BOARD MEETING DATE: December 5, 2014 AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the November 7, 2014 meeting.

RECOMMENDED ACTION:

Approve Minutes of the November 7, 2014 Board Meeting.

Saundra McDaniel, Clerk of the Boards

SM:dg

FRIDAY, NOVEMBER 7, 2014

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

Mayor Dennis R. Yates, Vice Chairman Cities of San Bernardino County

Supervisor Michael D. Antonovich (arrived at 9:15 a.m.) County of Los Angeles

Mayor Pro Tem Ben Benoit Cities of Riverside County

Councilmember Joe Buscaino City of Los Angeles

Councilmember Michael A. Cacciotti (arrived at 9:20 a.m.) Cities of Los Angeles County – Eastern Region

Supervisor Josie Gonzales County of San Bernardino

Dr. Joseph K. Lyou Governor's Appointee

Mayor Judith Mitchell (arrived at 9:15 a.m.)
Cities of Los Angeles County – Western Region

Dr. Clark E. Parker, Sr. Senate Rules Committee Appointee

Mayor Miguel A. Pulido (left at 10:30) Cities of Orange County

Members absent:

Supervisor John J. Benoit County of Riverside

William A. Burke, Ed.D., Chairman Speaker of the Assembly Appointee

Supervisor Shawn Nelson County of Orange

CALL TO ORDER: Vice Chairman Yates called the meeting to order at 9:10 a.m.

- Pledge of Allegiance: Led by Dr. Lyou.
- Opening Comments

<u>Dr. Lyou</u>. Reported that he attended the California Hydrogen Business Council Fall Summit held in Sacramento on October 15 and 16, 2014, and it was evident that progress is being made in the fuel cell and hydrogen storage industry. He added that he viewed a demonstration of an Advanced Maritime Emissions Control System (AMECS) on October 20, 2014 and spoke with company representatives about this up-and-coming technology.

<u>Dr. Parker.</u> Announced that he attended the CaFCP Executive Board Meeting on October 21, 2014 where it was reported that the development of the previously projected 35 to 40 hydrogen fueling stations over the next two years is moving forward; noted that he will be speaking at the Fuel Cell Seminar in Los Angeles on November 11, 2014; and added that he attended the Taste of Soul event on October 18, 2014 in South Los Angeles, which was very well attended and included a presence by SCAQMD to provide information regarding air quality initiatives to local residents.

(Supervisor Antonovich and Mayor Mitchell arrived at 9:15 a.m.)

<u>Supervisor Gonzales</u>. Noted her involvement in developing solutions for transportation challenges and highlighted trucking company C.R. England, which has an expansive, new terminal in Colton and has made a commitment to invest in eco-friendly, alternatively-fueled heavy-duty trucks.

(Councilman Cacciotti arrived at 9:20 a.m.)

<u>Dr. Barry R. Wallerstein, Executive Officer</u>. Noted that staff will present a modification to Item No. 8 that will propose a partnership between the District and the warehouse developers.

Presentation of Retirement Award to Shailesh Patel

Vice Chairman Yates presented a retirement award to Shailesh Patel, Air Quality Engineer II, in recognition of over 24 years of dedicated District service.

CONSENT CALENDAR

1. Approve Minutes of October 3, 2014 Board Meeting

2. Set Public Hearing December 5, 2014 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations

Amend Rule 1325 - Federal PM2.5 New Source Review Program

Budget/Fiscal Impact

- 3. Execute Contract to Conduct 2014 Leaf Blower Exchange Program
- 4. Execute Contracts to Demonstrate Commercial-Grade Electric Lawn and Garden Equipment
- 5. Recognize Revenue and Amend and Execute Contracts to Implement DC Fast Charging Network
- 6. This item was withdrawn by staff.
- 7. Amend Existing Contract for Third Party Oversight and Monitoring of Mitigation Activities Implemented at Exide Technologies
- 8. Execute Contract with Institute of Transportation Engineers to Further Enhance Information Regarding Vehicle Trips Associated with Large Warehouse Operations
- 9. Approve Contract Modifications Approved by MSRC

Items 10 through 15 - Information Only/Receive and File

- 10. Legislative & Public Affairs Report
- 11. Hearing Board Report
- 12. Civil Filing and Civil Penalty Report
- 13. Lead Agency Projects and Environmental Documents Received by SCAQMD
- 14. Rule and Control Measure Forecast

15. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2014-15

16. Items Deferred from Consent Calendar -

7. Amend Existing Contract for Third Party Oversight and Monitoring of Mitigation Activities Implemented at Exide Technologies

Dr. Tom Williams, Sierra Club, requested that more information be provided to the public and suggested utilizing a webpage to provide information specifically pertaining to Exide.

