

BOARD MEETING DATE: September 5, 2014

AGENDA NO. 23

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, July 18, 2014. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, September 12, 2014 at 10:00 a.m.

RECOMMENDED ACTION:
Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

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Attendance: Attending the July 18, 2014 meeting were Committee Members Mayor Dennis Yates and Supervisor Josie Gonzales at SCAQMD headquarters, and Chairman William Burke and Dr. Clark E. Parker, Sr. via videoconference.

ACTION/DISCUSSION ITEMS:

1. **Board Members' Concerns:** None
2. **Chairman's Report of Approved Travel:** Executive Officer Barry Wallerstein advised that there were three trips reported. Dr. Joseph Lyou and Mayor Judith Mitchell attended the CCEEB Summer Issues Seminar on July 13-17, 2014. In addition, Mayor Mitchell will be speaking at the Plug-In 2014 Conference in San Jose on July 28-31, 2014.
3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** None to report.

4. **Report of Approved Out-of-Country Travel:** Dr. Wallerstein reported that he authorized a trip for Dr. Philip Fine to participate in a two-day seminar on July 23-24, 2014 at the Mario Molina Center in Chile to review and discuss their air quality management plan. SCAQMD has had a longstanding relationship with Chile which suffers from both ozone and particulate problems. All travel expenses will be paid by the sponsors.

5. **Recent San Bernardino County Employees' Retirement Association (SBCERA) Board Action:** Chief Financial Officer Michael O'Kelly reported that this item is to discuss recent action taken at the San Bernardino County Employees Retirement Association (SBCERA) and to propose staff's recommendations in response to that action. Dr. Wallerstein advised that SCAQMD is the second largest depositor in the retirement fund. SBCERA changed the rate of return on investment for the retirement fund from 7-3/4% to 7-1/2%, which was done with virtually no notice and will result in a significant cost increase in the budget by \$2-1/2 million. It was SCAQMD's position that there should be some process and opportunity for participants to understand what SBCERA is doing and for the Governing Board to provide input or feedback. Mr. O'Kelly appeared before the SBCERA Board to request that SCAQMD be given the option to phase-in the \$2-1/2 million, which request was refused. SCAQMD has \$500 million in the retirement fund, yet it has no voice on the SBCERA Board. Staff recommends that the Chairman send a letter requesting that when SBCERA makes future adjustments of this nature, SCAQMD be given adequate notice and opportunity to understand what is being done for appropriate transparency and fairness. Secondly, it would be up to the Committee and, ultimately, the Governing Board whether it wants to be more aggressive in having actual representation on the SBCERA Board.

Mayor Yates recommended that a letter be sent inquiring what the procedures are to transfer our funds to PERS to see SBCERA's reaction. Supervisor Gonzales added that it should include an inquiry as to a process by which we could be given a seat on the SBCERA Board. Dr. Burke responded that Mayor Yates' suggestion of writing a letter is an excellent idea. He directed staff to explore the legislative possibility of transferring SCAQMD's funds and hiring a legal firm to explore whether SBCERA is willing to give SCAQMD a seat on the Retirement Board. If there is no response for SCAQMD becoming a member of the SBCERA Board, then legislative options should be explored.

Dr. Wallerstein indicated that staff will prepare a letter and also seek outside counsel to provide additional advice on what would be required to either have a representative on the SBCERA Board or to move to a different fund such as PERS, L.A. County or some other appropriate entity.

6. **Funding of an Air Quality Engineer Position:** Deputy Executive Officer Mohsen Nazemi reported that Tesoro Refining and Marketing has requested to fund a position of an Air Quality Engineer in the Office of Engineering & Compliance to help process their applications. Tesoro purchased BP Refinery, four terminals, and a number of other service stations. The District has previously approved this kind of arrangement with Chevron. The request is for a three-year agreement to fund an Air Quality Engineer position and that engineer would be completely under the discretion of the District in terms of assignment of work, performance, and possible replacement with other engineers. Mayor Yates commented in the City of Chino has entered into similar arrangements and cautioned staff to beware of problems that may arise resulting from close relations being formed with the contractors. Mr. Nazemi responded that this employee will be strictly under SCAQMD's direct supervision, mostly working from the office. Dr. Wallerstein added that this is an Air Quality Engineer II with several layers of review above the individual.

Moved by Yates; seconded by Gonzales; unanimously approved.

