

BOARD MEETING DATE: September 1, 2017

AGENDA NO. 21

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting on Friday, July 14, 2017. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

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Committee Members

Present: Dr. William A. Burke (Chair), Mayor Pro Tem Ben Benoit (Vice Chair), and Dr. Clark E. Parker, Sr.

Absent: Council Member Judith Mitchell

Call to Order

Chair Burke called the meeting to order at 10:27 a.m.

DISCUSSION ITEMS:

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** As noted on the travel report, Vice Chair Benoit, Dr. Lyou and Council Member Robinson will attend and provide presentations regarding air quality issues at the CCEEB Summer Issues Seminar in Squaw Valley, California, July 16-19, 2017. Dr. Lyou and Council Member Mitchell will attend the Asilomar Biennial Conference on Transportation and Energy in Pacific Grove, California, August 22-25, 2017.
3. **Report of Approved Out-of-Country Travel:** None to report.
4. **Review September 1, 2017 Governing Board Agenda:** None to report.

5. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Chief Administrative Officer Michael O’Kelly presented the status report on past and future Information Management projects. The website evaluation improvements are continuing to migrate content and are expected to be deployed in approximately 60 days. The GIS project is a long-term project, with nine of the 15 projects to be completed during FY 2017-18. The online permitting prototype project, which includes dry cleaner and gas station application modules, is nearing deployment, with users finishing up testing in the next few weeks. With Assistant Deputy Executive Officer Chris Marlia’s upcoming retirement, the IT Review will be delayed for six weeks until Mr. Marlia’s replacement can guide that project from the beginning. (No motion required.)
6. **Update on Board & Committee Package Improvements:** Mr. O’Kelly reported that the Agenda Tracking System is currently being updated to become more efficient at the staff level and it is planned for the updated system to go live for the October 2017 Board meeting. Regarding the agency’s website, Dr. Burke commented that he has been requesting website improvements for the last 15 years and is going to ask the new Information Management’s Assistant Deputy Executive Officer to work with Vice Chair Benoit to continue to improve the website. Vice Chair Benoit inquired when there is a webcast, it should be easily accessible by placing a hot button in the center of the home page so that users can be linked directly to YouTube. He added that Wi-Fi connectivity should be looked at as well. (No motion required.)

ACTION ITEMS:

7. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** Compensation for consideration was included for Mayor Michael Cacciotti’s Board Consultants for FY 2017-18; four existing Board Consultants are returning, with a new Board Consultant added, Tim Sandoval, Mayor/City of Pomona.

Moved by Parker; seconded by Benoit; unanimously approved.

Ayes: Benoit, Burke, Parker

Noes: None

Absent: Mitchell

8. **Board and Committee Meeting Schedule:** Chief Operating Officer Jill Whynot reported that this item was to afford discussion on the scheduling issue raised by Supervisor Nelson at the June Board meeting about the scheduling of Board meetings. Supervisor Nelson had noted that Board meetings at times varied from the usual schedule (first Friday of the month), and that such deviation presented significant scheduling conflicts for Members who also serve on other boards; he suggested that when circumstances force deviation from the first-Friday schedule,

the SCAQMD Board go dark those months. In response to a query from Dr. Burke, Ms. Whynot noted that such deviation can arise relative to when the New Year's Day (January 1) or Independence Day (July 4) holidays fall in a given year. Dr. Burke noted that the annual calendar is approved by the Board at the beginning of each year; he acknowledged occasional scheduling inconvenience to Board Member Nelson's service on the OCTA (Orange County Transportation Authority) board, but stated that in general, he felt the public interest would not be served by SCAQMD's Board going dark to accommodate individual Members' schedules. Further discussion and comment ensued, including comparisons with scheduling practices of the SCAQMD Hearing Board. (No Motion Required)

9. **Authorize the Executive Officer to Execute an Indemnification Agreement with Tesoro Refinery and Marketing LLC (“Tesoro”):** General Counsel Kurt Wiese reported this item relates to the Tesoro Refinery integration project in the cities of Carson and Wilmington. SCAQMD is being sued over a CEQA document, and under SCAQMD rules, Tesoro is required to indemnify the SCAQMD’s litigation costs, subject to an indemnification agreement that must be approved by the Administrative Committee. An indemnification agreement has been negotiated with Tesoro and it is recommended that the agreement be approved.

Moved by Parker; seconded by Benoit; motion failed.

Ayes: Benoit, Parker
Noes: Burke
Absent: Mitchell

After several other items were considered, Dr. Parker referred to this item and asked Dr. Burke if the agreement means SCAQMD can be reimbursed for legal costs, would he reconsider his vote. Dr. Burke responded yes.

