



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765

(909) 396-2000, www.aqmd.gov

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Pro Tem Ben Benoit, Chair

Dr. Joseph Lyou, Vice Chair

Supervisor Sheila Kuehl

Council Member Judith Mitchell

Supervisor Shawn Nelson

Supervisor Janice Rutherford

**November 17, 2017 ♦ 10:30 AM ♦ CC8
21865 Copley Dr., Diamond Bar, CA 91765**

TELECONFERENCE LOCATION

8575 Haven Ave., Suite 110
Rancho Cucamonga, CA 91730

(The public may attend at any location listed above.)

Call-in for listening purposes only is available by dialing:

Toll Free: 866-244-8528

Listen Only Passcode: 5821432

In addition, a webcast is available for viewing and listening at:

<http://www.aqmd.gov/home/library/webcasts>

AGENDA

CALL TO ORDER

ACTION ITEM

- 1. Utilize Rule 1111 Rebate Fund and Issue RFP for Administration and Promotion of Consumer Rebate Program for Compliant Natural Gas-Fired, Fan-Type Central Furnaces (*Motion Requested*)** Tracy Goss, Manager

Staff will be proposing amendments to Rule 1111 - Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces to further incentivize manufacturers to commercialize compliant natural gas-fired, fan-type central furnaces. Currently, all furnace manufacturers are paying a NOx mitigation fee until they can commercialize compliant products. As part of an incentive to manufacturers, staff is developing a rebate program for consumers that purchase compliant products. The rebate program is expected to not only offset the cost for consumers to purchase a compliant furnace, but also motivate commercialization of compliant furnaces. Staff is recommending outsourcing the rebate administration and promotion of the rebate to a third party contractor. The existing Rule 1111 incentive program fund is \$3,000,000 authorized by the Board on November 6, 2009 (Agenda #30) from Fund 27 Rule 1121 Mitigation Fee Program. But because there have not been any compliant furnaces introduced into the market for purchase, the fund remains intact. This action is to (1) utilize the \$3,000,000 as part of the Rule 1111 rebate fund; and (2) issue an RFP to solicit proposals to administer the rebate program for consumers who purchase and install compliant furnaces in the SCAQMD.
(Written Material Attached)

INFORMATIONAL ITEMS

- 2. Proposed Amendments to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces (*No Motion Required*)** Tracy Goss, Manager

Staff will provide a summary of proposed amendments to Rule 1111, including the alternative compliance option extension, mitigation fee increase, and rule circumvention prevention.
(Written Material Attached)
- 3. Summary of Proposed Amended Rule 2001 – RECLAIM Applicability and Proposed Amended Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx) (*No Motion Required*)** Tracy Goss, Manager

Staff will provide a summary of proposed amendments to RECLAIM Rules 2001 and 2002 to prohibit facilities from entering the program and to establish requirements for RTC holdings as facilities transition out of RECLAIM to command and control.
(Written Material Attached)

- 4. Summary of Proposed Amended Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations (*No Motion Required*)** Susan Nakamura,
Assistant Deputy
Executive Officer
- Staff will provide a summary of proposed amendments to Rule 1469 which establishes additional requirements for hexavalent chromium emitting tanks that are associated with chromium electroplating and chromic acid anodizing operation. Proposed Amended Rule 1469 also establishes periodic source testing, parameter monitoring, best management practices, and enhanced housekeeping provisions.
(Written Material Attached)

WRITTEN REPORTS

- 5. Home Rule Advisory Group – Bi-Monthly Report for September 2017 (*No Motion Required*)** Philip Fine,
Deputy Executive
Officer
- This report summarizes the topics discussed at the September 2017 Home Rule Advisory Group Meeting and also includes the third quarter attendance record for 2017.
(Written Report Attached)
- 6. Notice of Violation Penalty Summary (*No Motion Required*)** Kurt Wiese,
General Counsel
- This report provides the total penalties settled in October which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

OTHER MATTERS

- 7. Other Business**
- 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. (Gov't. Code Section 54954.2)
- 8. Public Comment Period**
- 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)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority. Speakers may be limited to three (3) minutes each.

9. Next Meeting Date: January 19, 2018

ADJOURNMENT

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Evangelina Barrera at 909.396-2583 from 7:30 a.m. to 6:00 p.m., Tuesday through Friday, or send the request to ebarrera@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 prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

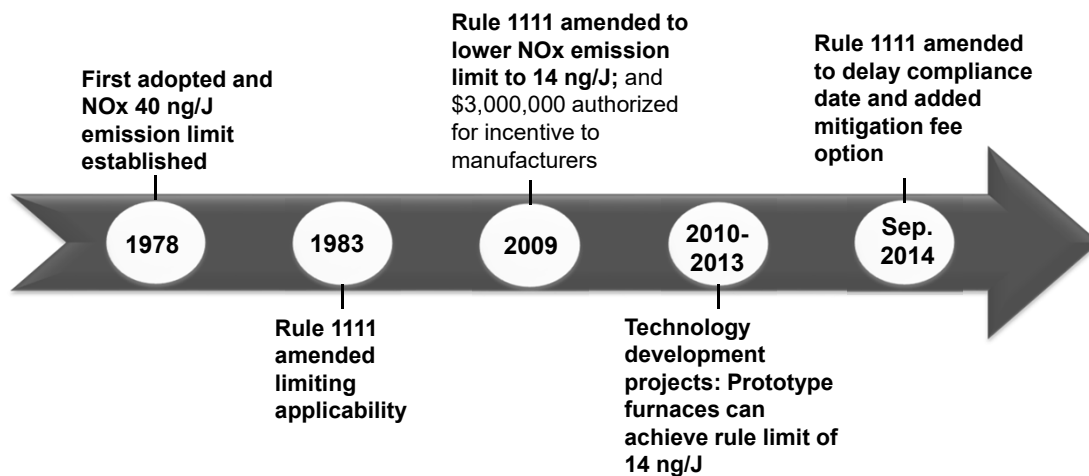
Rule 1111 - NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Rebate program and RFP for Rebate Administration

Stationary Source Committee

November 17, 2017

Rule 1111 Background



Implementation Status

- Compliant furnaces have not yet been introduced into the market
- All original equipment manufacturers (OEMs) have been paying the mitigation fee
- Three OEMs have developed and certified products complying with the Rule 1111 NO_x 14 ng/J limit with field tests at different stages
- November 2, 2017 local tradeshow, Lennox Industries, Inc. unveiled their commercialized compliance furnace



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Mitigation Fee and Consumer Rebate Approach

- Mitigation fee in Rule 1111 is a compliance option provides OEMs the option to pay a fee if they cannot commercialize a compliant unit by the compliance date
- Mitigation fee was generally passed to the consumer
- A consumer rebate is needed to encourage
 - OEMs to commercialize compliant products
 - Consumers to purchase the new lower NO_x 14 ng/J furnace over the 40 ng/J furnace (where mitigation fees were used)
- Consumer rebate combined with a higher mitigation fee will
 - Incentivize commercialization and use of compliant products; and
 - Continue to allow compliance flexibility to those OEMs that need additional time to commercialize compliant products

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Rebate Program

- Staff is proposing amendments to Rule 1111 with a Public Hearing scheduled on February 2, 2018 for rule adoption increase the mitigation fee with other revisions
- Funding of the consumer rebate program will encompass:
 - The previously authorized \$3,000,000 for Rule 1111 incentive program which remains intact in Fund 27; and
 - The mitigation fee increased portion as part of the proposed Rule 1111 amendment to be adopted on February 2, 2018
- The consumer rebate program can be implemented even in the absence of the proposed February 2, 2018 amendments with the \$3,000,000 funding

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Staff Proposal

- Staff is proposing to use a third party contractor to:
 - Receive and process rebate applications submitted by consumers
 - Promote rebate program
- Utilize the previously authorized \$3,000,000 as part of the funding for the new Rule 1111 rebate program
- Fund \$500 rebate for the first 6,000 units and \$250 thereafter
- Issue RFP #P2018-05 to solicit bids from the most qualified applicants with experience and expertise in rebate administration
- Move to implement contract for rebate administration as quickly as possible in conjunction with rule amendment
- Rebate to be implemented immediately and to extend 6 months beyond the mitigation fee, or until funds are exhausted (whichever is earlier)

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Schedule of Events

Date	Event
December 1, 2017	RFP Released
December 19, 2017	Bidder's Conference
January 9, 2018	Proposals Due to SCAQMD
January 10 -12, 2018	Proposal Evaluations
January 11, 2018	Interviews, if required
February 2, 2018	Governing Board Approval
February 16, 2018	Anticipated Contract Execution

BOARD MEETING DATE: December 1, 2017 AGENDA NO.

PROPOSAL: Utilize Rule 1111 Rebate Fund and Issue RFP for Administration and Promotion of Consumer Rebate Program for Compliant Natural Gas-Fired, Fan-Type Central Furnaces

SYNOPSIS: Staff will be proposing amendments to Rule 1111 - Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces. Currently, all furnace manufacturers are paying a NOx mitigation fee until they can commercialize compliant products. As part of an incentive to manufacturers, staff is developing a rebate program for consumers. The rebate program is expected to offset the cost for consumers to purchase a compliant furnace, and motivate commercialization of compliant furnaces. This action is to authorize staff to utilize \$3,000,000 from the Rule 1111 Rebate Fund to outsource the administration and promotion of the rebate program to a third-party contractor.

COMMITTEE: Stationary Source, November 17, 2017; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize staff to utilize the existing Rule 1111 incentive funds in the amount of \$3,000,000 as part of the Rule 1111 Rebate Fund; and
2. Authorize the issuance of RFP #P2018-05 to solicit proposals to administer the rebate program for consumers who purchase and install compliant furnaces in the SCAQMD

Wayne Nastri
Executive Officer

PF:SN:TG:GQ:YZ

Background

Rule 1111 - Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, reduces emissions of nitrogen oxides (NO_x) from residential and commercial gas-fired fan-type residential space heating furnaces with a rated heat input capacity of less than 175,000 BTU per hour or, for combination heating and cooling units, a cooling rate of less than 65,000 BTU per hour. This rule applies to manufacturers, distributors, sellers, and installers of such furnaces.

Rule 1111 was amended in 2009 to lower the NO_x emission limit from 40 to 14 ng/Joule. At that time there were no commercially available compliant units. In order to encourage and accelerate technology development, Rule 1111 provided an incentive for early compliance. Manufacturers that delivered any 14 ng/J furnaces into the SCAQMD could have elected to receive a payment of \$90 for each high-efficiency unit and \$75 for each other type furnace sold and delivered into the SCAQMD 90 days prior to the applicable compliance date. On November 6, 2009 (Agenda #30), the Governing Board authorized \$3,000,000 from the Fund 27 Rule 1121 Mitigation Fee Program to fund these incentives.

Rule 1111 was later amended in 2014 to provide additional time for manufacturers to conduct safety and reliability testing and to provide a per-unit mitigation fee that manufacturers could pay in lieu of meeting the new lower NO_x emission limit. The mitigation fee is \$200 for condensing furnaces and \$150 for other types of furnaces, and is available for up to 36 months past the applicable compliance date. Currently, all manufacturers are utilizing the mitigation fee. Although no compliant furnaces have been introduced into the market, three manufacturers have developed and certified products complying with the Rule 1111 NO_x 14 ng/J limit with field tests underway. On November 2, 2017 at a local tradeshow, Lennox Industries, Inc. unveiled their commercially available compliant non-condensing furnace

Staff is proposing amendments to Rule 1111 for Board consideration on February 2, 2018. A companion proposal to the rule amendments is a rebate program for consumers. The proposed rebate is \$500 for the first 6,000 compliant furnaces and \$250 thereafter that were purchased and installed up to six calendar months beyond the mitigation fee end date. The rebate program is expected to not only offset cost for consumers, but also motivate commercialization of compliant products. Total available funding for this rebate program is the combination of two parts. Part one is the previously authorized \$3,000,000 for the Rule 1111 incentive program, which remains intact in the Fund 27 Rule 1121 program; and part two is the increased portion of the mitigation fee to be included in the proposed Rule 1111 amendment. The increased portion of the mitigation fee is \$200 for each condensing unit and \$250 for each other type of unit. The rebate program can be implemented with the \$3,000,000 funding, even in the absence of the proposed rule amendments.

The total number of rebates may range from 10,000 to 50,000 for consumers who have installed compliant units within the SCAQMD for the first implementation year, and more for the following years depending on commercialization status and market demand for compliant products. With regard to administration of the rebate program, based on discussions at the working group and with individual OEMs, as well as limited staff resources to implement the rebate program, the preferred method is to outsource the rebate administration to a third party contractor who would issue the rebate directly to consumers.

Proposal

Utilize Existing \$3,000,000 in Rule 1111 Incentive Funds

This action is to utilize the previously authorized \$3,000,000 to be used as part of the funding for a new consumer rebate program for Rule 1111. The existing Rule 1111 incentive program funding of \$3,000,000 was authorized by the Board on November 6, 2009 (Agenda #30) from the Fund 27 Rule 1121 Mitigation Fee Program to incentivize manufacturers. Because there have not been any compliant furnaces introduced into the market, the funds remain intact. The new rebate program will incentivize the purchase of compliant furnaces, which are expected to be introduced into in the near future.

