

BOARD MEETING DATE: October 7, 2016

AGENDA NO. 25

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, September 9, 2016. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, October 14, 2016 at 10:00 a.m.

RECOMMENDED ACTION:
Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

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Attendance: Attending the September 9, 2016 meeting were Committee Vice Chair Ben Benoit and Committee Member Judith Mitchell at SCAQMD headquarters, and Committee Chair Dr. William A. Burke and Committee Member Dr. Clark E. Parker, Sr. via videoconference.

ACTION/DISCUSSION ITEMS:

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** As noted on the travel report, Councilmember Mitchell will attend the monthly CARB Board meeting in Sacramento, September 21-23, 2016. In addition, Councilmember Mitchell and Mayor McCallon will attend the 2016 UCLA Lake Arrowhead Symposium on Transportation, Land Use and the Environment, "Pay it Forward: Investing in Sustainable Mobility" on October 16-18, 2016.
3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** Chief Deputy Counsel Barbara Baird reported that Councilmember Dwight Robinson is recommending to increase his Board Consultant Matthew Holder's

stipend as he has taken on additional responsibilities, resulting in a decrease to his Board Consultant Thomas Fuentes' stipend in a simple reallocation of funds.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

4. **Report of Approved Out-of-Country Travel:** None to report.

5. **Discussion on Potential SCAQMD Membership in Southern California Association of Governments:** Deputy Executive Officer/Public Advisor Derrick Alatorre reported that Vice Chair Benoit requested that staff to research the cost of becoming a member of SCAG; the membership cost is \$10,000. Every year SCAQMD sponsors the General Assembly for \$7,500. The \$10,000 membership benefits include selecting membership on one of SCAG's policy committees, either Transportation; Community, Economic and Human Development; or Energy and Environment. Only SCAQMD's elected Board Members are eligible to serve on regional councils. SCAQMD receives one complimentary registration at SCAG's General Assembly and other conferences, such as the Economic Summit, the Housing Summit and the Regional Conference. SCAQMD also has the opportunity to participate in their state and legislative meetings. Dr. Burke inquired whether with payment of \$10,000 for membership, will there still be a \$7,500 fee for sponsorship? Mr. Alatorre responded yes, but does not include a booth at the annual General Assembly meeting. If a booth is requested, there would be an additional cost. Dr. Burke inquired who would be the eligible Board Members to be appointed to SCAG? Mr. Alatorre responded that it would be any of the elected City or County Board of Supervisor Members; none of the appointed Board Members would be eligible. Dr. Burke commented that it is a good idea to join SCAG and Councilmember Mitchell agreed.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

6. **Website Improvement Project:** Assistant Deputy Executive Officer Chris Marlia reported that the website contractor's recommendations were approved at the May Administrative Committee meeting and approved by the full Board at its June Board meeting. The recommended final draft home page design, new

navigation and revised calendar are now complete. The contractors have worked with an oversight committee that consists of members from similar agencies that have recently gone through website upgrades and provided valuable insight on the proposed navigation, calendar, and home page design. The contractor has provided its draft final home page design and navigation, and reorganization of site content. Feedback has been received from internal staff and from Executive Council members. Of the budgeted \$117,000 approved in June, \$20,000 has been spent to date. Dr. Burke inquired which area of the website is most popular? Mr. Marlia responded that the rules pages and the F.I.N.D. application are most popular. Dr. Burke inquired whether that would cause one to believe these are institutional users, or general public looking for permit information? Mr. Marlia agreed and added that users may seek information to determine whether facilities are in compliance with SCAQMD's rules. Dr. Burke asked who receives complaints about the website? Mr. Marlia responded that complaints go to the WebEditor (monitored by Information Management staff) or WebInquiry (monitored by Legislative, Public Affairs and Media staff) both of which are reached through links on the website. Dr. Burke inquired which area receives the most inquiries or complaints. Mr. Marlia responded that most people have questions about finding information on the website.

Dr. Burke commented that the website has greatly improved, but inquired whether the website will be user-friendly for the layman? Mr. Marlia responded that the consultant designed the website with that in mind. Councilmember Benoit commented it would be nice to continue having an air quality map at the bottom as was displayed on the old website. The map could be a GIS-type map. Currently, if you want to look up what's in your neighborhood, you would have to know the name and address of the facility, but with a GIS-type map you can click on the location and obtain the facility information. Councilmember Mitchell agreed that the map would make it easier for the layman. She also commented that the new website is a vast improvement, since the current website is obscure. Councilmember Mitchell inquired if there is physical difficulty in designing a web page? Mr. Marlia responded it gets down to the "real estate" and how much space is being used. Councilmember Mitchell commented that while viewing the map within the website, it would be nice if there was the ability to go back to the homepage. Dr. Burke commented that he has received good feedback on the website improvement and congratulated Mr. Marlia on a job well-done. Councilmember Benoit inquired if the website calendar page can be tied to his Outlook calendar or his Gmail calendar at home? Mr. Marlia responded that the consultant will be exploring that feature. Dr. Parker inquired about locating the Check Before You Burn icon on the homepage and had some concerns about the calendar title page language; Mr. Marlia responded that the page is a mock-up with "filler text." Councilmember Mitchell inquired if it would be possible to highlight the calendar page so that it is more easily found