7. **Request from Child Care Center Operators to Purchase Facility:** Assistant Deputy Executive Officer Bill Johnson reported that staff was in receipt of a letter from Town and Country Preschool and Infant Care Center, the current operator of our child care center. They are requesting to purchase the facility and some adjacent parking area. Currently, the structure itself is valued at approximately \$2.6 million, based on a recent valuation. Staff is seeking direction whether we should consider the purchase or decline the offer. Dr. Wallerstein recommended that the Board decline the offer. The SCAQMD Headquarters is already limited by the current amount of parking. At one time it was thought that the size of occupancy might increase, and the Board had approved buildout of the third floor in the north building. At some point in the future, if the agency ever sold the building or if the Board decided it wanted to construct a parking structure and utilize the existing third floor, it would not be advisable to sell that piece of the parcel. Supervisor Gonzales agreed with the recommendation and suggested that in 15 or 20 years that piece of property could become critical to building expansion.

Moved by Gonzales; seconded by Yates; unanimously approved.

8. **Request to Implement Portions of SCAQMD's Emergency Drought Management and Conservation Plan:** Mr. Johnson reported on water conservation and drought management efforts at SCAQMD's Diamond Bar facility and its other regulated facilities and operations. At the Diamond Bar facility, an analysis was done of opportunities for reduction in water consumption. Based on that analysis, staff recommends a replacement of 16

urinals and replacement of the faucets in all the restrooms and coffee/copy rooms with touch-less faucets. As an interim step, staff proposes the placement of low-flow aerators on all the faucets, which can be done relatively inexpensively. With regard to vegetation, drought-tolerant plants are already in place, but could be switched to more significant drought-tolerant plants. Dr. Wallerstein added that the equipment being replaced is 20 years old, and the cost is not a significant expense and can be handled within the budget.

Moved by Yates; seconded by Parker; unanimously approved.

9. **Execute Contract for Insurance Brokerage Services:** Mr. Johnson reported that this item is to request execution of a contract with Alliant Insurance Services to remain as our insurance brokerage. An RFP was released for which three proposals were received. Staff recommends Alliant, since an evaluation indicated Alliant had a particular type of proprietary insurance product through which we can obtain both our property and liability insurance.

Moved by Gonzales; seconded by Yates; unanimously approved.

10. **Recommendation to Amend Governing Board Meeting Procedures:** General Counsel Kurt Wiese reported that a couple of months ago at the Governing Board meeting the Board directed staff to develop a policy to prohibit last-minute changes to agenda items that were brought before the Board. Therefore, staff recommends revision to the Governing Board Policies and Procedures, providing that no changes can be made to an item after the Friday before the Governing Board meeting, with three exceptions: in the case of emergencies, risk of harm to the public, or a significant loss of funding. Staff also recommends that these policies and procedures be placed in the District's Administrative Code for greater transparency.

Mayor Yates commented that the proposal should only read "Exception: Emergencies," advising that risk of harm to the public and significant loss of funding exceptions are not necessary. The Executive Officer in conjunction with the Chairman would determine if there was an exception under the emergency rule and whether it could be added to the Governing Board agenda. Mr. Wiese advised that this is a Board policy and is a directive to staff about whether the Board is willing to accept a change to an item brought before them at the last minute. Dr. Wallerstein commented that as long as the wording does not cause any legal problems, he will act appropriately.

Moved by Mayor Yates; seconded by Gonzales; unanimously approved with direction to staff to limit the wording to Exception for Emergencies, and add that the Executive Officer in conjunction with the Chairman of the Board will

determine if the change is an emergency and the item needs to be changed.

11. **Issue RFP for Legislative Representation in Sacramento, California:** Deputy Executive Officer Lisha Smith reported that our current contract for legislative representation in Sacramento will expire December 31, 2014. Currently, two firms provide services for us, Gonsalves & Son and Gonzalez, Quintana & Hunter, LLC. A legislative presence in Sacramento is critical to supporting SCAQMD's mission and Governing Board policies. Therefore, staff recommends issuance of an RFP to solicit proposals for legislative representation in Sacramento for 2015. The RFP indicates that it may be extended up to two additional years for one-year terms. The total expenditures for the contract for the first year would be \$250,000. Further, staff recommends a revision in the Board letter and the actual RFP language for one of the referenced bullets to read "Support and expand air quality policy and funding considerations consistent with the proposals for federal transportation legislation adopted by the South Coast Air Quality Governing Board on May 2, 2014." Dr. Burke recommended that the amount of the RFP be \$350,000 for the first year and consider reducing it to \$250,000 after the first year.

Moved by Yates; seconded by Gonzales; unanimously approved with direction to staff to increase the RFP's first year amount to \$350,000.