Issue RFP

This action is to issue RFP #P2018-05 to solicit bids from the most qualified applicants with experience and expertise in rebate administration by: (1) receiving and processing rebate applications submitted by consumers who have purchased and installed natural-gas-fired, fan-type central compliant furnace(s) that are certified by the SCAQMD to meet a 14 ng/J NOx emission limit; and (2) assisting in the promotion and purchase of compliant furnaces.

Bid Evaluation

Proposals will be evaluated by a panel consisting of SCAQMD staff members and outside experts who have appropriate expertise and are willing to participate. The panel will make recommendations, and the final selection of projects will be subject to approval by the Board.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers. Notice will also be provided to other

organizations such as the Association of Environmental Professionals and various local academic institutions.

Additionally, potential bidders will be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Benefits to SCAQMD

The proposed work will provide the SCAQMD with the resources needed to promote and process rebate applications for Rule 1111 compliant furnaces. The estimated number of rebates could range from 10,000 to 50,000 for the first year. The duration of the program may be two to three years for condensing, non-condensing, and weatherized furnaces, and up to five years for mobile home furnaces, depending on how long the funding lasts.

Resource Impacts

Award under the RFP is anticipated to be on a fixed-percentage cost of the rebate processed and depend on total available rebate funding.

Total available funding for this rebate program is the combination of the following: (1) part one of funding is the previously authorized \$3,000,000 for the Rule 1111 incentive program, which remains intact in the Fund 27 Rule 1121 program; and (2) part two of funding is the increased portion of the mitigation fee as part of the proposed Rule 1111 amendment to be considered for adoption on February 2, 2018.*

Attachment

RFP # P2018-05

* The rebate program can be implemented with the \$3,000,000 funding even in the absence of the proposed February 2, 2018, amendments.



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
REQUEST FOR PROPOSALS

Rebate Administration for Rule 1111 Units, Natural-Gas-Fired, Fan-Type Central Furnaces, with NOx Emissions Certified at or below 14 Nanograms per Joule

P2018-05

South Coast Air Quality Management District (SCAQMD) requests proposals for the following purpose according to terms and conditions attached. In the preparation of this Request for Proposals (RFP) the words "Proposer," "Contractor," "Consultant," "Bidder" and "Firm" are used interchangeably.

PURPOSE

The purpose of this RFP is to obtain proposals from potential contractors with appropriate expertise and capabilities to receive and process rebate applications from consumers purchasing natural-gas-fired, fan-type central furnaces, with NOx emissions certified at or below 14 nanograms per Joule compliant with SCAQMD Rule 1111, beginning on February 2, 2018¹ and ending on the dates listed below.

Equipment Category	Rebate End Date
Condensing (standard) Furnace	March 31, 2020
Non-condensing (high efficiency) Furnace	March 31, 2020
Weatherized Furnace	March 31, 2021
Mobile Home Furnace	March 31, 2023

INDEX - The following are contained in this RFP:

Section I	Background/Information
Section II	Contact Person
Section III	Schedule of Events
Section IV	Participation in the Procurement Process
Section V	Statement of Work/Schedule of Deliverables
Section VI	Required Qualifications
Section VII	Proposal Submittal Requirements
Section VIII	Proposal Submission
Section IX	Proposal Evaluation/Contractor Selection Criteria

¹ There may be a back log of rebate applications due to the time differential between the beginning of the rebate program (February 2, 2018) and the date in which the contractor takes action with the program.

Section X Funding
Section XI Sample Contract

Attachment A - Participation in the Procurement Process
Attachment B - Certifications and Representations

SECTION I: BACKGROUND/INFORMATION

The South Coast Air Quality Management District (SCAQMD or District) is a regional government agency responsible for clean air in Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. While the region is still exceeding federal public health standards for both ozone and particulate matter (PM), emission reductions, including NO_x reduction, is needed to achieve compliance with the ambient air quality standards.

The SCAQMD Rule 1111 reduces emissions of nitrogen oxides (NO_x) from residential and commercial gas-fired fan-type residential space heating furnaces with a rated heat input capacity of less than 175,000 BTU per hour or, for combination heating and cooling units, a cooling rate of less than 65,000 BTU per hour. This rule applies to manufacturers, distributors, sellers, and installers of such furnaces.

Rule 1111 was amended in 2009 to lower the NO_x emissions from 40 to 14 nanograms per Joule (ng/J) with phased future compliance dates depending on the furnace type. The SCAQMD then initiated technology development projects in 2010 - 2013 to develop prototype residential furnaces that meet the new 14 ng/J NO_x limit. The prototype furnaces developed through these four projects demonstrated that the lower Rule 1111 NO_x limit is achievable in all of the types of forced air residential heating furnaces. However, additional time was needed to commercialize 14 ng/J furnaces.

Rule 1111 was later amended in 2014 to (1) postpone a compliance date; and (2) provide an alternative compliance option by allowing the original equipment manufacturers (OEMs) to pay a per unit mitigation fee of \$200 for each condensing furnace and \$150 for each other type of furnace, in lieu of meeting the new lower NO_x emission limit, for up to 36 months past the applicable compliance date.

To date, compliant furnaces have not yet been introduced into the market; however, three OEMs have developed and certified products complying with the Rule 1111 NO_x 14 ng/J limit with field tests underway. Moreover, one manufacturer has indicated that they will have a compliant product commercially available prior to the 2017 winter season.

Staff conducted analysis, and is proposing amendments to Rule 1111 with Public Hearing scheduled on February 2, 2018 for rule adoption. A key companion to that proposal is to develop a rebate program to consumers of compliant products. The rebate program is expected to not only offset cost for consumers, but also motivate commercialization of compliant products.

The total number of rebates may range from 10,000 to 50,000 consumers who have installed compliant units within the SCAQMD for the first implementation year, and more for the

following years depending on commercialization status and market demand for compliant products. With regards to rebate program administration, staff had discussion with the working group and also with individual OEMs. Based on these discussions, as well as limited staff resources to implement the rebate program, the preferred method is to outsource the rebate administration to a third party contractor who would issue rebate directly to consumers.

SECTION II: CONTACT PERSON:

Questions regarding the content or intent of this RFP or on procedural matters should be addressed to:

Yanrong Zhu, Air Quality Specialist
 Planning, Rule Development and Area Sources
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4182
 (909) 396-3289
 yzhu1@aqmd.gov

SECTION III: SCHEDULE OF EVENTS

Date	Event
December 1, 2017	RFP Released
December 19, 2017	Bidder's Conference
January 9, 2018	Proposals Due to SCAQMD - No Later Than 1:00 pm
January 10 -12, 2018	Proposal Evaluations
January 11, 2018	Interviews, if required
February 2, 2018	Governing Board Approval
February 16, 2018	Anticipated Contract Execution

Participation in the Bidder's Conference is optional. Such participation would assist in notifying potential Bidders of any updates or amendments. The Bidders Conference will be held at the AQMD Headquarters in Diamond Bar, California at 1:00 p.m. on Tuesday, December 19, 2017 in Conference Room CC3-5. Please contact Yanrong Zhu at yzhu1@aqmd.gov or (909) 396-3289 by close of business on Thursday, December 14, 2017 if you plan to attend in person or via tele-conference.

SECTION IV: PARTICIPATION IN THE PROCUREMENT PROCESS

It is the policy of SCAQMD to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in SCAQMD contracts. Attachment A to this RFP contains definitions and further information.

SECTION V: STATEMENT OF WORK/SCHEDULE OF DELIVERABLES**A. Objective**

The objective of the proposed project shall be to (1) receive and process rebate applications submitted by consumers who have purchased and installed natural-gas-fired, fan-type central furnace(s) that are (is) certified by the SCAQMD to meet a 14 ng/J NOx emission limit; and (2) assist in the promotion of compliant products.

B. Statement of Work

The proposed project shall include the following tasks:

1. Develop a plan to promote the program. The outreach may be conducted through distribution of point of purchase material, informational bulletins, written copy of program information to media including television, radio, newspaper and health/environmental advocacy groups, or others, provided that any written outreach information, including camera-ready originals, are submitted to the SCAQMD for approval prior to distribution. SCAQMD resources (i.e., list serves, newsletters, and web site) may also be used, as determined to be appropriate, to help promote the program.
2. Develop forms for use in the SCAQMD reimbursement procedure (Task #5) for the SCAQMD approval prior to program implementation. The forms, at a minimum, must document: (1) the customer was provided a rebate (\$500 for the first 6,000 installations and \$250 for the remaining installations); (2) the installation occurred within the geographical boundaries of the SCAQMD (check jurisdiction by this link: <http://www.aqmd.gov/home/about/jurisdiction>); (3) the date of product purchase; (4) the date of product installation; (5) product name/model number and accompanying BTU rating; (6) installation address; (7) a signature from the owner/occupant; and (8) a signature from the owner/occupant.
3. Design a rebate receiving and processing program and implement it to consumers. The implementation is expected to initiate at the time of the contract execution. If an on-line tool is to be developed and launched more than two months after the contract execution, a manual process should be in place prior to the launch of the on-line tool. The implementation, at a minimum, involves (1) receiving applications including sales receipts and any signatures required on the reimbursement forms, (2) verifying or auditing installations, and (3) issuing rebates (\$500 for the first 6,000 installations and \$250 for the remaining installations).
4. Monitor the volume of applications received and communicate with the SCAQMD to ensure that the applications to be processed will be funded.
5. Bundle the reimbursement forms and sales receipts for submittal to the SCAQMD for reimbursement in groups of at least 50 rebates.
6. Prepare a report every three months that includes a spreadsheet summarizing installations address, zip code, and county. The final report shall also include a discussion on topics about public acceptance of the program as specified and comments/suggestions for future program improvement.

C. Schedule of Deliverables

In addition to any deliverables set forth in the above referenced Specific Tasks, successful bidders, *following contract execution with the SCAQMD*, are expected to adhere to the master schedule included below.

Task Number:	Task Name	Schedule/Deliverable
1	Program Promotion	Begin preparation of outreach material at the time of contract execution. Submit written outreach materials to the SCAQMD for approval no later than 14 calendar days before distribution. Initial distribution of outreach materials shall occur within six weeks after contract execution.
2	Reimbursement Forms Design	Submit project reimbursement forms to the SCAQMD for approval no later than 14 days after contract execution.
3	Program Design and Implementation	Subsequent to successful completion of Task 2.
4	Application Monitoring	Provide updates within five days of an SCAQMD request.
5	Reimbursement	No sooner than the collection of at least 50 reimbursement forms and the accompanying sales receipts.
6	Report	Every three months with the first report on July 1, 2018; The final report due no later than 45 days following notification by the SCAQMD that all funding has been expended or the rebate end dates, whichever is earlier.

SECTION VI: REQUIRED QUALIFICATIONS

- A. The SCAQMD requests submittal of detailed expertise and capabilities from proposers who meet a combination of the technical qualifications listed below. Individuals can team up to submit a joint bid if they have complementary expertise and qualifications that collectively meet the requirements. Statements of qualifications should include evidence documenting experience, expertise, and capabilities wherever possible.
- B. Bidder(s) will be selected for contract award based on the best combinations of qualifications. Qualifications that are of importance to this project include expertise and experience in public outreach and rebate administration for household appliances.

SECTION VII: PROPOSAL SUBMITTAL REQUIREMENTS

Submitted proposals must follow the format outlined below and all requested information must be supplied. Failure to submit proposals in the required format will result in elimination from proposal evaluation. SCAQMD may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website for updates (<http://www.aqmd.gov/grants-bids>). The cost for developing the proposal is the responsibility of the Contractor, and shall not be chargeable to SCAQMD.

Each proposal must be submitted in three separate volumes:

- Volume I - Technical Proposal
- Volume II - Cost Proposal
- Volume III - Certifications and Representations included in Attachment B to this RFP, must be completed and executed by an authorized official of the Contractor.

A separate cover letter including the name, address, and telephone number of the contractor, and signed by the person or persons authorized to represent the Firm should accompany the proposal submission. Firm contact information as follows should also be included in the cover letter:

1. Address and telephone number of office in, or nearest to, Diamond Bar, California.
2. Name and title of Firm's representative designated as contact.

A separate Table of Contents should be provided for Volumes I and II.

VOLUME I - TECHNICAL PROPOSAL

DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL VOLUME

Summary (Section A) - State overall approach to meeting the objectives and satisfying the scope of work to be performed, the sequence of activities, and a description of methodology or techniques to be used.

Program Schedule (Section B) - Provide projected milestones or benchmarks for completing the project (to include reports) within the total time allowed.

Project Organization (Section C) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team. Provide a statement detailing your approach to the project, specifically address the Firm's ability and willingness to commit and maintain staffing to successfully complete the project on the proposed schedule.

