

BOARD MEETING DATE: December 7, 2018

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the November 2, 2018 meeting.

RECOMMENDED ACTION:

Approve Minutes of the November 2, 2018 Board Meeting.

Denise Garzaro
Clerk of the Boards

DG

FRIDAY, NOVEMBER 2, 2018

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:

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

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

Mayor Ben Benoit
Cities of Riverside County

Council Member Joe Buscaino
City of Los Angeles

Council Member Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Larry McCallon
Cities of San Bernardino County

Mayor Pro Tem Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (Arrived at 9:20 a.m.)
County of Orange

Council Member Dwight Robinson
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

Supervisor Hilda L. Solis
County of Los Angeles

Member absent:

Supervisor V. Manuel Perez
County of Riverside

CALL TO ORDER: Chairman Burke called the meeting to order at 9:00 a.m.

- Pledge of Allegiance: Led by Mayor Benoit.
- Opening Comments

Dr. Lyou noted the upcoming retirement of Fred Minassian, Assistant DEO/Science and Technology Advancement and recognized him for his many years of valuable service to the District.

Council Member Buscaino announced that the City of Los Angeles will host the National League of Cities-City Summit on November 7-10, 2018.

Chairman Burke announced that he and Dr. Parker attended the Taste of Soul event on October 20, 2018 in South Los Angeles, which was attended by over 375,000 people. He expressed appreciation to staff for providing information to attendees regarding air quality issues and available District programs.

Dr. Parker noted the increased interest in District programs and information as a result of attendance at community events. He expressed appreciation to staff for participating in these events.

Mayor Pro Tem Mitchell reported that she participated in a panel at the CAPCOA annual meeting regarding AB 617. She noted that the District will work closely with CARB in the implementation of monitoring and emission reduction plans in disadvantaged communities that are most severely affected by air pollution. She highlighted the three communities located in the Basin that will be included in the first year of the program.

CONSENT CALENDAR

1. Approve Minutes of October 5, 2018 Board Meeting
2. Set Public Hearings December 7, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations
 - A. Certify the Final Environmental Assessment and Adopt Rule 1118.1 - Control of Emissions from Non-Refinery Flares
 - B. Certify Final Subsequent Environmental Assessment and Amend Rules 1146, 1146.1, 1146.2 and Adopt Rule 1100

Budget/Fiscal Impact

3. Execute Contract for Expansion of Hydrogen Fueling Station
4. Develop and Demonstrate Zero Emissions Heavy-Duty Trucks, Freight Handling Equipment, EV Infrastructure and Renewable Energy
5. Approve Awards for Heavy-Duty Diesel Drayage Truck Replacement Projects
6. Establish Special Revenue Fund, Recognize Revenue, Execute Agreements for Volkswagen Environmental Mitigation Program and Transfer Funds
7. Adopt Resolution Recognizing Funds for FY 2017-18 Carl Moyer State Reserve Program, Execute Contracts for FY 2017-18 "Year 20" Carl Moyer Program, SOON Provision and Community Air Protection AB 134 Program, Amend Awards and Transfer Funds
8. Issue RFP for Health Study of Impacts of Well Rupture at Aliso Canyon
9. Issue RFP to Evaluate Meteorological Factors and Trends Contributing to Recent Poor Air Quality in South Coast Air Basin
10. Amend Contracts for Legislative Representation in Sacramento, California
11. Recognize Revenue and Execute Agreements for Installation and Maintenance of Air Filtration Systems
12. Approve Contract Awards and Modifications Approved by MSRC

Action Item/No Fiscal Impact

13. Establish Board Meeting Schedule for Calendar Year 2019

Items 14 through 19 – Information Only/Receive and File

14. Legislative, Public Affairs and Media Report

15. Hearing Board Report
16. Civil Filings and Civil Penalties Report
17. Lead Agency Projects and Environmental Documents Received by SCAQMD
18. Rule and Control Measure Forecast
19. Status Report on Major Ongoing and Upcoming Projects for Information Management

Dr. Lyou announced his abstention on Item No. 4 because Volvo North America and CARB are potential sources of income to him; on Item No. 6 because Bay Area AQMD and CARB are potential sources of income to him; on Item No. 7 because Clean Energy and CARB are potential sources of income to him; on Item No. 8 because SoCal Gas is a potential source of income to him; and on Item No. 11 because IQAir North America is a potential source of income to him.