8. Execute Contract with Institute of Transportation Engineers to Further Enhance Information Regarding Vehicle Trips Associated with Large Warehouse Operations

Dr. Tom Williams, Sierra Club, addressed the Board regarding the impacts of the High Desert Corridor and expressed concern that they have not seemed to acknowledge that they are part of a much larger logistics system.

Dr. Wallerstein explained that approval of this item will facilitate discussions of a panel of experts as to the best methods to collect additional data and potentially prompt additional studies in the future that would follow the methodology recommended by the panel of experts, with the goal to have better data which allows for local jurisdictions to make better decisions and to reduce conflicts that can occur in the permitting process. He noted that the trade association for the warehouse developers has offered to equally co-fund this initial effort with the District and be an active participant in meetings with the Institute of Transportation Engineers. He added that this development amends staff's recommendation under Item 1 by reducing the amount of funding from \$50,000 to \$25,000 and adding that this will be performed in partnership with the trade association.

Peter Herzog, NAIOP Commercial Real Estate Development Association, noted the Association's desire to be a full partner with the SCAQMD and provide joint-funding for this project.

Supervisor Antonovich commented that when the High Desert Corridor is completed it is expected to remove approximately 20,000 trucks from local freeways, resulting in a large reduction in pollution and traffic congestion in the Basin.

Supervisor Gonzales expressed enthusiasm for the opportunity to develop parameters and methodologies for the truck trip generation data collection and analysis for area warehouses. She inquired about what will be done with the resulting information and how that will be shared with the trucking industry.

Dr. Wallerstein responded that additional discussions need to occur in this regard with the partnering organizations, but it is likely that the recommendations would be presented to a working group, and would include a public process allowing for stakeholder input and eventually be presented to the Mobile Source Committee and the Board.

10. Legislative & Public Affairs Report

Dr. Tom Williams, Sierra Club, complimented SCAQMD staff member Susan Nakamura on her thoughtful presentation at the Symposium on the Impact of Oil Extraction held at Cal State Fullerton.

Lead Agency Projects and Environmental Documents Received by SCAQMD

Dr. Tom Williams, Sierra Club, noted that the EIR for the High Dessert Corridor is being prepared and it would be prudent to take guidance from it in regards to warehouse issues and environmental considerations.

14. Rule and Control Measure Forecast

Dr. Tom Williams, Sierra Club, urged for a better calendar for rulemaking on the SCAQMD webpage so that the public can stay better informed of the rule development process.

Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2014-15

Dr. Tom Williams, Sierra Club, stressed the importance of providing the public with access to information and asked that enhanced reporting be prioritized.

5. Recognize Revenue and Amend and Execute Contracts to Implement DC Fast Charging Network

Councilman Cacciotti asked if there was a listing of the locations of the fast charging stations, and suggested the UCLA Luskin Center work in coordination with the local council of governments or associated government organization when placing the stations. Dr. Matt Miyasato, DEO/Technology Advancement, responded that a map with proposed sites was presented to the Technology Committee, but once a more definite plan is in place, that will be made available.

Dr. Lyou announced his abstention on Item No. 9 because The Better World Group, Inc. is a potential source of income to him, and on Item No. 5 because NRG eVgo is a potential source of income to him, he also stated that he left the room during discussion on Item No. 5.

MOVED BY CACCIOTTI, SECONDED BY B. BENOIT, AGENDA ITEMS 1 THROUGH 15 APPROVED AS RECOMMENDED, WITH THE MODIFICATION TO ITEM NO. 8 AS NOTED BELOW, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, Buscaino,

Cacciotti, Gonzales, Lyou (except Items #5 and #9), Mitchell, Parker

and Yates.

