Shen, Planning and Rules Manager/Planning, Rules Development, and Implementation
Dr. Andrea Polidori, Assistant Deputy Executive Officer/Monitoring and Analysis
Brisa Lopez, Secretary/Legislative, Public Affairs & Media

Call To Order/Opening Remarks

Senator Vanessa Delgado called the meeting to order at 12:00 p.m., and roll call was taken.

Agenda Item #1: Approval of August 26, 2022 Meeting Minutes

Chair Delgado called for the approval of the August 26, 2022, meeting minutes.

Moved by Kareem Gongora; seconded by Larry Beeson

Ayes: Delgado, Arredondo, Beeson, Bilodeau, Doi, El-Hassan, Figueroa, Garcia, Gongora, Gonzalez, Yanez

Noes: None

Abstain: Padilla-Campos, Balderas, Hernandez,

Absent: Rutherford, Alcantar, Alexander, Choe, Johnston, Lugo, McNeill, Smith

Agenda Item #2: Review of Follow-Up/Action Items

Derrick Alatorre, Deputy Executive Officer of Legislative, Public Affairs & Media, reviewed the action items from the August 26, 2022, meeting:

- Staff was requested to provide presentation on South Coast AQMD CEQA guidance.

A presentation on CEQA guidance to be scheduled at a future meeting.

Agenda Item #3: 2023 Goals and Objectives

Alicia Lizarraga, Senior Public Affairs Manager, Legislative, Public Affairs and Media reviewed the 2023 Goals and Objectives and opened it for discussion.

Rafael Yanez expressed interest in continued updates on efforts by CARB to meet clean air goals.

Chair Delgado requested an item on the implementation of the WHAM and CAPES programs.

Mr. Gongora suggested adding education and outreach to underserved communities for grant programs such as Carl Moyer.

Governing Board Member Veronica Padilla Campos requested to add updates on Indirect Source Rules.

In public comment Moses Huerta spoke in support of the 2023 Goals and Objectives. Harvey Eder spoke in support of solar energy.

Mr. Gongora motioned to approve the 2023 Goals and Objectives with the changes noted during discussion.

Moved by Mr. Gongora; seconded by Chair Delgado

Ayes: Delgado, Padilla-Campos, Arredondo, Balderas, Beeson, Bilodeau, Doi, El-Hassan, Figueroa, Garcia, Gongora, Gonzalez, Hernandez, Yanez
Noes: None
Abstain: None
Absent: Rutherford, Alcantar, Alexander, Choe, Johnston, Lugo, McNeill, Smith

For further details, please refer to the [Webcast](#) at 00:04:35

Agenda Item #4: Update on Draft Socioeconomic Report for the Revised Draft 2022 Air Quality Management Plan

Elaine Shen, Planning and Rules Manager of Planning, Rules Development, and Implementation, presented on the Draft Socioeconomic Report for the Revised Draft 2022 Air Quality Management Plan.

Ms. Hernandez asked for clarification on the mortality rates of environmental justice communities versus non environmental justice communities.

Mr. Yanez made comments regarding modeling data used in the Revised Draft 2022 AQMP.

Mr. Gongora expressed concern regarding the accuracy of air quality monitoring as visible pollution levels do not seem to be improving.

Mr. Eder gave public comment on solar technology.

For further details, please refer to the [Webcast](#) at 00:40:11

Agenda Item #5: Update on Air Monitoring

Dr. Andrea Polidori, Assistant Deputy Executive Officer of Monitoring and Analysis presented an update on the different types of air monitoring used by South Coast AQMD.

Angela Garcia asked about what actions would be taken when air monitoring revealed leaking oil or gas wells and requested clarification on the technology used to gather real-time data.

Mr. Yanez suggested compliance inspectors be equipped with infrared cameras to detect hazardous leaks during investigations.

Ms. Hernandez asked what sort of community alert system was in place to let residents know about hazardous air quality conditions when they happen, as well as to what extent decommissioned wells were also analyzed during monitoring efforts.

Mr. Yanez asked whether South Coast AQMD alerted local emergency services when a hazardous air quality threat is identified. Ms. Garcia suggested ensuring a network of contacts is in place to respond to active hazardous conditions.

Manuel Arredondo asked whether particle pollutants were also monitored, especially during times of storms, high wind conditions, and elevated dust conditions.