12. **Airing SCAQMD Governing Board monthly Meetings on Local Public Affairs Channels:** Ms. Smith reported that during the February 2014 Administrative Committee meeting, Chairman Burke led a discussion seeking input with regard to broadcasting the monthly Governing Board meetings on local public access channels throughout SCAQMD's four-county jurisdiction and directed staff to look into the matter. To date 12 cities that operate public education and government channels and two area cable companies that operate public interest channels are interested in rebroadcasting the monthly Governing Board meetings. The cities include Arcadia, Chino, Commerce, Corona, Rancho Cucamonga, Redlands, Santa Clarita, San Bernardino, Torrance, Tustin, Villa Park and Walnut. The cable companies are Charter on its Channel 101 and Cox on its Channel Cox 3. Charter is willing to rebroadcast our meetings pending schedule availability and Cox is willing to air them on a trial basis to see what kind of reception they receive. Time Warner, which is the largest provider in our area, cannot accommodate our request due to the length of the meetings; however, they offered the availability of doing regularly scheduled recaps of the meetings as well as arranging for Board Member interviews covering key air quality issues. All of the meetings will be rebroadcast since none of the interested parties have the capability to air them live due to the uncertainty of the length of the meetings. Our Information Management staff is able to provide the meetings to the outlets via feed or DVD which can be packaged and ready to go

in two or three days after the meeting.

Ms. Smith further advised that Supervisor Gonzales had previously mentioned that a message should go out with the meetings. Prior to each Board meeting, PSAs and videos are run that promote our smart phone apps, the Lawn Mower Exchange and Check Before You Burn program. These can be offered to provide an opportunity to get our message out to the communities. Additionally, the Time Warner interviews provide added opportunities for getting SCAQMD's message out. Staff seeks the Committee's approval to move forward with the commitment to rebroadcast the Board meetings on these public education and government channels. If approved at the September Board meeting, rebroadcastings could begin with the October meeting.

Dr. Parker inquired whether the outlets would be willing to give us an hour or two hours. He suggested reorganizing the hearings and matters by priority to include them within that first hour or two hours. Ms. Smith responded that staff would revisit those cities and entities that have said they could not accommodate the request due to the length, suggested by Dr. Parker's proposal. Supervisor Gonzales commented that if there is an opportunity to look at how staff might internally reformat the meetings in a way that is more acceptable to the television delivering audience, then that should be done first for reconsideration by those who have declined. Ms. Smith responded that, since Time Warner Cable would like recaps of the Board meetings, we could possibly develop 20-minute recaps where highlights are selected regarding critical agenda items that are being discussed, switching off to that portion of the Board meeting. Staff could prepare a brief newscast on the Board meeting and present it in the 20-minute format that would fit into a 30-minute segment. Since recaps are being prepared for Time Warner, this proposal could be pitched as well.

Moved by Gonzales; seconded by Yates; unanimously approved.

13. **Local Government & Small Business Assistance Advisory Group Minutes for the April 11 Meeting (written report):** Attached for information only are the minutes from the April 11, 2014 meeting of the Local Government & Small Business Assistance Advisory Group.
14. **Review of the September 5, 2014 Governing Board Agenda:** There were no questions on the September 5, 2014 Governing Board Agenda.
15. **Other Business:** Supervisor Gonzales referenced an article regarding Metrolink cutting its service on the San Bernardino line. Metrolink recently came before SANBAG to request an 8% increase. The request was turned down on the basis that Metrolink had not done its best to curtail its expenses and obligations similar

to other agencies that had trimmed expenses and had not given raises to their employees. The article implied that reduction in service was a reaction to SANBAG not approving the requested increase. She also indicated that this has great potential to impact air quality and requested that staff look into it and come back to the Committee with a report or position on whether SCAQMD should be involved.

16. **Public Comment:** None.

Meeting adjourned at 11:05 a.m.

Attachments

Local Government & Small Business Assistance Advisory Group Minutes from the April 11, 2014 meeting



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, APRIL 11, 2014 MEETING MINUTES

MEMBERS PRESENT:

Dennis Yates, Mayor, City of Chino and LGSBA Chairman
Ben Benoit, Councilman, City of Wildomar and LGSBA Vice Chairman
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Todd Campbell, Clean Energy
John Hill, Riverside County Representative
Maria Elena Kennedy, Kennedy Communications
Rita Loof, RadTech International
Kelly Moulton, Paralegal
Lupe Ramos Watson, Councilmember, City of Indio

MEMBERS ABSENT:

Felipe Aguirre, Councilmember, City of Maywood
Mary Ann Lutz, Mayor, City of Monrovia

OTHERS PRESENT:

Earl Elrod, Board Member Assistant (*Yates*)
David Rothbart, Los Angeles County Sanitation District
Mark Abramowitz, Board Member Assistant (*Lyou*)

SCAQMD STAFF:

Connie Day, Program Supervisor
Nancy Feldman, Principal Deputy District Counsel
Philip Fine, Assistant Deputy Executive Officer
Jason Low, Atmospheric Measurements Manager
Matt Miyasato, Deputy Executive Officer
Lisa Tanaka-O'Malley, Community Relations Manager
Laki Tisopulos, Assistant Deputy Executive Officer
Elaine-Joy Hills, AQ Inspector II
Jeanette Short, Senior Administrative Secretary
Danielle Soto, Senior Public Information Specialist

Agenda Item #1 - Call to Order/Opening Remarks

Mayor Dennis Yates called the meeting to order at 11:30 a.m.