NOES: None.

ABSTAIN: Lyou (Items #5 and #9 only).

ABSENT: J. Benoit, Burke, Nelson and

Pulido.

Item No. 8 – Amend Recommended Action 1, as follows:

"1. Authorize the Executive Officer to execute a contract from the Rule 1309.1 Priority Reserve Fund (36) with ITE in an amount of \$50,000 \$25,000 to initiate the first step of a potential multi-phase project to better characterize trip-generation characteristics associated with large warehouse operations, to be conducted in partnership with NAIOP."

BOARD CALENDAR

- 17. Legislative Committee
- 18. Mobile Source Committee

- 19. Stationary Source Committee
- 20. Technology Committee
- 21. Mobile Source Air Pollution Reduction Review Committee
- 22. California Air Resources Board Monthly Report

MOVED BY CACCIOTTI, SECONDED BY PARKER, AGENDA ITEMS 17 THROUGH 22 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, Buscaino,

Cacciotti, Gonzales, Lyou, Mitchell, Parker, Pulido and

Yates.

NOES: None.

ABSENT: J. Benoit, Burke and Nelson.

Staff Presentation/Board Discussion

23. Review of SCAQMD Socioeconomic Assessment

Dr. Jin Huang, Abt Associates (Abt), presented an evaluation of Abt's socioeconomic assessments.

Joe Cassmassi, Planning and Rules Manager, provided the staff response to Abt's findings.

The following individuals addressed the Board on Item No. 23:

Dr. Tom Williams, Sierra Club, commented on the importance of utilizing socioeconomic analyses and expressed his interest in reviewing the complete report and having an opportunity to provide input.

(Mayor Pulido left at 10:30 a.m.)

Peter Herzog, NAIOP, explained that the business community is invested in this issue and looks forward to continuing to work closely with staff through the implementation phase of the study.

Written Comments Submitted by:

Don St. Clair, et al., BizFed

Councilmember Buscaino noted that one of the key recommendations was to increase transparency, which coincides with input he has received from the business community about the need to provide ample time for stakeholder review and comment in the rulemaking process. He asked, in light of the findings, whether or not a review of past impact studies would also be performed.

Dr. Wallerstein confirmed that staff has already initiated a review of past studies and that staff plans to provide an update to the Board in the second quarter of 2015. In regards to the comments about the time available for review, reports are typically made available at least 30 days in advance of a Board meeting; however, as a result of the assessment findings, staff plans to produce documents that will make key information more accessible for all stakeholders.

In response to Mayor Mitchell's question about what factors are included in the baseline determination, Dr. Elaine Chang, DEO/Planning and Rules, detailed how the socioeconomic forecasts received from SCAG have been utilized in the past, and explained that staff will be requesting that SCAG provide traffic model outputs with and without SIP committed traffic control measures for inclusion in the 2016 AQMP.

- Dr. Parker asked staff to respond to the claim that was made in written comments by BizFed about overlooking the request to have the consultant assess the long term impact of SCAQMD policies on the ability of workers with a high school or less education to gain living-wage.
- Dr. Wallerstein explained that staff's recommendation, in response to those concerns, is to identify studies and other tools currently available to further address this issue, and return to the Board with a recommendation.

In response to Mayor Mitchell's inquiry about poverty and workforce issues, Dr. Wallerstein noted that the issue likely requires a different type of analysis than what has been performed by Abt; and staff will continue to stay informed in that regard, especially as part of the 2016 AQMP process, in an effort to promote stronger economic benefits along with lower pollution rates and continued Board oversight.

MOVED BY CACCIOTTI, SECONDED BY MITCHELL, AGENDA ITEM NO. 23 APPROVED AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, Buscaino,

Cacciotti, Gonzales, Lyou,

Mitchell, Parker and Yates.

NOES: None.

ABSENT: J. Benoit, Burke, Nelson and

Pulido.

PUBLIC HEARING

24. Adopt Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (Continued from October 3, 2014 Board Meeting)

Joe Cassmassi, Planning and Rules Manager, gave the staff presentation.