Mr. Eder made public comment in support of solar technology. Mr. Huerta spoke in support of continuing and expanding the use of the air monitoring technology.

For further details, please refer to the [Webcast](#) at 01:08:13.

Agenda Item #6- Member Updates/Other Business

There were no new member updates.

Agenda Item #7- Public Comment

Mr. Eder raised concerns on the intersectional issues of environmental justice, homelessness, and racial disparity.

For further details, please refer to the [Webcast](#) at 01:59:33

Agenda Item #8: Next Meeting Date

The next regular EJAG meeting is scheduled for January 27, 2023, at 12:00 p.m.

Adjournment

Mr. Alatorre adjourned the meeting at 2:00 p.m.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, DECEMBER 9, 2022 MEETING MINUTES

MEMBERS PRESENT:

Council Member Carlos Rodriguez, LGSBA Chair (Board Member)
Senator Vanessa Delgado (Board Member)
Felipe Aguirre
Council Member Rachele Arizmendi, City of Sierra Madre
Paul Avila, P.B.A. & Associates
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation Districts

MEMBERS ABSENT:

Supervisor Janice Rutherford (Board Member)
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy

OTHERS PRESENT:

Mark Abramowitz
Harvey Eder
Moses Huerta
Debra Mendelsohn, Board Member Consultant (*Rutherford*)
Mark Taylor, Board Member Consultant (*Rutherford*)

SOUTH COAST AQMD STAFF:

Susan Nakamura, Chief Operating Officer
Derrick Alatorre, Deputy Executive Officer
Jason Aspell, Deputy Executive Officer
Anissa Heard-Johnson, Deputy Executive Officer
Michael Krause, Assistant Deputy Executive Officer
Daphne Hsu, Principal Deputy District Counsel
Karin Manwaring, Senior Deputy District Counsel
David Ono, Senior Air Quality Engineering Manager
Philip Crabbe III, Senior Public Affairs Manager
Denise Peralta Gailey, Public Affairs Manager
Mark Henninger, Information Technology Manager

Anthony Tang, Information Technology Supervisor
Susan Tsai, Senior Air Quality Engineer
Elaine Hills, Senior Staff Specialist
Derek Camacho, Air Quality Specialist
Van Doan, Air Quality Specialist
Paul Wright, Senior Information Technology Specialist
Aisha Reyes, Senior Administrative Secretary

Agenda Item #1 and 2 – Roll Call/Call to Order/Opening Remarks

Chair Carlos Rodriguez called the meeting to order at 11:30 a.m.

For additional details of the Local Government & Small Business (LGSBA) Advisory Group Meeting, please refer to the Webcast at [Live Webcast \(aqmd.gov\)](https://aqmd.gov).

Agenda Item #3 – Approval of October 14, 2022 Meeting Minutes

Chair Rodriguez called for approval of the October 14, 2022, meeting minutes.

No public comment.

Motion to approve minutes made by Rita Loof; seconded by Vanessa Delgado; approved.

Ayes: Aguirre, Arizmendi, Avila, Daniel, Delgado, DeWitt, LaMarr, Loof, Marquez, Rodriguez, Rothbart

Noes: None

Absent: Blake, Campbell, Rutherford

For additional details, please refer to the [Webcast](#) beginning at 6:20.

Agenda Item #4 – Review of Follow-Up and Action Items

Derrick Alatorre, Deputy Executive Officer, Legislative, Public Affairs and Media, reviewed the action items from the October 14, 2022 meeting, which was to provide links of the Argonne National Laboratory study and Draft Socioeconomic Report in the meeting minutes. Links to the study and report were included in the October 14, 2022 meeting minutes and emailed to the Advisory Group on October 28, 2022.

No public comment.

For additional details, please refer to the [Webcast](#) beginning at 8:10.

Agenda Item #5 – Update on Engineering and Permitting – Online Filing

David Ono, Senior Air Quality Engineering Manager/Engineering and Permitting, provided an update on Online Filing.

Bill LaMarr asked about the volume of online registrations. Mr. Ono referenced slide #3 – Online Filing Activity. Mr. LaMarr asked about the permit backlog and the target of 50%. Jason Aspell, Deputy Executive Officer, Engineering and Permitting, replied that it is currently above 50%. For additional details, please refer to the [Webcast](#) beginning at 23:05.