A roll call was conducted on whether to reconsider the item. Moved by Parker; seconded by Benoit, unanimously approved.

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

A roll call vote was then taken on whether to approve the item. Moved by Benoit; seconded by Parker; unanimously approved.

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

10. **Execute Contract for Insurance Brokerage Services:** Mr. O’Kelly reported that an RFP is issued every three years for insurance brokerage services. SCAQMD’s current insurance broker, Alliant Insurance Services, is proposing a 2% increase from their existing contract. Although there was a lower cost vendor, the experience of the current provider was taken into consideration and staff believes it is in the best interest of the SCAQMD to execute a contract with Alliant Insurance Services, as they have been able to obtain cost savings and they work well with the SCAQMD in claim processing.

Moved by Benoit; seconded by Parker; unanimously approved.

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

11. **Approve Position Reclassification in Information Management and Compliance & Enforcement:** Mr. O’Kelly reported that an Information Management (IM) Computer Operator had requested a classification review of his position due to changes in responsibilities. A consultant was hired to review the classifications within IM to determine whether the job specs were appropriate to today’s technology responsibilities and it was determined that they were not. A total of 13 various positions were reviewed and it was recommended that job descriptions be updated to reflect changes in responsibilities and in some cases to increase the pay. Out of the 13 positions, six of them would have a pay increase, and the remaining would have new job titles and classifications. There is also an Office Assistant in the Compliance & Enforcement division doing Staff Assistant work and it is requested that that position be reclassified as well. In addition, the Board previously approved a Director of Communications position in Legislative, Public Affairs & Media (LPAM), which is required to be included into the Salary Resolution.

Moved by Parker; seconded by Benoit; unanimously approved.

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

12. **Close and Transfer Residual Balances from Five Special Revenue Funds and One Enterprise Fund:** Mr. O’Kelly reported that this item is to close and transfer residual balances from various accounting funds. There was discussion during the Budget hearings regarding SCAQMD funds and whether residual money will be spent on projects. The first step in evaluation has been for staff to determine which fund balances can be readily transferred to other appropriate funds. SCAQMD currently has a total of 55 special funds. Special Revenue Funds

are not part of the annual budget process, but instead are created to record transactions applicable to specific revenue sources having legal restrictions for specific purposes. All transactions in Special Revenue Funds are approved by the Board on an as needed basis. It is requested that the subject residual balances be transferred to other funds that are more regularly used. The largest item is the headquarters' CNG fueling station fund, which is estimated at \$1.2 million. When the CNG station was created in 2003, it was intended to eventually use those monies to improve the infrastructure of the station, but the Board in 2015 contracted with a third party to operate that station who now update the infrastructure themselves. It is being recommended to move those funds to the Infrastructure Improvement Fund to potentially be used at a later date for headquarters infrastructure projects, due to the aging building. It is not requested to approve spending any of the money at this time; it would come back to the Board for approval when needed. There ensued further discussion wherein Mr. O'Kelly detailed applicable legal restrictions and/or requirements for the transfers of funds.

Moved by Benoit; seconded by Parker; unanimously approved.

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

13. **Issue RFP for Legislative Representation in Sacramento, California:** Deputy Executive Officer/Legislative, Public Affairs & Media Derrick Alatorre reported this item is to issue an RFP for Legislative consultants in Sacramento. The current contract expires December 31, 2017. Dr. Burke inquired whether this applies to all of the Sacramento consultants. Mr. Alatorre responded yes. Dr. Burke inquired whether they are at the end of their extensions. Mr. Alatorre responded yes, this is the last year of their two one-year extensions. Dr. Burke inquired when this item will come back to the Board. Mr. Alatorre responded the RFP will be issued at September's Board meeting, the RFP will be out for a month and it is anticipated that the proposals will be submitted in October, after which time the proposals will be brought to either the Legislative Committee or Administrative Committee in November and then to the full Board in December. Dr. Burke commented that if the proposals are taken to Legislative Committee it will delay the process by a month. Mr. Alatorre responded that to avoid a delay, the proposals could be taken to Administrative Committee for review, and Dr. Burke concurred with this suggestion.

Moved by Benoit; seconded by Parker; unanimously approved.

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

WRITTEN REPORT:

14. **Local Government & Small Business Assistance Advisory Group Minutes for the May 12, 2017 Meeting:** Mr. Alatorre reported that this item is a written report.

OTHER MATTERS:

15. **Other Business:**
There was no other business.
16. **Public Comments:**
There were no public comments.
17. **Next Meeting Date:**
The next regular Administrative Committee meeting is scheduled for Friday, September 8, 2017.

