

BOARD MEETING DATE: June 7, 2024

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the May 3, 2024 Board Meeting.

RECOMMENDED ACTION:

Approve the May 3, 2024 Board Meeting Minutes.

Faye Thomas
Clerk of the Boards

FT

FRIDAY, MAY 3, 2024

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was conducted in a hybrid format (in person and remotely via videoconferencing and telephone). Members present:

Senator Vanessa Delgado (Ret.), Chair
Senate Rules Committee Appointee

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

Supervisor Andrew Do
County of Orange

Gideon Kracov
Governor's Appointee

Mayor Pro Tem Larry McCallon
Cities of San Bernardino County

Supervisor V. Manuel Perez
County of Riverside

Councilmember Nithya Raman
City of Los Angeles

Councilmember Carlos Rodriguez
Cities of Orange County

Mayor José Luis Solache
Cities of Los Angeles County – Western Region

Absent: Mayor Patricia Lock Dawson
Cities of Riverside County

Supervisor Curt Hagman
County of San Bernardino

Supervisor Holly J. Mitchell
County of Los Angeles

Board Member Veronica Padilla-Campos
Speaker of the Assembly Appointee

For additional details of the Governing Board Meeting, please refer to the recording of the [Webcast](#) at: [Live Webcast \(aqmd.gov\)](#)

CALL TO ORDER: Chair Delgado called the meeting to order at 9:04 a.m.

- Pledge of Allegiance: Led by Supervisor Andrew Do
- Roll Call

Councilmember Rodriguez arrived at 9:05 and Councilmember Raman arrived at 9:07 a.m.

- Opening Comments

Councilmember Cacciotti shared photos of the following: South Coast AQMD employee BreTania Chase-Young and commended her handling of 1-800-CUT-SMOG calls; the son of a South Pasadena employee to highlight the medical equipment he carries around due to having severe asthma; and Earth Day activities with students from the Institute for the Redesign of Learning.

Supervisor Perez thanked staff for meeting with the Coachella Valley Association of Governments to discuss dust mitigation and concerns about the adverse impact of dust emissions to public health, quality of life, and economy in the Coachella Valley. He explained the significance of Cinco de Mayo to the histories of Mexico and the United States, and wished everyone a happy Cinco de Mayo.

Executive Officer Wayne Nastri provided information about the Board Retreat; the Legislative and Administrative Committee meetings on May 9 in Rancho Mirage; and the status of the Governing Board Student Internship Program. He announced that to celebrate May as National Clean Air Month, South Coast AQMD employee volunteers would be working with Habitat for Humanity in Riverside and invited others to join them.

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

The Public Comment Period on Non-Agenda Items was opened. There being no requests to speak, the Public Comment Period on Non-Agenda Items was closed.

Written Comment Letters Regarding:

Request for Delay of Proposed Amended Rule 1146.2 Submitted By:

Roger Ades, Venice
Anthony Alvarez II, Bright, Torrance
Pat Anderson, La Cañada Flintridge Chamber of Commerce, La Cañada Flintridge
Lonnie Andre, Covina
Robert Apodaca, The Two Hundred for Home Ownership, Los Angeles
Roberto Arnold, Multicultural Business Alliance, Covina
Greg Astorian, Glendale Association of Realtors, Glendale
Mikal Ayala, Hardage Hospitality, Marina Del Rey
Ali Bahadorzadeh, Carlo, Inc., Winnetka
Elie Balas, Menchie's, Inc., Encino

Request for Delay of Proposed Amended Rule 1146.2 Submitted By: (continued):