than having to go to a dropdown menu? Councilmember Benoit inquired if a calendar icon could be located to the right of Resources on the navigation bar. Mr. Nastri commented that going forward, individual presentations to the Board Members and staff will be done to obtain additional feedback.

7. **Status of Rule 1118 Mitigation Funds:** General Counsel Kurt Wiese reported that there is approximately \$22 million in a fund that has been paid by the refineries pursuant to Rule 1118. Rule 1118 requires the refineries to pay into the fund if they exceed annual limits on flaring. The rule states that the money is a mitigation fee with the requirement that the money be used to reduce emissions as created by flaring or the adverse effects of those emissions. In the past, mitigation funds have been used to fund monitoring at the refineries and could also be used to fund emission reduction programs or respiratory health-related projects. The Board Resolution adopting Rule 1118 directs staff to cooperate with representatives from impacted communities and the refineries at the source of the emissions when developing proposals. Staff is proposing to conduct community workshops similar to the workshop recently conducted in Torrance to get community input on the use of ExxonMobil settlement funds. Following the workshops, this item will go back to the Board with requests to release RFPs based on the input received from the community. In response to an inquiry from Councilmember Mitchell, Mr. Wiese advised the primary pollutant SO₂ brought regional effects, but that it will not be necessary to go back and tie funds to particular events; rather this money can be utilized to fund projects in areas near the refineries.

Mr. Nastri added that the issue was brought up relative to the Torrance Refinery releases and the utilization of the \$2.7 million. The community inquired how the \$22 million would be utilized within the community. Dr. Burke commented that he has never heard any previous discussion that funds need to be utilized in any specific manner, and cautioned against restricting the use of penalty funds in the future. Mr. Wiese clarified that these are not penalty funds, but amounts paid by the refineries into a Rule 1118 mitigation fund when they exceed their annual SO_x limit. Dr. Parker asked how much money is usually collected on average per year from the refineries for excess flaring. Mr. O'Kelly responded that this Rule has been in place about 6 years, earning \$22 million, which averages about \$3-\$4 million per year. Dr. Parker inquired what has been spent, to which Mr. O'Kelly responded \$1.5 million has been spent on lidar equipment, field services and monitoring at a couple of refineries. Mr. O'Kelly further clarified that out of \$22 million, \$13 million was received within the last six months; the fund had \$2-\$3 million for the first three-four years of its existence and then over the last 24 months, there has been an additional \$13-\$14 million received. Mr. Nastri commented that it came from the Torrance Refinery (ExxonMobil). Councilmember Mitchell moved the item, contingent upon holding Town Hall

workshops similar to the workshop held for the \$2.7 million to determine how the money under Rule 1118 will be spent.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

8. **Appropriate Funds and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services:** Mr. Kurt Wiese reported that this item is to request \$500,000 for funding environmental litigation efforts which includes the SoCalGas litigation, World Logistics Center and the lawsuit brought by environmental organizations challenging the RECLAIM shave.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

On the motion of Chairman Burke, moved by Mitchell, seconded by Benoit, the committee unanimously approved agenda items 9 through 13 to be forwarded to the full Board.

9. **Execute Sole Source Contract for Maintenance and Service Agreement for SCAQMD Headquarters' Energy Management System:** Deputy Executive Officer/Chief Administrative Officer Michael O'Kelly reported that this item is to request a three-year contract with Siemens for the energy management system of the building, of approximately \$3,000 per year.
10. **Execute Contract for Biennial Audit of Motor Vehicle Registration Revenues for FYs 2013-14 and 2014-15:** The staff presentation on this item was waived.
11. **Report of RFQs Scheduled for Release in October:** The staff presentation on this item was waived.
12. **Amend Lease Agreement with City of Diamond Bar for Use of SCAQMD Facility:** The staff presentation on this item was waived.

13. **Execute Lease and Maintenance Agreement for Printing Equipment and Copiers:** The staff presentation on this item was waived.
14. **Review October 7, 2016 Governing Board Agenda:** The next Board meeting is October 7, 2016, in Riverside.
15. **Other Business:** None to report.
16. **Public Comment:** None to report.

Meeting adjourned at 10:50 a.m.