Agenda Item #2 – Approval of February 14, 2014 Meeting Minutes/Review of Follow-Up/Action Items

Chair Yates called for approval of the February 14, 2014 meeting minutes. The Minutes were approved unanimously.

There were no follow-up/action items from the February meeting.

Agenda Item #3 – Update on Monitoring Activities

Mr. Jason Low provided an update on the monitoring activities in the City of Duarte and Azusa from August 2005 through September 2008 to assess air pollution concerns from quarry activity.

Mr. Paul Avila inquired if SCAQMD is using more modern technology. Mr. Low stated the monitors used are directly comparable to the federal equivalent method.

Mr. Avila asked what happens if in a particular month a company exceeded their emissions due to high demands. Mr. Low responded that each company has permit limits and they would have to stay within those limits.

Ms. Kelly Moulton asked if this was in the Fish Canyon area and when would they cease their operation. Mr. Low confirmed the location and stated that they have an agreement with the city for 35 years.

Agenda Item #4 – Update on AB 1318 Projects

Ms. Connie Day provided staff a current update on the environmental projects in the Coachella Valley.

Mr. Geoff Blake asked where the grant money came from. Ms. Day explained the grant money came from mitigation funds from the Sentinel Power Plant.

Mr. John Hill asked if there were any housing near the power plant. Councilmember Benoit stated that Desert Hot Springs has some housing near the plant.

Mr. Hill stated there were a lot of complaints because people were not aware of the power plant. Councilmember Benoit stated that there were many meetings and front page articles about the project. He continued by saying that AB1318 mitigation funds was originally designated to Southern California; however, changed to just the Coachella area.

Mr. Hill asked if the weatherization program was for all schools. Ms. Day responded that schools had to apply for the grants. Councilman Benoit added that Environmental Justice (EJ) areas ranked higher and Palm Desert was not one of them because it was not an EJ area. Councilman Benoit stated that they have better buildings and the new high school has a much

better air conditioning system, whereas Coachella Valley Unified School District has older buildings.

Dr. Matt Miyasato stated that the schools applied and were prioritized but the unified school districts selected them.

Ms. Moulton asked if the projects from AB1318 had a sunset date or if it was on-going. Dr. Philip Fine responded there was a one-time mitigation fee; however, after all the contracts had been paid they would look at backup projects to award any remaining funds.

Ms. Moulton asked what the results of the projects would be. Dr. Fine stated that some would have long time effects such as the CV Link. He continued to say that staff would do our best to calculate emission reductions achieved from these projects.

Ms. Moulton asked about the air filtration program in the schools. Dr. Fine stated the contract for that program was five years and it would be up to the school district to continue through other funding.

Ms. Lupe Watson Ramos stated that the air filtration project was for other pollutants and there was not a nexus to the Sentinel Power Plant. She stated that contractors went to the schools to inform them of the funds available and had concerns that those schools may not have made the best decision.

Ms. Maria Elena Kennedy inquired about discussion of the Polancos. Ms. Day stated it was a contract to pave multiple locations in Riverside County.

Ms. Kennedy asked if there would be any opportunity for infrastructure. Ms. Day responded not with these funds. Ms. Kennedy asked, although not major infrastructure, about sidewalks. Mayor Yates stated that type of infrastructure would be at the local level and not with AB1318 funds. Councilmember Benoit concurred.

Agenda Item #5 – Air Filtration Update

Dr. Philip Fine presented an update on SCAQMD's air filtration program in schools near the Ports of Los Angeles and Long Beach (TraPac and Valero settlements), Boyle Heights and San Bernardino (UnoCal Reformulated Gasoline Settlement grants), and Coachella Valley (AB1318 grants).

Ms. Rita Loof asked what the volatile organic compound (VOC) release events were. Dr. Fine said near refineries there were two situations, general VOC emissions from refineries but also the communities are concerned about what children would do in the event that there was an upset condition at the refinery. Dr. Fine added that the results were not conclusive and there are still technical challenges for cost-effective VOC removal.

Ms. Loof asked if there were fugitive VOC emissions or normal operating emissions leaving the stacks. Dr. Fine stated most are likely fugitive, and that part of the funding for this project came from fees collected due to these types of emissions.

Mr. Blake asked at what particle size would obtain 90% efficiency. Dr. Fine stated that it was ultra fine particles, less than 100 nano meters.

Mr. Blake asked if they sold air filtrations for homes. Dr. Fine responded that the company does sell a version for home use but that SCAQMD has not tested them.

Agenda Item #6 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

No comments.

Agenda Item #8 - Public Comment

No comments.

Adjournment

The meeting adjourned at 12:11 p.m.