Rita Loof asked if increased applications are expected due to the transition from the Regional Clean Air Incentives Market (RECLAIM) program and how it will impact the backlog. Mr. Ono replied that pending applications due to the landing rules are being tracked and there are a few hundred pending applications. Ms. Loof asked if the Permit Streamlining Task Force looked at which types of equipment have negligible emissions and stated that could be one way to reduce backlog is to exempt those units from permitting. Mr. Aspell replied that permit exemptions are evaluated through the rulemaking process for Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II. For additional details, please refer to the [Webcast](#) beginning at 26:37.

David Rothbart asked about the difficulty in developing the online registration program and how it helps in terms of labor. Mr. Ono explained that other teams assist in the program development as they are the subject-matter experts on particular equipment. Mr. Ono explained that as the modules roll out, more complete applications are submitted, which saves permit processing time. Mr. Rothbart also asked if there will be more development of online applications. Mr. Aspell confirmed that there are ongoing developments. For additional details, please refer to the [Webcast](#) beginning at 32:00.

No public comment.

For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 9:10.

Agenda Item #6 – Overview of 2022 Air Quality Management Plan

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, provided an overview of the 2022 Air Quality Management Plan (AQMP).

Mr. Rothbart commented on penalties due to non-attainment and asked if there are updates on Rule 317 – Clean Air Act Non-Attainment Fees. Mr. Krause replied that staff is working on amendments to Regulation III including looking at the Clean Air Act Non-Attainment fees and Regulation III is on the Rule Forecast calendar. For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 42:25.

Ms. Loof commented on industries bringing volatile organic compound (VOC) reduction and suggested that the South Coast Air Quality Management District (South Coast AQMD) should take an advocacy role for businesses and communities and also mentioned million-dollar contracts for lobbyists. Mr. Alatorre provided correction to the contract amount, which was approximately \$220,000 per year for each consultant. For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 46:40.

Harvey Eder provided public comment. For additional details, please refer to the [Webcast](#) beginning at 51:40.

For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 36:55.

Agenda Item #7 – 2023 Rules Outlook

Mr. Krause presented on 2023 Rules Outlook.

Mr. LaMarr asked about a Regulation III workshop that is scheduled for the following week. Mr. Krause replied that the meeting has been cancelled. Susan Nakamura, Chief Operating Officer, confirmed that staff is working on proposed amendments to Regulation III. For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 1:10:22.

Mr. Rothbart asked how staff prioritizes rule development. Mr. Krause explained that there are many factors that contribute to rule development prioritization, such as having prior commitments in the AQMPs, AB 617, staffing and time needed for the California Environmental Quality Act (CEQA) analysis and socioeconomic analysis. For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 1:15:05.

Ms. Loof referenced a discussion on potential changes to ozone and particulate matter (PM) standards by Sarah Rees at a previous meeting and asked for an update. Mr. Krause stated that an update is unavailable and would follow-up. For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 1:17:13.

Follow-Up: Provide an update on potential changes to ozone and PM standards mentioned at a previous meeting.

Ms. Loof referenced slide #4 and asked for details on how amendments to Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations were related to the Community Emission Reduction Plan (CERP). Mr. Krause replied that the South Los Angeles designated community expressed concern regarding auto body shops and wanted to ensure those facilities are conducting best practices and using the best technology available. Ms. Loof expressed concern that the CERPs are for specific communities and rules are applicable to all operators within South Coast AQMD. Mr. Krause stated that rules are jurisdictionally based and would benefit everyone as concerns highlighted by one community may also exist in other communities. For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 1:18:38.

No public comment.

For additional details on the presentation and discussions, please refer to the [Webcast](#) beginning at 55:05.

Agenda Item #8 – Other Business

No other business.

Agenda Item #9 – Public Comment

Mr. Eder provided comment on solar power plans. For additional details, please refer to the [Webcast](#) beginning at 1:25:08.

Moses Huerta thanked everyone for their participation in the group.

Agenda Item #10 – Next Meeting Date

The next regular LGSBA Advisory Group meeting is scheduled for Friday, January 13, 2023, at 11:30 a.m.

Adjournment

The meeting adjourned at 1:08 p.m.