Council Member Robinson announced his abstention on Item No. 7 because Burlington Northern Santa Fe (BNSF) Railway is potential source of income to him; Supervisor Rutherford announced her abstention on Item No. 7 because of campaign contributions from BNSF Railway, CR&R Inc. and Robertsons Ready Mix; and Council Member Buscaino announced his abstention on Item No. 7 because of campaign contributions from Clean Energy.

Council Member Mitchell noted that she is a Board Member of the CARB which is involved with Item Nos. 4, 6, and 7.

Mayor McCallon and Supervisor Rutherford noted that they are members of Omnitrans which is involved with Item No. 7.

Supervisor Solis noted she is a Supervisor for Los Angeles County which is involved with Item No. 7.

Due to a number of requests to speak received on Consent Calendar items 2, 4, 5, and 8, the vote on the Consent Calendar was deferred until after those comments were made.

20. Items Deferred from Consent Calendar

2. Set Public Hearing December 7, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations:

A. Certify the Final Environmental Assessment and Adopt Rule 1118.1
- Control of Emissions from Non-Refinery Flares

Bill LaMarr, California Small Business Alliance, expressed concerns with the addition of an 800-hour annual limit on new or relocated flares for oil and gas facilities. He noted that the rule does not account for the safety of employees and the surrounding communities and may lead to increased flaring. He asked that the set hearing be delayed to allow further discussions with stakeholders.

Ivan Tether, California Independent Petroleum Association, expressed concern that the 800-hour annual limit in the proposed rule would curtail oil and gas production, discourage the installation of cleaner flares, and negatively impact jobs. He noted that CEQA already has flaring thresholds and current flares are very clean. He added that exemptions for non-routine maintenance, testing, start-up and shutdown, and emergency upsets should be considered prior to adoption of the rule.

Council Member Mitchell asked staff if the item should be referred back to the Stationary Source Committee to allow further discussions with stakeholders.

Mr. Nastri responded that the proposed rule is scheduled to return to the Stationary Source Committee in November to allow further discussions with stakeholders before the public hearing in December.

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources, explained that staff has been working with stakeholders and will continue to address concerns prior to the public hearing. Staff is confident that they have a path forward to address the issues that have been raised.

Dr. Lyou asked staff for clarification on the potential exemptions.

Dr. Fine explained that staff will review the rule language to determine if the 800-hour limit is sufficient to accommodate maintenance, upgrades and breakdowns and determine what exemptions may be necessary.

- B. Certify Final Subsequent Environmental Assessment and Amend Rules 1146, 1146.1, 1146.2 and Adopt Rule 1100

Harvey Eder, Public Solar Power Coalition, expressed support for solar retrofit technologies and expressed concerns regarding climate change.

Written Comments Submitted By:

Michael J. Carroll, Latham & Watkins LLP on behalf of Regulatory Flexibility Group and Western States Petroleum Association (WSPA)

(Supervisor Nelson arrived at 9:20 a.m.)

4. Develop and Demonstrate Zero Emissions Heavy-Duty Trucks, Freight Handling Equipment, EV Infrastructure and Renewable Energy
5. Approve Awards for Heavy-Duty Diesel Drayage Truck Replacement Projects

Council Member Buscaino asked if labor law compliance language will be included in these contracts.

Dr. Matt Miyasato, DEO/Science and Technology Advancement, explained that the concerns regarding labor violations was discussed at the October Technology Committee meeting and legal counsel will include safeguards in the contracts with drayage companies. These companies will be required to report any labor violations within the previous three years and report back to the District annually on any labor violations from the previous year. He added that lease-to-own arrangements will not be allowed under the contracts.