Craig Berberian, Empire Property Group, West Hollywood
Manuel Bernal, San Juan Capistrano
Yaselin Bolanos, Los Angeles
Stephen Brown, Pasadena
Lee Brown, Western States Trucking Association, Upland
Elsa Camacho, PBF Energy, Carson
Karina Carias, Lynwood
Aidan Chao, Los Angeles Taxpayers Association, Arcadia
Stephen Comeau, Huntington Beach
Ana Dahan, GPSN, Los Angeles
Hamlet Danielyan, Carlo, Inc., North Hills
Patrick DiBennardo, San Pedro
Jan Drumright, Hardage Hospitality, Marina Del Rey
Lucy Dunn, Coto de Caza
Donna Duperron, Torrance Area Chamber of Commerce, Torrance
John Edell, Los Angeles
David Englin, Bizfed, Pasadena
Verdel Flores, Los Angeles
George Francisco, Venice Chamber of Commerce
Michelle Gastelum, Summit Consulting & Engineering, Pasadena
Michelle Gonzalez, Los Angeles
Sean Graham, San Pedro
Chase Hardage, The Hardage Group, Marina Del Rey
Dustin Hensley, Los Angeles
Veronica Hill, Hardage Hospitality, Marina Del Rey
Daivd Honda, Northridge
Jeff Ignowski, San Jacinto
Jay Johnson, Santa Monica
Steven Jones, Better Shelter, Los Angeles
Andre Kelly, Bellflower
Robert Kress, Venice
Rosie Lim, Carlo, Inc., Los Angeles
Audre Lopez-King, Mettle, LLC, Los Angeles
Joan Mackay, San Pedro
Richard Markuson, Western Electrical Contractors Association/Plumbing-Heating-Cooling
Contractors Association of California, Sacramento
James Mckenna, Palm Springs
Ashley Miranda, Carlo, Inc., Van Nuys
Mark Murphy, Hardage Hospitality, Santa Clarita
Jeantine Nazar, Glendale
Dan Newman, Los Angeles
Nancy Olson, San Gabriel
Bert Ortiz, Prime Group, Oceanside
Alexandra Otterstrom, Parkwest Rentals, Lawndale
Ellor Parikh, Pari Enterprises, Glendale
Gregory J. Pawlik, Coldwell Banker, Pacific Palisades
Patricia Petralia, Maxon Properties, Porter Ranch
Ariana Puraci, Hardage Hospitality, Marina Del Rey
Gaye Rainey, Keller Williams, West Hills
Tim Riley, Marina Del Rey Lessees Association, Panorama City
Darren W. Stroud, PBF Energy, Torrance
Bennie Tinson, Licensed Adult Residential Care Association, Los Angeles

Request for Delay of Proposed Amended Rule 1146.2 Submitted By: (continued):

Nick Tirabassi, Los Angeles
Mike Tolj, Tolj Commercial, Los Angeles
Talin Melkonian Toumajan, Glendale
Ann Trussell, HomeBased Realty, Acton
Irma Vargas, Greater Los Angeles Association of Realtors, Los Angeles
Jessica Vincent, Chevron, El Segundo
Todd Vradenburg, National Association of Theater Owners, Los Angeles
Diana Waters, Ignite!, Redondo Beach
James Wood, Redondo Beach

Support for Proposed Amended Rule 1146.2 Submitted by:

Mayor Justin Massey, City of Hermosa Beach

Opposition of California State Nonroad Engine Pollution Control Standards In-Use Locomotive Regulation

Jay Bradshaw, Nor Cal Carpenters Union

Disneyland Autopia Ride

Zan Dubin, ZDS Communications



CONSENT AND BOARD CALENDAR

Items 1 and 2 – Action Items/No Fiscal Impact

1. Approve Minutes of April 5, 2024 Board Meeting
2. Set Public Hearings June 7, 2024 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations
 - A. Determine That Proposed Rule 317.1 – Clean Air Act Nonattainment Fees for 8-Hour Ozone Standards Is Not Considered Subject to CEQA; and Adopt Rule 317.1
 - B. Certify Final Environmental Assessment for Proposed Amended Rule 463 – Organic Liquid Storage; and Amend Rule 463
 - C. Determine That South Coast Air Basin Attainment Plan for 2012 Annual PM2.5 Standard Does Not Require A New Environmental Document; and Adopt South Coast Air Basin Attainment Plan for 2012 Annual PM2.5 Standard

Items 3 through 11 – Budget/Fiscal Impact

3. Transfer Funds Between Major Objects, Issue Solicitations and Purchase Orders for AQ-SPEC Program
4. Recognize Revenue, Appropriate and Transfer Funds, Issue Solicitation and Purchase Order for One Vehicle
5. Recognize Funds, Execute Agreements for School Air Filtration Systems in Environmental Justice Communities, and Reimburse General Fund for Administrative Costs