Qualifications (Section D) - Describe the technical capabilities of the Firm. Provide references of other similar studies or projects performed during the last five years demonstrating ability to successfully complete the work. Include contact name, title, and telephone number for any references listed. Provide a statement of your Firm's background and related experience in performing similar services for other governmental organizations.

Assigned Personnel (Section E) - Provide the following information about the staff to be assigned to this project:

1. List all key personnel assigned to the project by level, name and location. Provide a resume or similar statement describing the background, qualifications and experience of the lead person and all persons assigned to the project. Substitution of project manager or lead personnel will not be permitted without prior written approval of SCAQMD.
2. Provide a spreadsheet of the labor hours proposed for each labor category at the task level.
3. Provide a statement indicating whether or not 90% of the work will be performed within the geographical boundaries of SCAQMD.
4. Provide a statement of education and training programs provided to, or required of, the staff identified for participation in the project, particularly with reference to management consulting, governmental practices and procedures, and technical matters.
5. Provide a summary of your Firm's general qualifications to meet required qualifications and fulfill statement of work, including additional Firm personnel and resources beyond those who may be assigned to the project.

Subcontractors (Section F) - This project may require expertise in multiple technical areas. List any subcontractors that will be used, identifying functions to be performed by them, their related qualifications and experience and the total number of hours or percentage of time they will spend on the project.

Conflict of Interest (Section G) - Address possible conflicts of interest with other clients affected by actions performed by the Firm on behalf of SCAQMD. SCAQMD recognizes that prospective Contractors may be performing similar projects for other clients. Include a complete list of such clients for the past three (3) years with the type of work performed and the total number of years performing such tasks for each client. Although the Proposer will not be automatically disqualified by reason of work performed for such clients, SCAQMD reserves the right to consider the nature and extent of such work in evaluating the proposal.

Additional Data (Section H) - Provide other essential data that may assist in the evaluation of this proposal.

VOLUME II - COST PROPOSAL

Name and Address - The Cost Proposal must list the name and complete address of the Proposer in the upper left-hand corner.

Cost Proposal – SCAQMD anticipates awarding a fixed price contract. Cost information must be provided as listed below:

1. Detail must be provided by the following categories:
 - A. Labor – The Cost Proposal must list the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. Costs should be estimated for each of the components of the work plan.
 - B. Subcontractor Costs - List subcontractor costs and identify subcontractors by name. Itemize subcontractor charges per hour or per day.

- C. Travel Costs - Indicate amount of travel cost and basis of estimate to include trip destination, purpose of trip, length of trip, airline fare or mileage expense, per diem costs, lodging and car rental.
- D. Other Direct Costs -This category may include such items as postage and mailing expense, printing and reproduction costs, etc. Provide a basis of estimate for these costs.
- E. Fixed-Percentage Cost – Not withstanding above categories A, B, C, and D, proposer may provide overall cost on a fixed percentage of the rebate processed.
2. It is the policy of the SCAQMD to receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services. SCAQMD will give preference, where appropriate, to vendors who certify that they will provide “most favored customer” status to the SCAQMD. To receive preference points, Proposer shall certify that SCAQMD is receiving “most favored customer” pricing in the Business Status Certifications page of Volume III, Attachment B – Certifications and Representations.

VOLUME III - CERTIFICATIONS AND REPRESENTATIONS (see Attachment B to this RFP)

SECTION VIII: PROPOSAL SUBMISSION

All proposals must be submitted according to specifications set forth in the section above, and this section. Failure to adhere to these specifications may be cause for rejection of the proposal.

Signature - All proposals must be signed by an authorized representative of the Proposer.

Due Date - **All proposals are due no later than 1:00 p.m., January 9, 2018, and should be directed to:**

Procurement Unit
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 (909) 396-3520

Submittal - Submit six (6) complete copies of the proposal in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the Proposer and the words "Request for Proposals P2018-05"

Late bids/proposals will not be accepted under any circumstances.

Grounds for Rejection - A proposal may be immediately rejected if:

- It is not prepared in the format described, or
- It is signed by an individual not authorized to represent the Firm.

Modification or Withdrawal - Once submitted, proposals cannot be altered without the prior written consent of SCAQMD. All proposals shall constitute firm offers and may not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

SECTION IX: PROPOSAL EVALUATION/CONTRACTOR SELECTION CRITERIA

- A. Proposals will be evaluated by a panel of three to five SCAQMD staff members familiar with the subject matter of the project. The panel shall be appointed by the Executive Officer or his designee. In addition, the evaluation panel may include such outside public sector or academic community expertise as deemed desirable by the Executive Officer. The panel will make a recommendation to the Executive Officer and/or the Governing Board of SCAQMD for final selection of a contractor and negotiation of a contract.
- B. Each member of the evaluation panel shall be accorded equal weight in his or her rating of proposals. The evaluation panel members shall evaluate the proposals according to the specified criteria and numerical weightings set forth below.

1. Proposal Evaluation Criteria

(a) R&D Projects Requiring Technical or Scientific Expertise, or Special Projects Requiring Unique Knowledge or Abilities

Understanding the Problem	20
Technical/Management Approach	20
Contractor Qualifications	20
Previous Experience on Similar Projects	10
Cost	<u>30</u>
TOTAL	100

(b) Additional Points

Small Business or Small Business Joint Venture	10
DVBE or DVBE Joint Venture	10
Use of DVBE or Small Business Subcontractors	7
Low-Emission Vehicle Business	5
Local Business (Non-Federally Funded Projects Only)	5
Off-Peak Hours Delivery Business	2
Most Favored Customer	2

The cumulative points awarded for small business, DVBE, use of small business or DVBE subcontractors, low-emission vehicle business, local business, and off-peak hours delivery business shall not exceed 15 points.

Self-Certification for Additional Points

The award of these additional points shall be contingent upon Proposer completing the Self-Certification section of Attachment B – Certifications and Representations and/or inclusion of a statement in the proposal self-certifying that Proposer qualifies for additional points as detailed above.

2. To receive additional points in the evaluation process for the categories of Small Business or Small Business Joint Venture, DVBE or DVBE Joint Venture or Local Business (for non-federally funded projects), the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets the requirements set forth in Section III. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses. To receive points as a Low-Emission Vehicle Business, the proposer must demonstrate to the Executive Officer, or designee, that supplies and materials delivered to SCAQMD are delivered in vehicles that operate on either clean-fuels or if powered by diesel fuel, that the vehicles have particulate traps installed. To receive points as an Off-Peak Hours Delivery Business, the proposer must submit, at proposal submission, certification of its commitment to delivering supplies and materials to SCAQMD between the hours of 10:00 a.m. and 3:00 p.m. To receive points for Most Favored Customer status, the proposer must submit, at proposal submission, certification of its commitment to provide most favored customer status to the SCAQMD. The cumulative points awarded for small business, DVBE, use of Small Business or DVBE Subcontractors, Local Business, Low-Emission Vehicle Business and Off-Peak Hour Delivery Business shall not exceed 15 points.

The Procurement Section will be responsible for monitoring compliance of suppliers awarded purchase orders based upon use of low-emission vehicles or off-peak traffic hour delivery commitments through the use of vendor logs which will identify the contractor awarded the incentive. The purchase order shall incorporate terms which obligate the supplier to deliver materials in low-emission vehicles or deliver during off-peak traffic hours. The Receiving department will monitor those qualified supplier deliveries to ensure compliance to the purchase order requirements. Suppliers in non-compliance will be subject to a two percent of total purchase order value penalty. The Procurement Manager will adjudicate any disputes regarding either low-emission vehicle or off-peak hour deliveries.

3. For procurement of Research and Development (R & D) projects or projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, technical factors including past experience shall be weighted at 70 points and cost shall be weighted at 30 points. A proposal must receive at least 56 out of 70 points on R & D projects and projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, in order to be deemed qualified for award.

4. The lowest cost proposal will be awarded the maximum cost points available and all other cost proposals will receive points on a prorated basis. For example if the lowest cost proposal is \$1,000 and the maximum points available are 30 points, this proposal would receive the full 30 points. If the next lowest cost proposal is \$1,100 it would receive 27 points reflecting the fact that it is 10% higher than the lowest cost (90% of 30 points = 27 points).
- C. During the selection process the evaluation panel may wish to interview some proposers for clarification purposes only. No new material will be permitted at this time. Additional information provided during the bid review process is limited to clarification by the Proposer of information presented in his/her proposal, upon request by SCAQMD.
- D. The Executive Officer or Governing Board may award the contract to a Proposer other than the Proposer receiving the highest rating in the event the Governing Board determines that another Proposer from among those technically qualified would provide the best value to SCAQMD considering cost and technical factors. The determination shall be based solely on the Evaluation Criteria contained in the Request for Proposal (RFP), on evidence provided in the proposal and on any other evidence provided during the bid review process.
- E. Selection will be made based on the above-described criteria and rating factors. The selection will be made by and is subject to Executive Officer or Governing Board approval. Proposers may be notified of the results by letter.
- F. The Governing Board has approved a Bid Protest Procedure which provides a process for a Bidder or prospective Bidder to submit a written protest to SCAQMD Procurement Manager in recognition of two types of protests: Protest Regarding Solicitation and Protest Regarding Award of a Contract. Copies of the Bid Protest Policy can be secured through a request to SCAQMD Procurement Department.
- G. The Executive Officer or Governing Board may award contracts to more than one proposer if in (his or their) sole judgment the purposes of the (contract or award) would best be served by selecting multiple proposers.
- H. If additional funds become available, the Executive Officer or Governing Board may increase the amount awarded. The Executive Officer or Governing Board may also select additional proposers for a grant or contract if additional funds become available.
- I. Disposition of Proposals – Pursuant to SCAQMD's Procurement Policy and Procedure, SCAQMD reserves the right to reject any or all proposals. All proposals become the property of SCAQMD, and are subject to the California Public Records Act. One copy of the proposal shall be retained for SCAQMD files. Additional copies and materials will be returned only if requested and at the proposer's expense.
- J. **If proposal submittal is for a Public Works project as defined by State of California Labor Code Section 1720, Proposer is required to include Contractor Registration No. in Attachment B. Proposal submittal will be deemed as non-responsive and Bidder may be disqualified if Contractor Registration No. is not included in Attachment B. Proposer is alerted to changes to California Prevailing Wage compliance requirements as defined in Senate Bill 854 (Stat. 2014, Chapter 28), and California Labor Code Sections 1770, 1771 and 1725.**

SECTION X: FUNDING

Total available funding for this RFP is the combined amount of the following two parts.

- A. Part one funding is a fixed amount of \$3,000,000.
- B. Part two funding is the Rule 1111 mitigation fee increased portion, as adopted on February 2, 2018.

Mitigation fee, including the increased portion, is paid on an annual basis for any non-compliant unit sold to the SCAQMD that cannot meet 14 ng/J NOx emission limit. The annual sale of furnaces in the region was approximately 150,000. For a total of four furnace categories, which are condensing (high efficiency), non-condensing (standard), weatherized, and mobile house furnaces, non-condensing furnaces occupy about 71% of the market in the SCAQMD. Staff recognizes that the part two funding may not be a fixed amount. However, as an example, estimation for the mitigation fee increase for non-condensing units could be based on: (1) 1.66 years fee increase (first 0.66 year for 60% units and later one year for 30% units), (2) \$250 fee increase per unit, and (3) 71 % market. The resulting funding could reach approximately \$20,000,000 from this category of furnaces.

To assist bidders in make their own estimation for the part two funding and the scale of project, staff includes the mitigation fee and rebate preliminary information below. Please note that: (1) these preliminary information are subject to change prior to the Board approval on February 2, 2018; (2) currently all the manufacturers are paying mitigation fee for all sales, however, staff expects one or more manufacturers will supply compliant furnaces to the market at the time when mitigation fee increase becomes effective; and (3) Manufacturers are not required to pay mitigation fee for any compliant unit sold in the SCAQMD.

Furnace Category	Market Share	Mitigation Fee Increase (\$/Unit)	Mitigation Fee Increase Start Date	Mitigation Fee Increase End Date	Rebate start Date	Rebate End Date ²	Increase Fee Collection Duration(years)	Rebate Duration (years)
Condensing	15%	200	2/2/2018	9/30/2019	2/16/2018	4/1/2020	1.66	2.12
Non-Condensing	71%	250	2/2/2018	9/30/2019	2/16/2018	4/1/2020	1.66	2.12
Weatherized	10%	250	2/2/2018	9/30/2020	2/16/2018	4/1/2021	2.66	3.12
Mobile house	4%	250	10/1/2018	9/30/2022	2/16/2018	4/1/2023	4.00	5.12

² Rebate payment will be made on a first-come-first-serve base. The rebate end date may be shortened largely depending on how long the funding lasts. If available, alternative sources of funding may be used to lengthen the rebate duration.

SECTION XI: SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on SCAQMD's website at <http://www.aqmd.gov/grants-bids> or upon request from the RFP Contact Person (Section II).

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PARTICIPATION IN THE PROCUREMENT PROCESS

A. It is the policy of South Coast Air Quality Management District (SCAQMD) to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in SCAQMD contracts.