Adjournment

Meeting adjourned at 11:06 a.m.

Attachment

Local Government & Small Business Assistance Advisory Group Minutes for the May 12, 2017 Meeting



South Coast Air Quality Management District

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

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY MAY 12, 2017 MEETING MINUTES

MEMBERS PRESENT:

Ben Benoit, Mayor Pro Tem, City of Wildomar and LGSBA Chairman
Janice Rutherford, Supervisor, Second District, San Bernardino County
Felipe Aguirre
Rachelle Arizmendi, Mayor, City of Sierra Madre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Paramount Petroleum
Cynthia Moran, Council Member, City of Chino Hills
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Todd Campbell, Clean Energy
Maria Elena Kennedy, Kennedy Communications

OTHERS PRESENT:

Mark Abramowitz, Board Member Consultant (*Lyou*)
David Czmanske, Board Member Consultant (*Cacciotti*)
Ruthanne Taylor-Berger, Board Member Consultant (*Benoit*)
Mark Taylor, Board Member Consultant (*Rutherford*)

SCAQMD STAFF:

Derrick Alatorre, Deputy Executive Officer
Laki Tisopulos, Deputy Executive Officer
Jason Low, Assistant Deputy Executive Officer
Fred Minassian, Assistant Deputy Executive Officer
Fabian Wesson, Assistant Deputy Executive Officer/Public Advisor
Andrea Polidori, Atmospheric Measurements Manager, Monitoring
Philip Crabbe, Community Relations Manager
Nancy Feldman, Principal Deputy District Counsel
Elaine-Joy Hills, AQ Inspector II
Lori Langrell, Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Supervisor Janice Rutherford called the meeting to order at 11:30 a.m.

Agenda Item #2 – Approval of April 14, 2017 Meeting Minutes/Review of Follow-Up/Action Items

Supervisor Rutherford called for approval of the April 14, 2017 meeting minutes.

Mr. Bill La Marr inquired regarding his question on RECLAIM facilities subject to an aggregated emissions cap, if there is a plan to de-aggregate these facilities under the program. He doesn't recall any further requests, but merely wanted to know if a phase out is being worked on, and whether or not there is a plan. Dr. Laki Tisopulos suggested the questions be directed to the working group as he is not working on this therefore, cannot provide an answer.

After discussion, the Minutes were approved unanimously.

Agenda Item #3 – Follow Up/Action Items

Mr. Derrick Alatorre indicated there were three action items arising out of the April 14th meeting. The first was to agendize a presentation on the commercial leaf blower program, which will be included in a future meeting. The second was to agendize a presentation on Senate Bill 1, which is being presented today, and lastly to receive information regarding driverless trucks, to which articles are available today as a handout.

Agenda Item #4 – Using Advanced Remote Sensing Technologies to Measure Emissions from Refineries and Other Sources

Dr. Andrea Polidori provided a summary of the results of a two and a half month long measurement campaign aimed at characterizing and qualifying emissions of VOC's, NOx, and SO₂ from refineries, oil wells, treatment facilities, gas stations, and other sources in the South Coast Air Basin.

Mr. John DeWitt asked if refineries were being measured in the South Coast basin only, or all over the world. Dr. Polidori replied the background slide shows refineries all over the world.

Mr. LaMarr inquired, with respect to gas stations and oil wells, if what staff is proposing duplicating what the California Air Resources Board (CARB) has done with vapor recovery or underground storage tanks. Dr. Polidori indicated that the study is about measurements, and the optical remote sensing has been developed throughout the years and is the most commonly used. This was developed by Chevron to measure the actual emissions from these sources.

Mr. LaMarr asked, in the course of measuring, if it impedes with normal operating procedures. Dr. Polidori replied no. Mr. LaMarr further asked if the technology in showing underground leak detection is the same technology used in Aliso Canyon. Dr. Polidori indicated it is not the same but similar.

Mr. DeWitt asked which refinery the presentation referred to. Dr. Polidori replied Tesoro.

Mr. LaMarr inquired regarding VOCs not being created equally, sometimes having abnormalities or being undetected, if these are the same VOCs that end up on mobile sources, and if it would impact rulemaking on stationary sources where VOCs are present. Dr. Tisopulos replied that we are underestimating inventory from seven sectors, we must move forward with our plans, and pay close attention to those higher emissions.

Mr. David Rothbart asked if a problem is found, if it is typical, and how the emissions are estimated. Dr. Tisopulos replied that with oil wells and gas, the vendors get statistical measurements, and extrapolate the rest of the oil wells and gas stations. With respect to the slide comparing refinery emissions from six large refineries, what is being reported to us under conventional methodologies shows a variance, grossly underestimating VOC emissions.