6. Recognize Revenue, Transfer Funds, Execute Contract for Electrification of Balboa Island Ferries and Installation of Supporting Charging Infrastructure, and Reimburse General Fund for Administrative Costs
7. Execute Contracts for Short and Long-Term Systems Development, Maintenance and Support Services
8. Authorize Purchase of Videotelephony Service
9. Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2024-25
10. Execute Agreement with California High-Speed Rail Authority Setting Forth Framework for Development of Future Contract to Reduce Construction Emissions and Satisfy General Conformity for Palmdale to Burbank Project Section of California High-Speed Rail Project
11. Issue RFP and Approve Contract Modification as Approved by MSRC

Items 12 through 19 – Information Only/Receive and File

12. Legislative, Public Affairs and Media Report
13. Hearing Board Report
14. Civil Filings and Civil Penalties Report
15. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects
16. Rule and Control Measure Forecast
17. Annual Audited Financial Statements for FY Ended June 30, 2023
18. Status Report on Major Ongoing and Upcoming Projects for Information Management
19. Annual Meeting of the Health Effects of Air Pollution Foundation

Items 20 through 27 – Reports for Committees and CARB

20. Administrative Committee
21. Climate Change Committee
22. Legislative Committee
23. Mobile Source Committee
24. Stationary Source Committee
25. Technology Committee
26. Mobile Source Air Pollution Reduction Review Committee
27. California Air Resources Board Monthly Report *(No report; CARB meeting cancelled)*
28. Items Deferred from Consent and Board Calendar

SB 1095 (Becker) was pulled from Agenda Item No. 22 for discussion.

Disclosures

Board Member Kracov recused himself from Agenda Item No. 2A because of a financial interest in Disney, which is materially affected by this item; and reported that he had no financial interest in Agenda Item No. 6 but is required to identify for the record that he is a Board Member of the California Air Resources Board, which is involved in this item.

Supervisor Perez reported that he had no financial interests in Agenda Item No. 5 but is required to identify for the record that he is a Supervisor for the County of Riverside, which is involved in this item; and that he had no financial interests in Agenda Item No 6 but is required to identify for the record that he is a Board Member for the California Air Resource Board, which is involved in this item.

Supervisor Do reported that he had no financial interests in Agenda Item No. 5 but is required to identify for the record that he is a Supervisor for the County of Orange, which is involved in this item.

Vice Chair Cacciotti made a motion to approve Agenda Item Nos. 1 through 27 and Supervisor Perez seconded the motion. Councilmember Rodriguez announced that he was abstaining from Agenda Item No. 22. For additional details, please refer to the [Webcast](#) beginning at 18:13.

Item Pulled for Discussion – SB 1095 in Agenda Item No. 22

Councilmember Rodriguez commented on the role of the Western Manufactured Housing Communities Association (WMA) and California Manufactured Housing Institute (CMHI) in helping to address California's affordable housing crisis, and inquired about the WMA and CMHI's concerns and reasons for opposing SB 1095 (Becker). For additional details, please refer to the [Webcast](#) beginning at 19:36.

Philip Crabbe, Senior Public Affairs Manager, confirmed that WMA and CHMI opposed SB 1095; however, the bill is supported by CAPCOA and other air districts. For additional details, please refer to the [Webcast](#) beginning at 21:04.

Councilmember Rodriguez recommended pulling SB 1095 from consideration until more information is obtained to understand the concerns of the WMA and CHMI. Given the dire housing crisis in California, he questioned whether the bill may be unintentionally undermining the ability to bring affordable housing to the housing market. For additional details, please refer to the [Webcast](#) beginning at 21:38.

Mr. Nastri clarified the intent of the bill. He added that staff recently became aware of the opposition and will look into it further. For additional details, please refer to the [Webcast](#) beginning at 22:34.

Councilmember Rodriguez offered a friendly amendment to pull SB 1095 from Agenda Item No. 22 to send it back to the Legislative Committee for additional information and review. Vice Chair Cacciotti accepted the amendment. For additional details, please refer to the [Webcast](#) beginning at 23:27.

The public comment period was opened for Agenda Item Nos. 1 through 27. There being no requests to speak, the public comment period was closed for Agenda Item Nos. 1 through 27.