B. Definitions:

The definition of minority, women or disadvantaged business enterprises set forth below is included for purposes of determining compliance with the affirmative steps requirement described in Paragraph G below on procurements funded in whole or in part with federal grant funds which involve the use of subcontractors. The definition provided for disabled veteran business enterprise, local business, small business enterprise, low-emission vehicle business and off-peak hours delivery business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Women business enterprise" (WBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. a business that is at least 51 percent owned by one or more women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
 - b. a business whose management and daily business operations are controlled by one or more women.
 - c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
2. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
3. "Disabled veteran business enterprise" (DVBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. is a sole proprietorship or partnership of which at least 51 percent is owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
 - b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.

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- c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.
4. "Local business" as used in this policy means a company that has an ongoing business within geographical boundaries of SCAQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the geographical boundaries of SCAQMD and satisfies the requirements of subparagraph H below.
5. "Small business" as used in this policy means a business that meets the following criteria:
 - a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
 - A manufacturer with 100 or fewer employees.
 - b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 and 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.
6. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE or small business and owns at least 51 percent of the joint venture.
7. "Low-Emission Vehicle Business" as used in this policy means a company or contractor that uses low-emission vehicles in conducting deliveries to SCAQMD. Low-emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, hydrogen and diesel retrofitted with particulate matter (PM) traps.
8. "Off-Peak Hours Delivery Business" as used in this policy means a company or contractor that commits to conducting deliveries to SCAQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.

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9. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to SCAQMD and commits to providing employee health benefits (as defined below in Section VIII.D.2.d) for full time workers with affordable deductible and co-payment terms.
 10. "Minority Business Enterprise" as used in this policy means a business that is at least 51 percent owned by one or more minority person(s), or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more or minority persons.
 - a. a business whose management and daily business operations are controlled by one or more minority persons.
 - b. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
 - c. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native-American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific-American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
 11. "Most Favored Customer" as used in this policy means that the SCAQMD will receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services.
 12. "Disadvantaged Business Enterprise" as used in this policy means a business that is an entity owned and/or controlled by a socially and economically disadvantaged individual(s) as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note) (10% statute), and Public Law 102-389 (42 U.S.C. 4370d)(8% statute), respectively;
 - a Small Business Enterprise (SBE);
 - a Small Business in a Rural Area (SBRA);
 - a Labor Surplus Area Firm (LSAF); or
 - a Historically Underutilized Business (HUB) Zone Small Business Concern, or a concern under a successor program.
- C. Under Request for Quotations (RFQ), DVBEs, DVBE business joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5% of the lowest cost responsive bid. Low-Emission Vehicle Businesses shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. Off-Peak Hours Delivery Businesses shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid. Local businesses (if the procurement is not

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funded in whole or in part by federal grant funds) shall be granted a preference in an amount equal to 2% of the lowest cost responsive bid. Businesses offering Most Favored Customer status shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid.

- D. Under Request for Proposals, DVBEs, DVBE joint ventures, small businesses, and small business joint ventures shall be awarded ten (10) points in the evaluation process. A non-DVBE or large business shall receive seven (7) points for subcontracting at least twenty-five (25%) of the total contract value to a DVBE and/or small business. Low-Emission Vehicle Businesses shall be awarded five (5) points in the evaluation process. On procurements which are not funded in whole or in part by federal grant funds local businesses shall receive five (5) points. Off-Peak Hours Delivery Businesses shall be awarded two (2) points in the evaluation process. Businesses offering Most Favored Customer status shall be awarded two (2) points in the evaluation process.
- E. SCAQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of SCAQMD contractual obligations.
- F. SCAQMD requires Contractor to be in compliance with all state and federal laws and regulations with respect to its employees throughout the term of any awarded contract, including state minimum wage laws and OSHA requirements.
- G. When contracts are funded in whole or in part by federal funds, and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit disadvantaged businesses. Contractor shall submit a certification signed by an authorized official affirming its status as a MBE or WBE, as applicable, at the time of contract execution. SCAQMD reserves the right to request documentation demonstrating compliance with the following good faith efforts prior to contract execution.
 - 1. Ensure Disadvantaged Business Enterprises (DBEs) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
 - 2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
 - 3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

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4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
 6. If the prime contractor awards subcontracts, require the prime contractor to take the above steps.
- H. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a certified MBE/WBE/DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.
- I. When contracts are not funded in whole or in part by federal grant funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an ongoing business within the geographical boundaries of SCAQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of SCAQMD shall be entitled to the local business preference.
- J. In compliance with federal fair share requirements set forth in 40 CFR Part 33, SCAQMD shall establish a fair share goal annually for expenditures with federal funds covered by its procurement policy.

ATTACHMENT B



South Coast Air Quality Management District

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

Business Information Request

Dear SCAQMD Contractor/Supplier:

South Coast Air Quality Management District (SCAQMD) is committed to ensuring that our contractor/supplier records are current and accurate. If your firm is selected for award of a purchase order or contract, it is imperative that the information requested herein be supplied in a timely manner to facilitate payment of invoices. In order to process your payments, we need the enclosed information regarding your account. **Please review and complete the information identified on the following pages, remember to sign all documents for our files, and return them as soon as possible to the address below:**

**Attention: Accounts Payable, Accounting Department
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178**

If you do not return this information, we will not be able to establish you as a vendor. This will delay any payments and would still necessitate your submittal of the enclosed information to our Accounting department before payment could be initiated. Completion of this document and enclosed forms would ensure that your payments are processed timely and accurately.

If you have any questions or need assistance in completing this information, please contact Accounting at (909) 396-3777. We appreciate your cooperation in completing this necessary information.

Sincerely,

Michael B. O'Kelly
Chief Administrative Officer

DH:tm

Enclosures: Business Information Request
Disadvantaged Business Certification
W-9
Form 590 Withholding Exemption Certificate
Federal Contract Debarment Certification
Campaign Contributions Disclosure
Direct Deposit Authorization

REV 2/17



South Coast Air Quality Management District

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

BUSINESS INFORMATION REQUEST

Business Name	
Division of	
Subsidiary of	
Website Address	
Type of Business <i>Check One:</i>	<input type="checkbox"/> Individual <input type="checkbox"/> DBA, Name _____, County Filed in _____ <input type="checkbox"/> Corporation, ID No. _____ <input type="checkbox"/> LLC/LLP, ID No. _____ <input type="checkbox"/> Other _____

REMITTING ADDRESS INFORMATION

Address			
City/Town			
State/Province		Zip	
Phone	() - Ext	Fax	() -
Contact		Title	
E-mail Address			
Payment Name if Different			

All invoices must reference the corresponding Purchase Order Number(s)/Contract Number(s) if applicable and mailed to:

Attention: Accounts Payable, Accounting Department
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

BUSINESS STATUS CERTIFICATIONS

Federal guidance for utilization of disadvantaged business enterprises allows a vendor to be deemed a small business enterprise (SBE), minority business enterprise (MBE) or women business enterprise (WBE) if it meets the criteria below.

- is certified by the Small Business Administration or
- is certified by a state or federal agency or
- is an independent MBE(s) or WBE(s) business concern which is at least 51 percent owned and controlled by minority group member(s) who are citizens of the United States.

Statements of certification:

As a prime contractor to SCAQMD, (name of business) will engage in good faith efforts to achieve the fair share in accordance with 40 CFR Section 33.301, and will follow the six affirmative steps listed below **for contracts or purchase orders funded in whole or in part by federal grants and contracts.**

1. Place qualified SBEs, MBEs, and WBEs on solicitation lists.
2. Assure that SBEs, MBEs, and WBEs are solicited whenever possible.
3. When economically feasible, divide total requirements into small tasks or quantities to permit greater participation by SBEs, MBEs, and WBEs.
4. Establish delivery schedules, if possible, to encourage participation by SBEs, MBEs, and WBEs.
5. Use services of Small Business Administration, Minority Business Development Agency of the Department of Commerce, and/or any agency authorized as a clearinghouse for SBEs, MBEs, and WBEs.
6. If subcontracts are to be let, take the above affirmative steps.

Self-Certification Verification: Also for use in awarding additional points, as applicable, in accordance with SCAQMD Procurement Policy and Procedure:

Check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> Small Business Enterprise/Small Business Joint Venture | <input type="checkbox"/> Women-owned Business Enterprise |
| <input type="checkbox"/> Local business | <input type="checkbox"/> Disabled Veteran-owned Business Enterprise/DVBE Joint Venture |
| <input type="checkbox"/> Minority-owned Business Enterprise | <input type="checkbox"/> Most Favored Customer Pricing Certification |

Percent of ownership: _____ %

Name of Qualifying Owner(s): _____

State of California Public Works Contractor Registration No. _____ . MUST BE INCLUDED IF BID PROPOSAL IS FOR PUBLIC WORKS PROJECT.

I, the undersigned, hereby declare that to the best of my knowledge the above information is accurate. Upon penalty of perjury, I certify information submitted is factual.

NAME

TITLE

TELEPHONE NUMBER

DATE

Definitions

Disabled Veteran-Owned Business Enterprise means a business that meets all of the following criteria:

- is a sole proprietorship or partnership of which is at least 51 percent owned by one or more disabled veterans, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
- the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
- is a sole proprietorship, corporation, partnership, or joint venture with its primary headquarters office located in the United States and which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.

Joint Venture means that one party to the joint venture is a DVBE and owns at least 51 percent of the joint venture. In the case of a joint venture formed for a single project this means that DVBE will receive at least 51 percent of the project dollars.

Local Business means a business that meets all of the following criteria:

- has an ongoing business within the boundary of SCAQMD at the time of bid application.
- performs 90 percent of the work within SCAQMD's jurisdiction.

Minority-Owned Business Enterprise means a business that meets all of the following criteria:

- is at least 51 percent owned by one or more minority persons or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minority persons.
- is a business whose management and daily business operations are controlled or owned by one or more minority person.
- is a business which is a sole proprietorship, corporation, partnership, joint venture, an association, or a cooperative with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign business.

“Minority” person means a Black American, Hispanic American, Native American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian American (including a person whose origins are from India, Pakistan, or Bangladesh), Asian-Pacific American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, or Taiwan).

Small Business Enterprise means a business that meets the following criteria:

- a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - **A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or**
 - A manufacturer with 100 or fewer employees.
- b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 to 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.

Small Business Joint Venture means that one party to the joint venture is a Small Business and owns at least 51 percent of the joint venture. In the case of a joint venture formed for a single project this means that the Small Business will receive at least 51 percent of the project dollars.

Women-Owned Business Enterprise means a business that meets all of the following criteria:

- is at least 51 percent owned by one or more women or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
- is a business whose management and daily business operations are controlled or owned by one or more women.
- is a business which is a sole proprietorship, corporation, partnership, or a joint venture, with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign business.

Most Favored Customer as used in this policy means that the SCAQMD will receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹
5. Sole proprietorship or disregarded entity owned by an individual	The actual owner ¹
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The owner ²
	The grantor ²
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ¹
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

2017 Withholding Exemption Certificate**590**

The payee completes this form and submits it to the withholding agent. The withholding agent keeps this form with their records.

Withholding Agent Information

Name _____

Payee Information

Name _____

 SSN or ITIN FEIN CA Corp no. CA SOS file no.

Address (apt./ste., room, PO box, or PMB no.) _____

City (if you have a foreign address, see instructions) _____

State _____ ZIP code _____

Exemption Reason**Check only one box.**

By checking the appropriate box below, the payee certifies the reason for the exemption from the California income tax withholding requirements on payment(s) made to the entity or individual.

 Individuals — Certification of Residency:

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

 Corporations:

The corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

 Partnerships or Limited Liability Companies (LLCs):

The partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a limited liability partnership (LLP) is treated like any other partnership.

 Tax-Exempt Entities:

The entity is exempt from tax under California Revenue and Taxation Code (R&TC) Section 23701 _____ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.

 Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit-Sharing Plans:

The entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

 California Trusts:

At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return. If the trustee or noncontingent beneficiary becomes a nonresident at any time, I will promptly notify the withholding agent.

 Estates — Certification of Residency of Deceased Person:

I am the executor of the above-named person's estate or trust. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return.

 Nonmilitary Spouse of a Military Servicemember:

I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

CERTIFICATE OF PAYEE: Payee must complete and sign below.To learn about your privacy rights, how we may use your information, and the consequences for not providing the requested information, go to ftb.ca.gov and search for **privacy notice**. To request this notice by mail, call 800.852.5711.

Under penalties of perjury, I declare that I have examined the information on this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare under penalties of perjury that if the facts upon which this form are based change, I will promptly notify the withholding agent.

Type or print payee's name and title _____

Telephone (____) _____

Payee's signature ► _____

Date _____

2017 Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

Registered Domestic Partners (RDP) – For purposes of California income tax, references to a spouse, husband, or wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

A Purpose

Use Form 590, Withholding Exemption Certificate, to certify an exemption from nonresident withholding.

Form 590 does not apply to payments of backup withholding. For more information, go to ftb.ca.gov and search for **backup withholding**.