Mr. La Marr inquired if this would change when refineries switch to summer fuel. Dr. Tisopulos replied he does not believe it will vary that much. In 2015, measurements were taken in September, and the measurements taken in 2016 was while refineries were switching fuels.

Mr. Paul Avila asked if the flux sense and camera manufacturers make all the same equipment, and what happens when both companies take measurements with different results. Dr. Polidori indicated it has happened with a difference of about ten points. They all indicated a leak with varying emission rates, but all three were within 20% of each other.

Ms. Rachelle Arizmendi asked what the intent of the data is, and if it is available to the public. Dr. Polidori replied that we are currently building a website, and that the report is about a month old. Dr. Polidori stated that the review period ends Wednesday, May 17, and, for the most part, staff intends to conduct more studies. SCAQMD plans to contract with a flux sense manufacturer who will conduct studies every two weeks for the next two years. The intent is to see if this type of technology can be used as an alarm system for VOC concentration in communities. Dr. Jason Low also commented that we want to get feedback to the facility so they are aware of potential leaks, and they can investigate and make repairs if necessary.

Mr. DeWitt inquired regarding service stations, if there were any sites identified that had installed enhanced vapor recovery equipment. Dr. Polidori indicated measurements were taken at a new Costco station where emissions were minimal, whereas problems were found at older, smaller stations. Dr. Tisopulos also indicated that there is very little correlation between emissions at super large stations, such as Costco, where stations are well-maintained and have minimal emissions. Smaller stations may not have the means to maintain their equipment. Technology like this is fast and allows us and the operator of the source to do repairs on equipment quickly before the leak is out of control.

Mr. La Marr asked if the District is looking at the coatings industry. Dr. Tisopulos indicated that this is not the best technology to measure emissions in this industry.

Agenda Item #5 – FY 2016-17 Carl Moyer Program (CMP) Award

Mr. Fred Minassian provided an overview of the resolution recognizing funds and accepting terms and conditions for FY 2016-17 Carl Moyer Program (CMP) Award and review of Program Announcements for Carl Moyer Program and SOON provision.

Mr. Avila inquired, as most busses have already been upgraded, if the shift is for off-road and tractors. Mr. Minassian replied on-road trucks have converted to CNG, then we went to off-road, marine vessels, tractors, etc. Even with the CNG bus fleet, they can repower or replace engines because the old standard (pre-2010) was at 1.2, which can now be at 0.02. Mr. Avila further asked regarding the upgrade with trains and railroads, what the gray area is. Mr. Minassian r that we have provided \$110 million to replace 40 locomotives from Tier 0 to Tier 4 for the project we are doing with Metrolink, and they are the first commuter rail system in the nation to do that. The remaining money has been provided by

Metrolink bond, and public funds. We are careful with the contract, ensure that the money co-funds what is allowable, and we tailor our contract on a case by case basis.

Mr. LaMarr asked who is in opposition of AB 1274. Mr. Alatorre indicated there is no official opposition, but there are groups with concerns such as car dealers association and smog check stations.

Agenda Item #6 – Senate Bill 1 (Beall) – Transportation Funding

Mr. Philip Crabbe provided an update on the recent passage of Senate Bill 1 (SB 1) the comprehensive statewide infrastructure legislative vehicle, and its potential impacts on South Coast Air Quality Management District.

Mr. Avila asked if there will be a concerned citizen oversight board, or if the money will just go into the general fund. Mr. Crabbe replied it is a constitutional amendment to use for transportation and infrastructure, there is oversight in all, and even local governments must spend money on what it is earmarked for.

Mr. DeWitt inquired whether this includes money for the bullet train. Mr. Crabbe commented he has not seen much regarding the bullet train.

Mr. LaMarr asked pertaining to the retirement of vehicles, if it is commercial or personal. Mr. Crabbe replied commercial.

Agenda Item #7 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #8 - Other Business

Chair Benoit introduced new LGSBA member, Mr. Eddie Marquez, to the advisory group. Mr. Marquez shared the company he is with, and organizations he is involved with.

Ms. Rita Loof inquired about public outreach suggested by staff at the last governing board meeting. Ms. Loof further indicated that the printing industry has requested outreach, and asked what those efforts look like.

Action Item: Agendize a presentation on public outreach, and what efforts to the printing industry may look like.

Chair Benoit commented a presentation on issues with low NOx burners, and outreach to all other people that have those burners, would be good to hear as well.

Agenda Item #9 - Public Comment

No comments.

Adjournment

The meeting adjourned at 12:57 p.m.