Board Action (Items 1-27)

MOVED BY CACCIOTTI AND SECONDED BY PEREZ TO APPROVE AGENDA ITEM NOS. 1 THROUGH 27 AS RECOMMENDED, WITH BOARD MEMBER KRACOV RECUSING FROM ITEM 2A AND COUNCILMEMBER RODRIGUEZ ABSTAINING FROM ITEM NO. 22, AND TO:

RECEIVE AND FILE THE REPORTS FOR THE BOARD COMMITTEES AND MSRC AND ADOPT THE POSITIONS ON LEGISLATIONS AS SET FORTH BELOW; AND

ADOPT RESOLUTION NO. 24-12 REGARDING THE WINDING UP AND DISSOLUTION OF THE HEALTH EFFECTS OF AIR POLLUTION FOUNDATION.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Delgado, Do, Kracov (except Item 2A), McCallon, Perez, Raman, Rodriguez (except Item 22), and Solache

NOES: None

ABSTAIN: Rodriguez (Item 22 only)

RECUSE: Kracov (Item 2A only)

ABSENT: Lock Dawson, Hagman, Mitchell, and Padilla-Campos

<u>Legislation/Agenda Item</u>	<u>Recommended Action</u>
AB 1857 (Jackson) State Air Resources Board: air quality regulation: valleys.	Oppose
AB 2561 (McKinnor) Local public employees: vacant positions	Oppose Unless Amended
SB 1095 (Becker) Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.	Support (THIS ITEM WAS PULLED FROM CONSIDERATION)
SB 1193 (Menjivar) Airports: leaded aviation gasoline	Support



PUBLIC HEARING

29. Determine That Proposed Amendments to Regulation III – Fees Are Exempt from CEQA; Amend Regulation III – Fees; and Adopt Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2024-25

Sujata Jain, Chief Financial Officer/Deputy Executive Officer, gave the staff presentation on the Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2024-25; and Mike Krause, Assistant Deputy Executive Officer/ Planning, Rule Development and Implementation, gave the staff presentation on the proposed amendments to Regulation III.

Mayor McCallon expressed his reservations about drawing from the reserves to balance the budget. For additional details, please refer to the [Webcast](#) beginning at 30:24.

Mayor Pro Tem Rodriguez recommended that staff works to ensure that the agency does not go below the 20 percent threshold for the reserves and supported the comments from Mayor McCallon. Ms. Jain explained that staff provides quarterly budget numbers so the Board stays informed about the budget. Mr. Nastri commented about the conservative forecasting of the fifth-year projection. For additional details, please refer to the [Webcast](#) beginning at 31:42.

Vice Chair Cacciotti, Supervisor Perez, and Chair Delgado supported Mayor McCallon’s and Mayor Rodriguez’s comments and Executive Officer Nastri’s comments. For additional details, please refer to the [Webcast](#) beginning at 33:51.

The public comment period was opened for Agenda Item No. 29 and the following individuals addressed the Board.

Harvey Eder, Public Solar Power Coalition, was cut off because he was speaking off topic. For additional details, please refer to the [Webcast](#) beginning at 40:05.

Rita Loof, RadTech International, commented on UV/EB/LED processes and thanked the Board for their willingness to engage in technical discussions that involve complex issues related to air quality policies that have been in place for decades and do not easily accommodate new pollution prevention technologies. She expressed support for the Rule 301 proposal, noting that it will help companies who invest in new technologies. For additional details, please refer to the [Webcast](#) beginning at 41:35.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 29.

Mayor Solache commented on the need to be mindful of the concerns of small businesses when proposing fee increases. For additional details, please refer to the [Webcast](#) beginning at 43:32.