Form 590 does not apply to payments for wages to employees. Wage withholding is administered by the California Employment Development Department (EDD). For more information, go to edd.ca.gov or call 888.745.3888.

Do not use Form 590 to certify an exemption from withholding if you are a **Seller of California real estate**. Sellers of California real estate use Form 593-C, Real Estate Withholding Certificate, to claim an exemption from the real estate withholding requirement.

The following are excluded from withholding and completing this form:

- The United States and any of its agencies or instrumentalities.
- A state, a possession of the United States, the District of Columbia, or any of its political subdivisions or instrumentalities.
- A foreign government or any of its political subdivisions, agencies, or instrumentalities.

B Income Subject to Withholding

California Revenue and Taxation Code (R&TC) Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on the following, but is not limited to:

- Payments to nonresidents for services rendered in California.
- Distributions of California source income made to domestic nonresident partners, members, and S corporation shareholders and allocations of California source income made to foreign partners and members.
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business.
- Payments to nonresidents for royalties from activities sourced to California.

- Distributions of California source income to nonresident beneficiaries from an estate or trust.
- Endorsement payments received for services performed in California.
- Prizes and winnings received by nonresidents for contests in California.

However, withholding is optional if the total payments of California source income are \$1,500 or less during the calendar year.

For more information on withholding get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines. To get a withholding publication, see Additional Information.

C Who Certifies this Form

Form 590 is certified by the payee. California residents or entities exempt from the withholding requirement should complete Form 590 and submit it to the withholding agent before payment is made. The withholding agent is then relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless notified by the Franchise Tax Board (FTB) that the form should not be relied upon.

An incomplete certificate is invalid and the withholding agent should not accept it. If the withholding agent receives an incomplete certificate, the withholding agent is required to withhold tax on payments made to the payee until a valid certificate is received. In lieu of a completed exemption certificate, the withholding agent may accept a letter from the payee as a substitute explaining why they are not subject to withholding. The letter must contain all the information required on the certificate in similar language, including the under penalty of perjury statement and the payee's taxpayer identification number (TIN). The withholding agent must retain a copy of the certificate or substitute for at least five years after the last payment to which the certificate applies, and provide it upon request to the FTB.

If an entertainer (or the entertainer's business entity) is paid for a performance, the entertainer's information must be provided. **Do not** submit the entertainer's agent or promoter information.

The grantor of a grantor trust shall be treated as the payee for withholding purposes. Therefore, if the payee is a grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors on the trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

D Definitions

For California nonwage withholding purposes, **nonresident** includes all of the following:

- Individuals who are not residents of California.
- Corporations not qualified through the California Secretary of State (CA SOS) to do business in California or having no permanent place of business in California.
- Partnerships or limited liability companies (LLCs) with no permanent place of business in California.
- Any trust without a resident grantor, beneficiary, or trustee, or estates where the decedent was not a California resident.

Foreign refers to non-U.S.

For more information about determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status. Military servicemembers have special rules for residency. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

Permanent Place of Business:

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or it has qualified through the CA SOS to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

E Military Spouse Residency Relief Act (MSRRA)

Generally, for tax purposes you are considered to maintain your existing residence or domicile. If a military servicemember and nonmilitary spouse have the same state of domicile, the MSRRA provides:

- A spouse shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent to be with the servicemember serving in compliance with military orders.
- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders.

Domicile is defined as the one place:

- Where you maintain a true, fixed, and permanent home.
- To which you intend to return whenever you are absent.

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders.

California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRA.

Income of a military servicemember's nonmilitary spouse for services performed in California is not California source income subject to state tax if the spouse is in California to be with the servicemember serving in compliance with military orders, and the servicemember and spouse have the same domicile in a state other than California.

For additional information or assistance in determining whether the applicant meets the MSRRA requirements, get FTB Pub. 1032.

Specific Instructions

Payee Instructions

Enter the withholding agent's name.

Enter the payee's information, including the TIN and check the appropriate TIN box.

You must provide a valid TIN as requested on this form. The following are acceptable TINs: social security number (SSN); individual taxpayer identification number (ITIN); federal employer identification number (FEIN); California corporation number (CA Corp no.); or CA SOS file number.

Private Mail Box (PMB) – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

Foreign Address – Follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. Do not abbreviate the country name.

Exemption Reason – Check the box that reflects the reason why the payee is exempt from the California income tax withholding requirement.

Withholding Agent Instructions

Do not send this form to the FTB. The withholding agent retains this form for a minimum of five years or until the payee's status changes, and must provide this form to the FTB upon request.

The payee must notify the withholding agent if any of the following situations occur:

- The individual payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.

- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

If any of these situations occur, then withholding may be required. For more information, get Form 592, Resident and Nonresident Withholding Statement, Form 592-B, Resident and Nonresident Withholding Tax Statement, and Form 592-V, Payment Voucher for Resident and Nonresident Withholding.

Additional Information

Website: For more information go to ftb.ca.gov and search for **nonwage**. **MyFTB** offers secure online tax account information and services. For more information and to register, go to ftb.ca.gov and search for **myftb**.

Telephone: 888.792.4900 or 916.845.4900, Withholding Services and Compliance phone service

Fax: 916.845.9512

Mail: WITHHOLDING SERVICES AND COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For questions unrelated to withholding, or to download, view, and print California tax forms and publications, or to access the TTY/TDD numbers, see the information below.

Internet and Telephone Assistance

Website: ftb.ca.gov

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

Asistencia Por Internet y Teléfono

Sitio web: ftb.ca.gov

Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o de habla

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and the principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgement rendered against them or commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction: violation of Federal or State antitrust statute or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

I am unable to certify to the above statements. My explanation is attached.



CAMPAIGN CONTRIBUTIONS DISCLOSURE

In accordance with California law, bidders and contracting parties are required to disclose, at the time the application is filed, information relating to any campaign contributions made to South Coast Air Quality Management District (SCAQMD) Board Members or members/alternates of the MSRC, including: the name of the party making the contribution (which includes any parent, subsidiary or otherwise related business entity, as defined below), the amount of the contribution, and the date the contribution was made. 2 C.C.R. §18438.8(b).

California law prohibits a party, or an agent, from making campaign contributions to SCAQMD Governing Board Members or members/alternates of the Mobile Source Air Pollution Reduction Review Committee (MSRC) of more than \$250 while their contract or permit is pending before SCAQMD; and further prohibits a campaign contribution from being made for three (3) months following the date of the final decision by the Governing Board or the MSRC on a donor's contract or permit. Gov't Code §84308(d). For purposes of reaching the \$250 limit, the campaign contributions of the bidder or contractor plus contributions by its parents, affiliates, and related companies of the contractor or bidder are added together. 2 C.C.R. §18438.5.

In addition, SCAQMD Board Members or members/alternates of the MSRC must abstain from voting on a contract or permit if they have received a campaign contribution from a party or participant to the proceeding, or agent, totaling more than \$250 in the 12-month period prior to the consideration of the item by the Governing Board or the MSRC. Gov't Code §84308(c).

The list of current SCAQMD Governing Board Members can be found at SCAQMD website (www.aqmd.gov). The list of current MSRC members/alternates can be found at the MSRC website (<http://www.cleantransportationfunding.org>).

SECTION I.

Contractor (Legal Name): _____

DBA, Name _____, County Filed in _____ Corporation, ID No. _____ LLC/LLP, ID No. _____
--

List any parent, subsidiaries, or otherwise affiliated business entities of Contractor:
(See definition below).

SECTION II.

Has Contractor and/or any parent, subsidiary, or affiliated company, or agent thereof, made a campaign contribution(s) totaling \$250 or more in the aggregate to a current member of the South Coast Air Quality Management Governing Board or member/alternate of the MSRC in the 12 months preceding the date of execution of this disclosure?

Yes No **If YES, complete Section II below and then sign and date the form. If NO, sign and date below. Include this form with your submittal.**

Campaign Contributions Disclosure, continued:

Name of Contributor _____

Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution
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Name of Contributor _____

Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution
---	------------------------	----------------------

Name of Contributor _____

Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution
---	------------------------	----------------------

Name of Contributor _____

Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution
---	------------------------	----------------------

I declare the foregoing disclosures to be true and correct.

By: _____

Title: _____

Date: _____

DEFINITIONS

Parent, Subsidiary, or Otherwise Related Business Entity (2 Cal. Code of Regs., §18703.1(d).)

- (1) Parent subsidiary. A parent subsidiary relationship exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another corporation.
- (2) Otherwise related business entity. Business entities, including corporations, partnerships, joint ventures and any other organizations and enterprises operated for profit, which do not have a parent subsidiary relationship are otherwise related if any one of the following three tests is met:
 - (A) One business entity has a controlling ownership interest in the other business entity.
 - (B) There is shared management and control between the entities. In determining whether there is shared management and control, consideration should be given to the following factors:
 - (i) The same person or substantially the same person owns and manages the two entities;
 - (ii) There are common or commingled funds or assets;
 - (iii) The business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis;
 - (iv) There is otherwise a regular and close working relationship between the entities; or
 - (C) A controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178

STEP 1: Please check all the appropriate boxes

- | | |
|--|--|
| <input type="checkbox"/> Individual (Employee, Governing Board Member) | <input type="checkbox"/> New Request |
| <input type="checkbox"/> Vendor/Contractor | <input type="checkbox"/> Cancel Direct Deposit |
| <input type="checkbox"/> Changed Information | |

STEP 2: Payee Information

Last Name		First Name		Middle Initial	Title
Vendor/Contractor Business Name (if applicable)					
Address				Apartment or P.O. Box Number	
City		State	Zip	Country	
Taxpayer ID Number		Telephone Number		Email Address	

Authorization

- I authorize South Coast Air Quality Management District (SCAQMD) to direct deposit funds to my account in the financial institution as indicated below. I understand that the authorization may be rejected or discontinued by SCAQMD at any time. If any of the above information changes, I will promptly complete a new authorization agreement. If the direct deposit is not stopped before closing an account, funds payable to me will be returned to SCAQMD for distribution. This will delay my payment.
- This authorization remains in effect until SCAQMD receives written notification of changes or cancellation from you.
- I hereby release and hold harmless SCAQMD for any claims or liability to pay for any losses or costs related to insufficient fund transactions that result from failure within the Automated Clearing House network to correctly and timely deposit monies into my account.

STEP 3:

You must verify that your bank is a member of an Automated Clearing House (ACH). Failure to do so could delay the processing of your payment. You must attach a voided check or have your bank complete the bank information and the account holder must sign below.

To be Completed by your Bank

Staple Voided Check Here	Name of Bank/Institution				
	Account Holder Name(s)				
	<input type="checkbox"/> Saving <input type="checkbox"/> Checking		Account Number	Routing Number	
	Bank Representative Printed Name		Bank Representative Signature		Date
	ACCOUNT HOLDER SIGNATURE:				Date

For SCAQMD Use Only

Input By _____

Date _____

Proposed Amended Rule 1111

NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Stationary Source Committee

November 17, 2017

1

Rule 1111 Background

- Applies to residential and commercial natural gas-fired fan-type central furnaces
- Regulates manufacturers, distributors, sellers, and installers of these units
- 2009 amendment lowered the NO_x concentration from 40 ng/J to 14 ng/J
- 2014 amendment delayed compliance date and added mitigation fee option

	Condensing (High Efficiency)	Non-condensing (Standard)	Weatherized	Mobile Home
Compliance Date	April 1, 2015	October 1, 2015	October 1, 2016	October 1, 2018
Compliance Date w/Mitigation Fee • Current Rule 1111	April 1, 2018	October 1, 2018	October 1, 2019	October 1, 2021
Mitigation Fee (per unit) • Current Rule 1111	\$200	\$150	\$150	\$150

Rule Development Process

- ~30 individual meetings with manufacturers leading up to and during the rule development process
- Two Task Force meetings
 - April 27, 2017 and May 25, 2017
- Stationary Source Committee meeting
 - June 16, 2017
- Three Working Group meetings
 - July 2, 2017, September 21, 2017, and November 15, 2017
- Public Workshop/CEQA Scoping meeting
 - October 19, 2017

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Implementation Status

- All original equipment manufacturers (OEMs) have been paying the mitigation fee
- Three OEMs have developed and certified products complying with the Rule 1111 NOx 14 ng/J limit with field tests at different stages
- Compliant furnaces had not yet been introduced into the market prior to November 2017
 - On November 2, 2017 at a local tradeshow, Lennox Industries, Inc. unveiled their commercially available compliant non-condensing furnace



4

Summary of Proposal for PAR 1111

- Maintain the 14 ng/J NOx limit
- Extend and increase the mitigation fee beginning date of adoption
- Mitigation fee increased amount would be a companion to consumer rebate
- Add provisions to prevent rule circumvention by propane furnaces

