

BOARD MEETING DATE: December 3, 2021

AGENDA NO. 6

PROPOSAL: Transfer and Appropriate Funds from Two Special Revenue Funds to General Fund for Information Management and Compliance and Enforcement Projects and Purchases to Support South Coast AQMD Operations and Close Two Special Revenue Funds

SYNOPSIS: The Board has established several Special Revenue Funds for a variety of purposes. Staff is recommending a transfer of \$508,900, and any additional interest earned, to the General Fund from the remaining balances in the Dry Cleaners Financial Incentive Grant and BP/SCAQMD Public Benefits Oversight Funds and the closure of these two Special Revenue Funds. The remaining balances would be used to purchase a toxic vapor analyzer, support the phone system upgrade and information management projects that will provide an electronic and mailing notice preferences capture system, and update the Agenda Tracking System.

COMMITTEE: Administrative Committee, November 12, 2021, Reviewed

RECOMMENDED ACTIONS:

1. Transfer \$508,900 from the remaining balances and any additional interest earnings from the following funds to the General Fund:
 - a. Dry Cleaners Financial Incentive Grant Fund (43), \$355,800; and
 - b. BP/SCAQMD Public Benefits Oversight Fund (65), \$153,100.
2. Close the Dry Cleaners Financial Incentive Grant Fund (43) and the BP/SCAQMD Public Benefits Oversight Fund (65);
3. Appropriate \$475,000 from the General Fund Undesignated (Unassigned) Fund Balance to Information Management's FY 2021-22 Budget for Services & Supplies and/or Capital Outlays Major Objects for the following projects:
 - a. \$75,000 for services and supplies related to supporting the phone system upgrade;
 - b. \$150,000 to develop an electronic and mailing notice preferences capture system; and
 - c. \$250,000 to update the Agenda Tracking System.

4. Appropriate \$33,000 from the General Fund Undesignated (Unassigned) Fund Balance to Compliance and Enforcement's FY 2021-22 Budget for Capital Outlays Major Object for the purchase of a Toxic Vapor Analyzer.

Wayne Natri
Executive Officer

JW:SJ/RM

Background

Dry Cleaner Grant Program

The incentive program was established in 2002 to assist dry cleaners using perchloroethylene (perc) to transition to equipment that would emit less toxic air pollution. The Board added funds to the grant program four times, for a total of \$4,250,000. Over 650 dry cleaners used this program to help purchase new dry cleaning equipment that did not use perc. Rule 1421 - Control of Perchloroethylene Emissions from Dry Cleaning Systems, required the use of non-perc alternative cleaning methods by December 31, 2020, so there is no longer a need for this grant program. There is an approximate balance of \$355,800 in this fund.

BP/SCAQMD Public Benefits Programs Oversight Committee

In 2005, South Coast AQMD and British Petroleum (BP) entered into a settlement agreement. In accordance with the settlement, BP committed \$3 million per year for ten years for a total commitment of \$30 million to fund community benefit programs and health studies which were selected by a Public Benefits Programs Oversight Committee. The Committee initially consisted of two representatives from BP, two representatives from the South Coast AQMD Board and a public member. On September 4, 2015, the Board authorized the Executive Officer to execute an agreement with BP to transfer authority of the BP/South Coast AQMD Public Benefits Oversight Committee to the South Coast AQMD Board. The last contract under this program was closed in January 2018, and there are no additional needs identified for the remaining approximately \$153,100.

Staff is recommending that the remaining balances from these two Special Revenue Funds be used for the currently unfunded operational needs described below.

Support for Phone System Upgrades

The Board approved phone system upgrades of \$100,000 in May 2021 as part of the FY 2021-22 budget. In addition to hardware upgrades, approximately \$75,000 is needed for services and supplies to support the upgrade.

Electronic and Mailing Notice Preferences Capture System

This system would modernize South Coast AQMD noticing procedures, enhance outreach effectiveness, and reduce mailing and newspaper publication costs. The estimated cost of this project is \$150,000 and it would take six to nine months to complete.

Agenda Tracking System

The Agenda Tracking System is the mechanism staff uses for review and production of all Board letters, presentations and other materials for Board meetings and Board Committee meetings. In use since 1998, this system is now cumbersome, outdated and needs to be overhauled to improve efficiency and maintain the ability to produce high quality Board and Committee materials. The estimated cost for this six to nine month project is \$250,000.

Toxics Vapor Analyzer

Compliance staff have used the Toxic Vapor Analyzer (TVA), a portable surface gas detection instrument, since the 1980's to identify fugitive VOC emissions at approximately 80 active landfills, 700 inactive landfill sites, approximately 350 petroleum oil and gas facilities, approximately 80 bulk loading facilities, seven off shore drilling platforms and eight petroleum refineries. The use of this equipment has been expanded in recent years due to the additional workload associated with the AB 617 and CARB Oil & Gas programs, placing a higher demand on these limited resources and presenting situations in which investigations have been delayed due to a lack of available monitoring resources. The requested TVA is both a flame ionizing detector (FID) and photo ionizing detector (PID) and includes global positioning system and Bluetooth wireless technologies. The inclusion of these options provides staff with the flexibility to use the monitors for a variety of applications. The estimated cost for the unit will not exceed \$33,000.

Proposal

Staff recommends transferring the remaining balances from two Special Revenue Funds (Dry Cleaners Financial Incentive Grant Fund (43), approximately \$355,800, and BP/SCAQMD Public Benefits Oversight Fund (65), approximately \$153,100) to the General Fund and closing the Dry Cleaners Financial Incentive Grant Fund (43) and the BP/SCAQMD Public Benefits Oversight Fund (65). \$475,000 of these funds would be appropriated to Information Management's FY 2021-22 Budget and used for services and supplies to support the phone system upgrades (\$75,000) and for two Information Management projects that would enhance public outreach through an electronic and mailing notice preferences capture system (\$150,000) and better support preparation and distribution of materials for Board and Committee meetings (\$250,000 for a new or revised Agenda Tracking System). Additionally, \$33,000 of these funds would be appropriated to Compliance and Enforcement's FY 2021-22 Budget and used to purchase a Toxic Vapor Analyzer.

Sole Source Justification

A sole source award is authorized under Section VIII.B.2.c(1) of the Procurement Policy and Procedure when the product or service is available from one source due to the unique qualities or capabilities of the vendor or proposed contractor.

Thermo Environmental Instruments (Thermo) handles sales for Thermo Fischer Scientific, the manufacturer of the TVA 2020. Compliance staff have used instruments manufactured by Thermo since the late 1990's to ensure compliance at petroleum and other operations. Staff's comparison of competitive units found the TVA 2020 to be the only FID that includes the PID and GPS functionality. The fully equipped TVA 2020 is approximately the same cost as the base units of competitors with FID functionality only. Staff believes the TVA 2020 is a unique product that is only available from a single source.

Resource Impacts

Sufficient funds are available to transfer approximately \$508,900 from the Dry Cleaners Financial Incentive Grant and BP/SCAQMD Public Benefits Oversight Funds to the General Fund Undesignated (Unassigned) Fund Balance.

Sufficient funding will be available in Information Management's and Compliance and Enforcement's FY 2021-22 Budget upon approval of the transfer and appropriation of \$508,000 from the General Fund Undesignated (Unassigned) Fund Balance.