Board Action (Item 29)

MOVED BY MCCALLON AND SECONDED BY CACCIOTTI TO APPROVE AGENDA ITEM NO. 29 AS RECOMMENDED AND SET FORTH BELOW:

- 1) ADOPT RESOLUTION NO. 24-13:
 - A. DETERMINING THAT THE PROPOSED AMENDMENTS TO REGULATION III – FEES, WHICH INCLUDE PROPOSED AMENDED RULE 301 – PERMITTING AND ASSOCIATED FEES, PROPOSED AMENDED RULE 303 – HEARING BOARD FEES, PROPOSED AMENDED RULE 304 – EQUIPMENT, MATERIALS AND AMBIENT AIR ANALYSES, PROPOSED AMENDED RULE 304.1 – ANALYSES FEES, PROPOSED AMENDED RULE 306 – PLAN FEES, PROPOSED AMENDED RULE 307.1 – ALTERNATIVE FEES FOR AIR TOXICS EMISSIONS INVENTORY, PROPOSED AMENDED RULE 308 – ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS FEES, PROPOSED AMENDED RULE 309 – FEES FOR REGULATION XVI AND REGULATION XXV, PROPOSED AMENDED RULE 311 – AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES, PROPOSED AMENDED RULE 313 – AUTHORITY TO ADJUST FEES AND DUE DATES, PROPOSED AMENDED RULE 314 – FEES FOR ARCHITECTURAL COATINGS, PROPOSED AMENDED RULE 315 – FEES FOR TRAINING CLASSES AND LICENSE RENEWAL, AND PROPOSED AMENDED RULE 316 – FEES FOR RULE 2305, ARE EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND
 - B. AMENDING REGULATION III – FEES, WHICH INCLUDES PROPOSED AMENDED RULES 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, AND 316.
- 2) APPROVE THE EXECUTIVE OFFICER'S PROPOSED GOALS AND PRIORITY OBJECTIVES, AND PROPOSED BUDGET FOR FY 2024-25;
- 3) REMOVE FROM RESERVES AND DESIGNATIONS ALL AMOUNTS ASSOCIATED WITH THE FY 2023-24 BUDGET;

4) APPROVE APPROPRIATIONS IN THE MAJOR OBJECTS FOR FY 2024-25 OF:

Salary and Employee Benefits	\$174,519,397
Services and Supplies	31,492,598
Capital Outlays	3,418,500
Transfers Out	<u>2,000,000</u>
Total	<u>\$211,430,495</u>

5) APPROVE REVENUES FOR FY 2024-25 OF \$209,545,500;

6) APPROVE THE DELETION OF TWO NET AUTHORIZED/FUNDED POSITIONS AS DETAILED IN THE FY 2024-25 BUDGET; AND

7) APPROVE A PROJECTED JUNE 30, 2025 FUND BALANCE OF THE FOLLOWING:

Classification ¹	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$19,900,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$26,129,673
Unassigned	Undesignated Fund Balance	\$75,607,207

¹The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Delgado, Do, Kracov, McCallon, Perez, Raman, Rodriguez, and Solache

NOES: None

ABSENT: Lock Dawson, Hagman, Mitchell, and Padilla-Campos



CLOSED SESSION

The Board recessed to closed session at 9:42 a.m. pursuant to Government Code sections:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The action is:

In the Matter of South Coast Air Quality Management District v. Baker Commodities, South Coast AQMD Hearing Board Case No. 6223-1 (Order for Abatement); Baker Commodities, Inc. v. South Coast Air Quality Management District Hearing Board; South Coast Air Quality Management District; South Coast Air Quality Management District Hearing Board Members: Cynthia Verdugo-Peralta, Robert Pearman, Micah Ali, and Allan Bernstein, DPM MBA, in their official capacities only; and 100 Does and Roes, Los Angeles County Superior Court, Case No. 22STCP03597; and

South Coast Air Quality Management District v. EPA, U.S. District Court for the Central District of California, Case No. 2:23-cv-02646.

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

- 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation in one case.

Following closed session, Bayron Gilchrist, General Counsel, announced that there were no reportable actions taken in closed session.

ADJOURNMENT

There being no further business, the meeting was adjourned by Mr. Gilchrist at 10:57 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on May 3, 2024.

Respectfully Submitted,

Faye Thomas
Clerk of the Boards

Date Minutes Approved: _____

Vanessa Delgado, Chair

ACRONYMS

AQMP = Air Quality Management Plan
CAPCOA = California Air Pollution Control Officers Association
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
FY = Fiscal Year
MSRC = Mobile Source Air Pollution Reduction Review Committee
UV/EB/LED = Ultraviolet/Electron Beam/Light-Emitting