	Condensing (High Efficiency)	Non-condensing (Standard)	Weatherized	Mobile Home
Compliance Date	April 1, 2015	October 1, 2015	October 1, 2016	October 1, 2018
Compliance Date w/Mitigation Fee				
• Current Rule 1111	April 1, 2018	October 1, 2018	October 1, 2019	October 1, 2021
• Proposed Amended Rule 1111	October 1, 2019	October 1, 2019	October 1, 2020	October 1, 2022
Mitigation Fee (per unit)				
• Current Rule 1111	\$200	\$150	\$150	\$150
• Proposed Amended Rule 1111	\$400	\$400	\$400	\$400

5

Companion Proposal to PAR 1111

- Implement a rebate program
 - \$500 for the first 6,000 compliant furnaces and \$250 thereafter that were purchased and installed by rebate end dates as below (six calendar months beyond the mitigation end date)

Equipment Category	Rebate End Date
Condensing Furnace	March 31, 2020
Non-condensing Furnace	March 31, 2020
Weatherized Furnace	March 31, 2021
Mobile Home Furnace	March 31, 2023

- Staff recommends issuing an RFP to solicit proposals and have a third party contractor administer the rebate program

6

Stakeholder Key Comments

- Increasing mitigation fee in the middle of cycle interrupts OEM's business plan
 - The proposed effective date and fee increase have been in discussion since the September 21, 2017 working group meeting
 - Stakeholders can plan and make adjustments prior to February 2018
- Partial Equilibrium Modeling does not adequately identify the basis for the mitigation fee increase
 - The modeling is based on market share, cost information provided by OEMs, and self-sustaining for mitigation fee increase and rebate program
- Restriction of consumer choice
 - The mitigation fee allows 40 ng/J units to be sold
 - Three OEMs and various models being certified at 14 ng/J for condensing and non-condensing units
 - One OEM ready to launch has multiple 14 ng/J non-condensing unit models

7

Schedules

- Continue individual stakeholder meetings
- Working Group meeting – January 2018
- Set Hearing – January 5, 2018
- Public Hearing – February 2, 2018

8

PROPOSED AMENDMENTS TO RULE 2001 AND RULE 2002 (REGULATION XX)

STATIONARY SOURCE COMMITTEE
NOVEMBER 17, 2017

Background

- RECLAIM transition to command and control:
 - Adoption Resolution for the 2016 AQMP (CMB-05) commits to transitioning as early as practicable
 - AB 617 requires schedule by January 1, 2019 and full implementation no later than December 31, 2023
- Amendments to Rules 2001 and 2002 are needed to initiate the transition of RECLAIM facilities to command and control
 - Rule 2001 specifies inclusion criteria into NO_x and SO_x RECLAIM for new and existing facilities
 - Rule 2002 establishes the methodology for calculating facility allocations and adjustments to RECLAIM Trading Credit (RTC) holdings for NO_x and SO_x

Overview of PAR 2001

- January amendments to Rule 2001 will affect NO_x and SO_x RECLAIM to address adding facilities into NO_x and SO_x RECLAIM
- Future efforts will focus on transitioning NO_x RECLAIM to command and control as substantial resources will be needed to implement the transition
- Staff will initiate the transition of SO_x RECLAIM at a later date

3

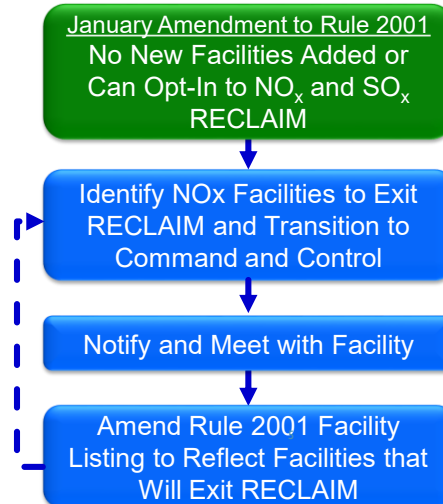
PAR 2001 (January 2018)

- The proposed amendments would cease any future additions of facilities into NO_x and SO_x RECLAIM
 - Remove provisions to require adding a new or existing facility with annual NO_x or SO_x emissions that are ≥ 4 tons/year into RECLAIM
 - Remove provision to allow any facility to elect to enter NO_x or SO_x RECLAIM

4

General Description of Amendments to Rule 2001 Through the Transition Process

- Over the next 18-24 months, anticipate multiple amendments to Rule 2001
- Other amendments and rule development efforts will occur simultaneously



PAR 2002 (January 2018)

- Proposed Amended Rule 2002 will include the notification procedures for facilities that will be transitioned out of RECLAIM

Executive Officer will notify RECLAIM facility that it is under review for transition

Facility will respond with identification of RECLAIM equipment for Executive Officer review

Final determination notification will be sent by the Executive Officer with a final transition date

PAR 2002 (cont.)

- A facility that receives a final determination notification letter that the facility is ready to exit RECLAIM shall:
 - Not sell any future compliance year RTCs and
 - May only sell current compliance year RTCs until the facility completes the transition to command and control
- If Executive Officer determines a facility is not ready to transition (equipment not at BARCT or no BARCT requirements in place), the facility will remain in RECLAIM
- Staff is considering a provision that will “freeze” future year RTCs at the initial notification to prevent an over supply of RTCs in RECLAIM
 - If provision is added, will not apply to the first group of facilities that will exit RECLAIM as initial notification letters will be sent prior to this amendment ⁷

Overview of Transition Approach



* Staff is considering provision that will “freeze” future year holdings at the initial notification

Rulemaking Schedule

- Public Hearing
 - January 5, 2018
- Expected transition of first group April 2018 (subsequently as BARCT rules are developed)



Background

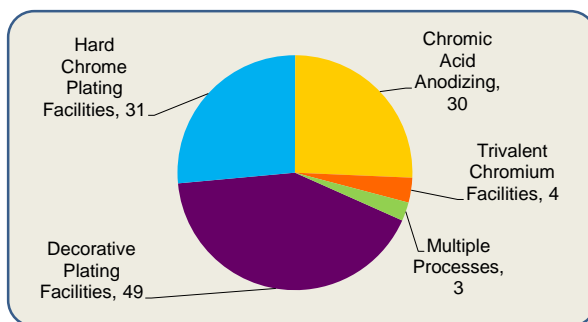
- Rule 1469 regulates chromium electroplating and chromic acid anodizing tanks
- Based on ambient monitoring, tanks that are currently unregulated were found to be sources of hexavalent chromium emissions
- PAR 1469 will further reduce point and fugitive hexavalent chromium emissions through:
 - New emission standards for unregulated tanks;
 - Additional provisions to better ensure proper operation of pollution controls; and
 - More comprehensive requirements to control fugitive emissions

Public Process

- Seven Working Group Meetings to date:
 - March 23, 2017
 - May 18, 2017
 - June 29, 2017
 - August 2, 2017
 - August 31, 2017
 - September 20, 2017
 - October 26, 2017 (City of Compton)
 - Tentatively scheduled for end of November 2017
- Public Workshops
 - November 1, 2017
 - December 7, 2017

3

Affected Facilities



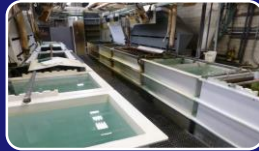
- 117 chromium electroplating and chromic acid anodizing facilities have been identified
- Support multiple industries including the aerospace, automotive, and decorative fixtures

Requirements for Hexavalent Chromium Containing Tanks



Electroplating and Chromic Acid Anodizing Tanks

- Maintain pollution control requirements
- Meet emission standard; or
- Use certified fume suppressant
- Emission controls based on throughput and distance to sensitive receptor



Low Emission Potential Tanks (Tier I Tanks)

- No emission control requirements
- Tank must be below 1,000 ppm of hexavalent chromium



High Emission Potential Tanks (Tier II Tanks)

- New pollution control requirements
- Meet emission standard
- Tank above 1,000 ppm of hexavalent chromium and
 - Air sparged;
 - Heated above 140°F; or
 - Electrolytic

5

Provisions to Ensure Proper Operation of Pollution Controls



Periodic Source Testing

- Currently Rule 1469 only required an initial source test
- Require periodic source testing once every 36 months
- Allow a screening source test if initial source test is in compliance



Periodic Measurement of Collection Slot Velocities

- Monitoring air flow at collection slots ensures pollution controls are achieving appropriate collection efficiencies
- Maintain provision for smoke test



Measure Pressure Drop Across Filter of Pollution Control

- Monitor pressure across filter media for early detection of clog or breach in filter media



Building Enclosure Requirements

- Must conduct hexavalent chromium tank operations in a building enclosure (no negative air requirement)
 - Must eliminate building cross-draft conditions
 - Prohibit operation of devices in the roof that draw air to the outdoors
 - Allows alternative compliance measures to ensure compatibility with OSHA requirements for worker safety
- Permanent total enclosures with negative air is conditionally required if:
 - More than one incident of non-compliance for specific provisions relating to source tests or capture efficiency requirements

7

Enhanced Housekeeping and Best Management Practices Requirements

- Increased frequency for housekeeping of tank process area
- Added provisions to clean floors within 20 feet of a buffing, grinding, or polishing workstation and any entrance/exit point of a building enclosure
- Existing dragout provisions extended to Tier I and II Tanks
- Added provisions for spray rinse operations of parts and equipment, and compressed air cleaning or drying operations
- Prohibits air sparging in a Tier II Tank unless necessary to meet a military specification
- Added provision for freeboard height of at least 8 inches for any new or modified Tier I or Tier Tank

8



Key Issue #1: More Data Needed to Determine Tier II Hexavalent Chromium-Containing Tanks

- Key Issue:
 - Stakeholders commented that more testing is needed to show hexavalent chromium emissions at an operating temperature range between 140°F and 169°F
- Staff Response:
 - SCAQMD staff agrees that additional testing should be conducted
 - SCAQMD staff conducted additional tests on November 2nd
 - SCAQMD will be conducting additional temperature tests the week of November 14th

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Key Issue #2: Add Requirement for Ambient Air Monitoring

- Key Issue:
 - Community and environmental groups commented that PAR 1469 should require facilities to conduct ambient monitoring of hexavalent chromium
 - Ambient monitoring would identify sources of hexavalent chromium and ensure compliance with Rule 1469
- Staff Response:
 - Initial concepts for PAR 1469 included a potential on-ramp provision for ambient air monitoring
 - Focus of PAR 1469 is on reduction of hexavalent chromium to ensure protection of public health to surrounding communities
 - Air monitoring will be addressed in a broader toxics air monitoring rule (PR 1480) that will be developed in 2018

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Key Issue #3: Scientific Data on Hexavalent Chromium

- Key Issue:

- Metal Finishers Association has provided studies that state:
 - Risk from inhalation pathway is overestimated
 - 36% of risk is associated with vegetable ingestion, and that hexavalent chromium is not stable in organic matrices, including fruits and vegetables
 - Hexavalent chromium does not pose a carcinogenic hazard at relevant exposure levels



- Staff Response:

- SCAQMD uses the OEHHA guidance to calculate cancer risk and evaluate potential for other health effects from exposure to multiple toxics, including hexavalent chromium
- Staff continues to rely on and use this guidance, in addition to any updated values to cancer potency

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Key Issue #4: Consideration of European Ban on Hexavalent Chromium

- Key Issue:

- PAR 1469 should have considerations for banning the use of hexavalent chromium
- Effective August 2017, the European Chemicals Agency (ECHA) banned seven forms of hexavalent chromium for use in, and import into, the European Union
- Prohibited from use unless an industry submits application to request an exemption

- Staff Response:

- Staff is continuing to research ECHA's regulation and looking into the feasibility of incorporating similar provisions into PAR 1469 to minimize use of hexavalent chromium
- PAR 1469 also looking into mechanism to delay control requirements for a Tier II tank that is undergoing a process to be phased out

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Key Issue #5: Requirements for Permanent Total Enclosures

- Key Issue:
 - The Metal Finishers Association have commented that permanent total enclosures with negative air are not necessary
 - Permanent total enclosures can be very costly and difficult to implement
 - Requirements for building enclosures, housekeeping and best management practices should be sufficient control measures
- Staff Response:
 - Permanent total enclosures are not a base requirement of PAR 1469
 - A total enclosures with negative air is a conditional requirement that is effective only if a facility is non-compliant with air pollution control requirements

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Schedule

- End of November 2017 – Working Group Meeting #8
- December 7, 2017 – 2nd Public Workshop
- January 5, 2018 – Set Hearing
- February 2, 2018 – Public Hearing

14



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP

Wednesday, September 13, 2017

MEETING MINUTES

CHAIR:

Dr. Joseph Lyou, Governing Board member

MEMBERS PRESENT:

Curt Coleman (Southern California Air Quality Alliance); Jaclyn Ferlita (Air Quality Consultants); Nan Harrold (Orange County Waste & Recycling); Bill LaMarr (California Small Business Alliance); Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); Patty Senecal (Western States Petroleum Association); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Chris Gallenstein (CARB); Jayne Joy (Eastern Municipal Water District); Rongsheng Luo (SCAG); and Bill Quinn (California Council for Environmental & Economic Balance).