The public hearing was opened, and there being no requests to speak, the public hearing was closed.

Dr. Lyou applauded the infrared burner technology and urged that the use of such burners be promoted and incentivized. He requested that Rule 1153.1 be added to the list of exempted rules under Rule 1147 in the future.

MOVED BY CACCIOTTI, SECONDED BY BUSCAINO. AGENDA ITEM NO. 24 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 14-19. CERTIFYING THE FINAL ENVIRONMENTAL ASSESSMENT FOR PROPOSED RULE 1153.1 AND ADOPTING RULE 1153.1, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, Buscaino,

Cacciotti, Gonzales, Lyou, Parker

and Yates.

NOES: None.

ABSENT: J. Benoit, Burke, Mitchell, Nelson

and Pulido.

OTHER BUSINESS

25. Report of RFPs Scheduled for Release in November

MOVED BY ANTONOVICH, SECONDED BY LYOU, AGENDA ITEM NO. 25 APPROVED AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, Buscaino,

Cacciotti, Gonzales, Lyou, Parker

and Yates.

NOES: None.

ABSENT: J. Benoit, Burke, Mitchell, Nelson

and Pulido.

26. TAMCO's Petition to Governing Board Requesting Hearing on Title V Permit Renewal

Kurt Wiese, General Counsel, provided background information for the petition that is before the Board for consideration; and noted that from the presentation that was distributed by TAMCO's legal counsel, it appears they will be attempting to argue the merits of the case as a whole, rather than simply requesting the Board set a hearing pursuant to Regulation XII.

Dr. Wallerstein added that the petitioner has already been denied an appeal by the Hearing Board and has filed suit in Superior Court following the standard practice in these instances.

Thomas Long of Nossaman LLP, representing TAMCO, asked the Board to assist in resolving a discrepancy in Table 2 of Rule 2002 which resulted in TAMCO's Title V permit to be issued with no SOx RTC allocation for their electric arc furnace.

Chairman Yates reiterated that the agendized item is strictly to decide whether or not to grant a hearing.

THE PETITION TO REQUEST A HEARING ON TAMCO'S TITLE V PERMIT RENEWAL WAS DENIED BY A UNANIMOUS VOTE OF THE BOARD, AS FOLLOWS:

AYES: Antonovich, B. Benoit, Buscaino,

Cacciotti, Gonzales, Lyou,

Mitchell, Parker and Yates.

NOES: None.

ABSENT: J. Benoit, Burke, Nelson and

Pulido.

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

Tom Williams, Sierra Club, expressed disappointment that the California Freight Mobility Plan failed to include or account for empty cargo containers, and stressed the need for an integrated model of air emissions for tonnage, as well as how the truck traffic impacts the communities along the major corridors.

CLOSED SESSION

The Board recessed to closed session at 11:25 a.m., pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the District is a party, as follows:

- <u>People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc.</u>, Los Angeles Superior Court Case No. BC533528;
- <u>In the Matter of SCAQMD v. Exide Technologies, Inc.</u>, SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- <u>Exide Technologies, Inc.</u>, Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy case);
- <u>Physicians for Social Responsibility, et al. v. U.S. EPA</u>, U.S. Court of Appeals, Ninth Circuit, Case No. 14-73362 (1-Hour ozone); and
- <u>Sierra Club, et al. v. U.S. EPA, U.S. District Court for Northern District of California Case No. 3:14-CV-04596 (seek leave to intervene).</u>

Following Closed Session, General Counsel Kurt Wiese announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board and made available upon request.

<u>ADJOURNMENT</u>

There being no further business, the meeting was adjourned by Kurt Wiese at 12:05 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on November 7, 2014.

Respectfully Submitted,

Denise Garzaro Senior Deputy Clerk

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Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan

CARB = California Air Resources Board

EIR = Environmental Impact Report

FY = Fiscal Year

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

PM_{2.5} = Particulate Matter ≤ 2.5 microns

RFP = Request for Proposals

RTC = RECLAIM Trading Credit

SCAG = Southern California Associated Governments

SIP = State Implementation Plan

SOx = Oxides of Sulfur

TCM = Transportation Control Measure

U.S. EPA = United States Environmental Protection Agency