MEMBERS ABSENT:

Micah Ali (Compton Unified School District Board of Trustees); Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy); Art Montez (AMA International); Penny Newman (Center for Community Action and Environmental Justice); Larry Rubio (Riverside Transit Agency); Larry Smith (Cal Portland Cement); and Amy Zimpfer (EPA).
Merriest

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Doris Lo (EPA); Bridget McCann (Western States Petroleum); Rita Loof (RadTech); Johnny Raymond (CARB); and Susan Stark (Andeavor)

SCAQMD STAFF:

Philip Fine	Deputy Executive Officer
Nicholas Sanchez	Acting Assistant Chief Deputy Counsel
Philip Crabbe	Community Relations Manager
Mike Morris	Program Supervisor
Ann Scagliola	Administrative Secretary

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF JULY 2017 MEETING MINUTES

Dr. Lyou asked for comments on the July 12, 2017 meeting minutes. Hearing none, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Doris Lo-provided an update on recent U.S. EPA and federal activities.

- Final action was taken on August 15, 2017 to approve revisions to the South Coast Air Quality Management District (SCAQMD) portion of the California State Implemented Plan (SIP) concerning RECLAIM. The publication date will be September 14, 2017.
- Final action was taken on August 29, 2017 to approve revisions to the SCAQMD portion of the California State Implemented Plan (SIP) regarding RECLAIM Reasonably Available Control Technologies (RACT) demonstration. The publication date has not yet been determined.
- Final action is being proposed to evaluate RECLAIM rule modifications in relation to the previously identified 2006 State Implementation Plan RACT deficiency.
- Diesel Emission Reduction Act (DERA) funding competitive grant requests for the proposal period is ending July 5, 2017, and staff continues to review submittals and will award grants in the fall of 2017.
- The DERA School Bus Rebate Program will be announced in early October 2017.
- The Tribal DERA Program requests for proposal period will begin this month.
- Targeted Air Shed Grants requests for proposals will close on October 18, 2017.
- National Updates:
 - There are no political appointees yet for Region 9 Regional Administrator and related offices;
 - Bill Wehrum was nominated as EPA Assistant Administrator for the Office of Air and Radiation; and
 - The national ambient air quality standard (NAAQS) for ozone extension request has been withdrawn.

Discussion

Dr. Lyou inquired if Matt Miyasato was advised of the DERA tribal funding. Staff indicated that they would follow-up.

CARB REGULATORY ACTIVITIES

Johnnie Raymond reported on the following items to be discussed at the September 2017 Air Resources Board Meeting and other newsworthy items.

- Recently the California Air Resources Board celebrated its 50th anniversary, which involved new branding, a new logo and a new website is coming soon.
- The Board will consider the approval of the Ozone SIP for East Kern County.
- The Board will hear an update of the PM2.5 SIP for the San Joaquin Valley.
- Last month the Cap and Trade auction results were released, which reflected that it was successful and helped to reflect the market certainty.
- CARB is continuing to implement SB 1383 the Short-lived Climate Pollutant Strategy.
 - A Dairy Digester Subgroup meeting was held on September 7, 2017.
- There are upcoming community meetings in September 2017 to discuss concepts for minimizing community health impacts from large freight facilities including seaports, railyards, warehouses, and distribution centers. These freight related activities will also support CARB's efforts to implement AB 617.

Discussion

Kristen Torres Pawling requested the date of the Long Beach workshop. Johnnie Raymond indicated that the meeting date is September 19, from 6:00 to 8:00 pm, at the Long Beach Main Library.

Dan McGivney inquired about the possibility of having the CARB staff provide a presentation on AB 617. Dr. Lyou suggested that CARB could provide an update at the November Home Rule meeting. Phil Fine commented that AB 617 impacts both CARB and the District, and suggested a coordinated presentation from both agencies. Johnny Raymond indicated that it should not be a problem, but would need to check with the Office of Community Air Protection (OCAP) management to confirm, and will get back to Dr. Fine.

Bill Quinn requested CARB's clarification on how the facility-based measures that came out of the AQMP process are now merged into their AB 617 implementation efforts. Johnny Raymond responded that staff efforts were directed by CARB's Board request for concepts to control pollution from large freight facilities.

David Rothbart inquired if the AB 617 presentation for the November Home Rule meeting could also include the role of CARB versus South Coast. Staff indicated this would be addressed.

LEGISLATIVE UPDATE

Philip Crabbe provided a recap of the September 8, 2017 Legislative Committee meeting.

Update on Federal Legislative Issues

SCAQMD's federal legislative consultants reported that President Trump continues to talk about pushing a major infrastructure bill. This has not happened yet because the legislative agenda is currently crowded with tax reform and other matters. There is no current Administration bill and general principles have been provided regarding this proposed legislation, through which \$200 billion of federal money would be invested in order to leverage another \$800 billion from other sources to become a trillion dollar investment in infrastructure over the next 10 years. Democrats are balking at this approach and desire a bigger federal investment upfront. Once the process for this federal infrastructure bill gets moving, SCAQMD's goal is to have clean air infrastructure funding included.

The federal consultants reported that President Trump announced an environmental review executive order and reiterated that several things are already underway to streamline the permitting process and expedite infrastructure projects. This effort is designed to get more private investment into infrastructure. The executive order also repealed the previous Administration's executive order on climate change, which required agencies to factor in climate change, such as projected sea level rise and flooding issues, in their decision-making in infrastructure projects.

The Department of Transportation (DOT) announced its next round of Transportation Investment Generating Economic Recovery (TIGER) grants, which would make \$500 million available for major transportation infrastructure projects. Applications for these grants are due in October, and grants would be for projects between \$5 million and \$25 million. In the past, these grants have provided money for clean air related infrastructure developments.

The federal consultants indicated that the House continues to work its way through the spending bill package. A proposed amendment to this legislation by Congressman Gary Palmer (AL) would have tried to cut funding for Diesel Emission Reduction Act (DERA) grants. However, this amendment

as of yet has not been formally presented. The current level being proposed by the spending package is \$75 million for DERA.

Currently, there is a continuing resolution in place with regard to spending that lasts through December 8th, so spending issues may not be revisited until then.

Update on State Legislative Issues

The SCAQMD's state consultants reported there is one week left in the state legislative session and a large focus is on the \$1.5 billion in Greenhouse Gas Reduction Fund (GGRF) monies, that are yet to be allocated. The Legislature had until Tuesday to get legislation on this issue in print, due to the new rule that requires bills to be in print for 72-hours before they are voted on the Senate or Assembly floors.

Previously, Governor Jerry Brown had released his plan, which included \$1.5 billion in spending, and Senate President pro Tem Kevin de Leon also released a proposed spending plan. On Tuesday, bills were released in print that laid out the final agreement regarding allocations of the \$1.5 billion in available funding. Two of these bills: AB 134 (with an identical companion bill: SB 119) – allocated \$900 million of these monies, including:

- \$250 million for Carl Moyer Projects statewide, with 43% (based on percentage of state population) of this going to the South Coast region, i.e. \$107.5 million;
- \$85 million to reduce agricultural sector related emissions;
- \$140 million – for the Freight Equipment and Advanced Demonstration and Pilot Commercial Deployment Project;
- \$180 million for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), with at least \$35 million going to zero-emission buses;
- \$140 million clean vehicle rebate program (CVRP); and
- \$100 million for the enhanced fleet modernization program (EFMP) and EFMP-Plus UP.

An additional bill: AB 109 (with an identical companion bill: SB 93) – allocated the remaining cap and trade monies for items including enhanced community monitoring. These allocations included: \$27 million statewide to help local air districts implement new air monitoring requirements under AB 617, for the coming year.

The state consultants provided an update on the SCAQMD sponsored bill AB 1274 (O'Donnell), which delays the first smog check for a vehicle from the end of year six to the end of year eight and instead charges a smog abatement fee of \$50 at the end of year six. This fee is less than what the consumer would have paid on average for a smog check, along with the required smog check certificate fee (\$8.25). These smog abatement fee monies are directed to the Carl Moyer Program for more effective reductions in diesel particulate matter and nitrogen oxides emissions from heavy duty vehicles.

Mr. Crabbe stated that this bill just passed the Senate on a two-thirds vote and has now headed back to the Assembly for a concurrence vote, which would also be a two-thirds vote. If successful, the bill would head to the Governor to be signed into law.

AB 1274 would add to the Carl Moyer funding pot and would more than double the amount of statewide Carl Moyer funding. SCAQMD's portion would be 43% of this new funding and would range from about \$30 million to \$40 million per year. This bill would not be implemented until January 1, 2019.

Mr. Crabbe reported that AB 617 (C. Garcia) mandates several new programs and responsibilities for SCAQMD, and other local air districts, including:

- Community Monitoring and Analysis;
- Development and implementation of community emission reduction programs;
- Best Available Retrofit Control Technology or “BARCT” Implementation: which involves new BARCT assessments and subsequent amendments to SCAQMD rules and a fast pace; and
- Uniform Emission Reporting: requires a modification of SCAQMD’s Annual Emission Reporting (AER) system. This modification is needed to accommodate additional reporting procedures for a statewide uniform emission reporting system created under AB 617.

AB 617 also increases civil and criminal penalties for air pollution violations, adjusting strict liability penalty limits which have not been increased for decades, and requires inflation adjustments going forward.

Discussion

Bill LaMarr inquired if some of the allocated \$10 to 15M will be used to offset the anticipated Rule 1469 monitoring costs. Staff indicated that the rule language has evolved over the last few months and many of the monitoring requirements have been removed.

Dr. Lyou inquired if the members had heard if the European Union had prohibited hexavalent chromium plating operations. Staff indicated that they would check into this.

Jaelyn Ferlita inquired about AB 617 and its effects on the RECLAIM program. Staff indicated that the AB 617 compressed timelines will affect the facilities coming out of RECLAIM and this issue will be addressed in future RECLAIM Working Group meetings.

Curt Coleman inquired about the status of an earlier District sponsored bill to redefine the level of emissions in fleet vehicles. Staff indicated that AB 302 was a directive from the Board as an amendment to the AQMP, which became a two-year bill and will not be addressed until next year and currently stands as a directive from the Board to go ahead and pursue.

Bill Quinn asked about the status of the budget trailer bills and if the District was taking a position. Staff indicated that we are supporting these bills going through the committee process, due to the 72-hour rule no changes can be made at this time.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

Nicholas Sanchez indicated there were no updates to the provided litigation status report handout.

RULE 1466 –CONTROL OF PARTICULATE EMISSIONS FROM SOILS WITH TOXIC AIR CONTAMINANTS

Mike Morris presented provided an overview of the recently adopted SCAQMD Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants.

Discussion

David Rothbart voiced concerns about the ability for sites to comply with the 25 µg/m³ PM10 standard. Staff explained that the concerns were not about meeting the standard but about the calibration and error inherent in the monitors and that initial side-by-side testing with SCAQMD’s dust monitors showed reasonable agreement.

Larry Smith asked if a small portion of a site was contaminated, would the entire site be required to comply with the Rule 1466. Staff responded that the rule only applies to soils with toxic air contaminants and that the other parts of the site would not be subject to the rule.

Larry Smith stressed that it should be made clear to contractors that Rule 1466 is not a “shut-down” rule. Staff concurred.

Bill LaMarr asked if clean-up action would be delayed while the Executive Officer makes a determination of rule applicability. Staff answered that the rule provisions only apply once the determination has been finalized and thus there would be no delay.

Bill LaMarr also asked if there were plans to amend Rule 403 – Fugitive Dust. Staff stated that there is a need to amend Rule 403 but given the challenges of the rule development schedule, an amendment to Rule 403 is not imminent.

CONSENSUS BUILDING

There was no report.

Dr. Lyou commented that since this is currently not an active topic that we will remove it from future meeting agendas, but will include the topic when there are items to report on.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

Dan McGivney provided updates on the following items.

- The San Pedro Bay Port Draft Clean Air Action Plan (CAAP) public review and comment period ends on September 18, 2017.
- CARB has initiated their indirect source rule efforts.
- I-710 EIR comment period was extended.

Curt Coleman commented that he attended the Marine Port Committee meeting on August 31, 2017 and thought the discussion and presentation on the CAAP was very interesting, specifically the District’s concerns on the lack of identified emission reductions before 2023 and the general interest in moving forward with the near zero-emission technology.

B. Small Business Considerations (Bill LaMarr)

Bill LaMarr reported that on September 27, 2017 there will be a walk-through demonstration of the online permit application process, with the leadership from the Korean Drycleaner and California Cleaner Associations.

C. Environmental Justice (Curt Coleman)

There was no report.

Dr. Lyou requested for future AB 617 updates to be incorporated into future Environmental Justice subcommittee status reports.

D. Climate Change (David Rothbart)

David Rothbart provided an update on California’s Cap-and-Trade Program.

Jaelyn Ferlita commented that it was interesting to see the increase in the auction activity and prices, since the passage of AB 398.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a recap of the items on the September 15, 2017 meeting agenda.

- Item to address the need to enhance the monitoring and analysis equipment for the Science and Technology Division, for elevated levels of hexavalent chromium in Paramount and Compton.
- Home Rule Advisory Group new membership appointees.
- Updates on Proposed Amended Rules 415, 1148.3, 1168, 1180 and 1420.
- Update on the permit backlog.
- Quarterly report on the RECLAIM amendments.
- Update on Draft Assessment on tBac white paper.

Discussion

Curt Coleman voiced concern about the pace of pushing the rules through Committee, without adequate time to review and provide comments. Staff responded that when we come to the Committee it can be to provide updates of where we are in the rulemaking process and to also consider the rescheduling of rules if needed, since the rule calendar is set at the beginning of the year.

Dan McGivney indicated his concern about the fast schedule for Rule 1180 and the socio-economic report has not come out yet. Staff replied that the socio-economic report will be provided at the 30-day point as required.

Bill LaMarr expressed concern about the rulemaking schedule and requested a status update on the Rule 1147 implementation guide, the use of portable analyzers and getting them accepted, and a list of acceptable low NOx burner manufacturers. Staff responded that we are working on these commitments and can provide updates.

Public Comment

Rita Loof voiced concern about the rulemaking process, the status of the Rule 219 recordkeeping form that has not been provided, and the inconvenience of the October Board meeting at the Biltmore Hotel for Rule 1168. Dr. Lyou indicated that if the issues are resolved for Rule 1168, it could possibly be only a consent item for the Board meeting. Staff indicated that they would inquire about the status of the Rule 219 recordkeeping form.

OTHER BUSINESS

TyRon Turner inquired about a community outreach update, since the last update was May 10, 2017. Bill LaMarr commented that the Local Government and Small Business Assistance Advisory Group (LGSBA) might be the appropriate Advisory Group for this type of update. Dr. Lyou requested that Legislative, Public Affairs and Media be advised of this request and have Mr. Turner added to their meeting distribution.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 11:57 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on November 8, 2017, and will be held at SCAQMD in Conference Room CC-8.

**South Coast Air Quality Management District
HOME RULE ADVISORY GROUP – Attendance Record – 2017**

	NAME (Term: 1/1/17 - 1/1/2019)	1/11	FEB	3/15	APR	5/10	JUN	7/12	AUG	9/13	OCT	11/8	DEC
	Board/Member, Business & Community Reps, SCAQMD Staff												
1	Dr. Joseph Lyou, Chairman	X	dark	X	dark	X	dark	X	dark	X	dark		dark
2	Dr. Philip Fine (Agency Member) - SCAQMD	X*		X		X*		X		X		X	
3	Zimpfer, Amy (Agency Member) - EPA <i>Representing Elizabeth Adams</i>	T		A*		T		T		X		X*	
4	Gallenstein, Chris (Agency Member) - CARB <i>Representing Richard Corey</i>	T*		T		T		A		T		T	
5	Chang, Ping (Agency Member) - SCAG <i>Alternate – Rongsheng Luo</i>	T*		T*		T*		T*		T*		T*	
6	Carroll, Mike (Business Representative) <i>Alternate – Robert Wyman</i>	A		A		A		A		X		A	
7	Coleman, Curtis (Business Representative) <i>Alternate – Susan Stark</i>	X		X		X		X		X		X	
8	Senecal, Patty (Business Representative)	A		A		A		A		A		X	
9	Joy, Jayne (Business Representative) <i>Alternate – Al Javier</i>	T		A*		X		T		T		T	
10	La Marr, Bill (Business Representative)	X		X		X		X		X		X	
11	McGivney, Dan (Business Representative) <i>Alternate – Lauren Nevitt</i>	X		X*		X		X		A		X	
12	Newman, Penny (Environmental Representative)	X		X		A		A		A		A	
13	Roberts, Terry (Environmental Representative)	X		X		X		X		X		X	
14	Quinn, Bill (Business Representative)	T		T		T		T		T		T	
	Wyenn, Morgan (Environmental Representative)	A*		A*		A*		A*					
15	Ali, Micah (Community Representative - Parker)	T		A		A		A		A		A	
16	Downs, Michael (Community Representative - McCallon)	X		A		X		A		A		A	
17	Ferlita, Jaclyn (Community Representative - Lyou)	X		A*		X		A		X		X	
18	Harrold, Nan (Community Representative - Nelson)											X	
19	Montez, Art (Community Representative - Lyou)	A		X		X		A		A		A	
	Olson, Mark (Community Representative – Rutherford)	X		A*		X		A*					
20	Rothbart, David (Community Representative - Mitchell)	X		X		X		X		X		X	
21	Rubio, Larry (Community Representative - Ashley)	A*		T		T		A*		T		T	
22	Smith, Larry (Community Representative - Benoit)	X		A		X		A		X		X	
23	Pawling Torres, Kristen (Community Representative - Kuehl)						X						
24	Turner, TyRon (Community Representative - Burke)	T	X	X	X	X	X						

Attendance Codes					
X	Present	T	Teleconference	A	Absence
X*	Alternate in Attendance	T*	Alternate Teleconference Participation	A*	Absence Excused

DRAFT
DISTRICT RULES AND REGULATIONS INDEX
FOR OCTOBER 2017 PENALTY REPORT

Item #6

 [Back to Agenda](#)

REGULATION II – PERMITS

- Rule 201 Permit to Construct (*Amended 1/5/90*)
- Rule 203 Permit to Operate (*Amended 1/5/90*)
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written permit Pursuant to Regulation II

REGULATION III - FEES

- Rule 314 Fees for Architectural Coatings

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust
- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)
- Rule 463 Storage of Organic Liquids (*Amended 3/11/94*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)
- Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and
- Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)
- Rule 1147 Nox Reductions From Miscellaneous Sources (9/08)
- Rule 1176 Sumps and Wastewater Separators (*Amended 9/13/96*)

REGULATION XIV – TOXICS

- Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations (*Amended 6/13/97*)
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO_x) Emissions
(Amended
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions
(Amended 5/11/01)

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)
- Rule 3003 Applications (*Amended 3/16/01*)

CALIFORNIA HEALTH AND SAFETY CODE § 41700

- 41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

- Title 13 Mobile Sources and Fuels

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

October 2017 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$323,149.00
MSPAP Settlements:	\$55,365.00
Total Cash Settlements:	\$378,514.00
Total SEP Value:	\$0.00
Fiscal Year through 10 / 2017 Cash Total:	\$2,597,389.97
Fiscal Year through 10 / 2017 SEP Value Only Total:	\$1,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
800181	CALIFORNIA PORTLAND CEMENT CO	2004 2004	10/10/2017	NSF	P59283 P60580	\$11,000.00
139445	CHILLED WATER PLANT, LLC	203 (b)	10/6/2017	BST	P62488	\$3,200.00
147808	CHOOSE MANUFACTURING	203(b)	10/24/2017	SMP	P63857	\$4,000.00
800091	EXXONMOBIL OIL CORP	463, 3002	10/18/2017	DH	P37238	\$25,000.00
24812	FARMER BROS CO	1147	10/6/2017	BST	P60717	\$75,000.00
38286	JEFF'S SHELL SERVICE	461(c), 461(c)(2)(B)	10/24/2017	WBW	P65003	\$500.00
137961	LAMILL INC	1147	10/5/2017	NSF	P64116	\$1,000.00
157216	MK'S FAIRVIEW 76 Small Claims Case No. 30-2017-00941542-sc-sc-cjc	203(a), 461, 461 (e) (2) 203 (a) 461, 461(c), 41960.2	10/27/2017	BST	P61972 P63003 P64329	\$1,000.00
7427	OWENS-BROCKWAY GLASS CONTAINER INC	2004	10/19/2017	BST	P62080	\$9,000.00
94272	RGF ENTERPRISES INC	3002, 3003	10/12/2017	BST	P62752	\$2,250.00
800026	ULTRAMAR INC	1176(e)(1) 1176(e)(1), 3002(c)(1) 201, 2004, 2011, 2012	10/17/2017 10/10/2017	NAS	P60355 P60356 P61020	\$84,500.00
158685	VALSPAR CORP.	314	10/12/2017	MJR	P50629	\$99,999.00
159801	VEXCON CHEMICALS INC./POLYSAT INC.	314	10/20/2017	BST	P64820	\$500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
2846	VISTA PAINT CORP	3002(c)(1)	10/4/2017	WBW	P60679	\$5,000.00
Total Civil Settlements: \$321,949.00						
MSPAP Settlements						
149101	A + CLEANER	201, 1421	10/4/2017	JS	P64078	\$550.00
165227	AIRPORT COURTHOUSE, JCC/AOC	1146.2	10/10/2017	JS	P63678	\$3,600.00
222	ARCHITECTURAL WOODWORKING CO	3002, 3003	10/27/2017	JS	P64133	\$770.00
182732	B & J TREE SERVICE	403(d)(1)	10/4/2017	JS	P56742	\$3,640.00
12129	BEVERLY HOSPITAL	203(b), 1146	10/10/2017	JS	P64132	\$4,620.00
182058	BM EXTRUSION	203 (a)	10/5/2017	JS	P64164	\$2,200.00
109461	BURLINGTON NORTHERN/SANTA FE RAILWAY CO	201, 203 (a)	10/5/2017	JS	P64134	\$1,100.00
115488	CARDLOCK FUELS SYSTEM, INC.	461	10/18/2017	JS	P65712	\$1,800.00
177755	CHEVRON EXTRA MILE	461 (e) (1), 461(e)(2)	10/4/2017	JS	P65455	\$1,600.00
175492	CITY OF BEAUMONT - POLICE DEPARTMENT	1470	10/18/2017	JS	P64365	\$770.00
142874	CITY OF ONTARIO, POLICE DEPT,	203 (b)	10/5/2017	TF	P65362	\$375.00
119665	CONDON JOHNSON & ASSOCIATES INC	Title 13	10/10/2017	JS	P65254	\$850.00
108802	D & H SUPER SERVICE	203 (b), 461	10/4/2017	GC	P65005	\$300.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
		461(c)(2)(B), 41960.2				
174205	DION AND SONS	201, 203(a)	10/18/2017	GC	P64016	\$600.00
184450	EASTERN MUNICIPAL WATER DISTRICT	403, 403(d)(1) 403(d)(2)	10/5/2017	JS	P59694	\$7,425.00
182165	EXPRESS TANK LINES, INC.	461	10/5/2017	GC	P64337	\$400.00
146890	GALAXY OIL CO	461	10/4/2017	GC	P64343	\$150.00
158390	H&S ENERGY, LLC. H&S 21	203 (b)	10/5/2017	GC	P64958	\$640.00
92642	HF & SJ INC, HUNTINGTON BEACH ARCO	461, 41960.2	10/5/2017	GC	P64342	\$300.00
132187	HOME DEPOT USA, INC., 3 E COMPANY	203 (b)	10/20/2017	GC	P64067	\$3,200.00
800003	HONEYWELL INTERNATIONAL INC	3002(c)(1)	10/10/2017	GC	P64461	\$425.00
62862	IMPERIAL IRRIGATION DISTRICT/ COACHELLA	3002(c)(1)	10/27/2017	GC	P56048	\$400.00
96025	ISLAND MARINE FUEL	461(E)(2)(A) 461(e)(2)(C)	10/4/2017	GC	P63604	\$1,100.00
112655	LONG BEACH POLICE, WEST STATION	461	10/5/2017	TF	P64222	\$150.00
172542	LONG BEACH UNIFIED SCHOOL DISTRICT	222, 1415	10/19/2017	TF	P64227	\$1,500.00
184917	MA (MARIANO AVILA)	203 (a)	10/18/2017	TF	P63864	\$300.00
134211	MONTAGE RESORTS & SPA	1146.1	10/18/2017	TF	P64076	\$2,200.00
173522	NAMSA	1146.2	10/5/2017	TF	P63611	\$1,100.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
63951	NORDSTROM	203 (b)	10/5/2017	TF	P64075	\$375.00
109105	OAKLEY INC.	203 (b)	10/5/2017	TF	P64074	\$50.00
114608	ONE HOUR CLEANERS, JAE C RYU, DBA	1421	10/18/2017	TF	P63716	\$450.00
164601	PHIL'S CONCRETE PUMPING, INC.	203 (a)	10/18/2017	TF	P59690	\$300.00
177498	POTENTIA FUEL, INC.	461, 41960	10/20/2017	TF	P64914	\$550.00
142375	RALPH'S STORE #45	203	10/20/2017	TF	P63133	\$1,000.00
185156	RYKO PRODUCTS, INC	203 (a)	10/4/2017	TF	P65364	\$2,750.00
173381	SO. CALIFORNIA HOSPITAL AT CULVER CITY	1146.1	10/27/2017	GV	P63675	\$2,000.00
158430	STATE OF CALIF, DEPT OF VETERANS AFFAIRS	203, 1146	10/5/2017	JS	P63685	\$3,375.00
145733	UNITED RENTAL	461	10/5/2017	GV	P64208	\$850.00
145733	UNITED RENTAL	461	10/4/2017	GV	P64220	\$800.00
184743	WOOD OIL COMPANY	461(c)(1)(B)	10/4/2017	GV	P65360	\$800.00

Total MSPAP Settlements: \$55,365.00