For Item Nos. 4 and 5, Mr. Eder expressed support for solar electric heavy-duty trucks and for awarding funds to implement solar technologies in disadvantaged areas.

Chairman Burke asked staff to look at the potential to promote solar technologies in EJ areas.

8. Issue RFP for Health Study of Impacts of Well Rupture at Aliso Canyon

Mr. Eder stressed that the health study must recognize natural gas as a toxic.

Supervisor Nelson announced his abstention on Item No. 7 because of campaign contributions from SA Recycling.

MOVED BY BENOIT, SECONDED BY SOLIS,
AGENDA ITEMS 1 THROUGH 19 APPROVED
AS RECOMMENDED, ADOPTING
RESOLUTION 18-16 RECOGNIZING FUNDS
AND ACCEPTING THE TERMS AND
CONDITIONS OF THE FY 2017-18 CARL
MOYER STATE RESERVE GRANT AWARD
AND RESOLUTION 18-17 SETTING THE TIME
AND PLACE OF REGULAR MEETINGS, BY
THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino (*except
Item #7*), Cacciotti, Lyou (*except
Items #4, #6, #7, #8 & #11*),
McCallon, Mitchell, Nelson (*except
Item #7*), Parker, Robinson (*except
Item #7*), Rutherford (*except Item
#7*) and Solis

NOES: None

ABSTAIN: Buscaino (*Item #7 only*), Lyou (*Items
#4, #6, #7, #8 & #11 only*), Nelson
(*Item #7 only*), Robinson (*Item #7
only*) and Rutherford (*Item #7 only*)

ABSENT: Perez

BOARD CALENDAR

21. Administrative Committee
22. Mobile Source Committee
23. Stationary Source Committee
24. Technology Committee
25. Mobile Source Air Pollution Reduction Review Committee

26. California Air Resources Board Monthly Report

MOVED BY LYOU, SECONDED BY NELSON,
AGENDA ITEMS 21 THROUGH 26,
APPROVED AS RECOMMENDED,
RECEIVING AND FILING THE COMMITTEE,
AND MSRC REPORTS, BY THE FOLLOWING
VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti,
Lyou, McCallon, Mitchell, Nelson,
Parker, Robinson, Rutherford and
Solis

NOES: None

ABSENT: Perez

PUBLIC HEARINGS

27. Certify Final Mitigated Subsequent Environmental Assessment and Amend Rule 1135 - Emissions of Oxides of Nitrogen from Electricity Generating Facilities

Michael Morris, Planning and Rules Manager, gave the staff presentation on Item No. 27.

Council Member McCallon asked staff what actual NOx emissions reductions would result from the rule amendments. Mr. Morris replied that reductions would be approximately one half ton per day.

The public hearing was opened and the following individuals addressed the Board on Item 27.

Curtis Coleman, Southern California Air Quality Alliance, expressed that they are not opposed to the adoption of the rule amendments, however, commented that they do not agree with the position presented in the staff report that BARCT can require total replacement of equipment rather just retrofitting existing equipment with add-on control technology. He stated that they will continue to discuss this issue with staff in future rulemaking.

Mr. Eder expressed support for solar technologies and that solar be included as BARCT. He added support for solar thermal technologies and recommended a visit to a thermal power plant in Barstow.

Mark Sedlacek, Los Angeles Department of Water and Power, expressed appreciation to staff for touring one of their power plants during the rulemaking process and noted their commitment to partnering with the District to implement the rule amendments.

Adrian Martinez, Earthjustice, expressed appreciation to staff for their work with stakeholders during the rulemaking process. He noted support for the rule and the transition of the RECLAIM program to a command-and-control structure. He added support for solar energy storage to be considered as BARCT. (Submitted Written Comments on behalf of Earthjustice as well as eleven environmental organizations)

There being no further testimony on this item, the public hearing was closed.

Written Comments Submitted By:

Michael J. Carroll, Latham & Watkins LLP on behalf of Regulatory Flexibility Group and WSPA

Mark Phair, Ultramar, Inc, a Valero Company

MOVED BY CACCIOTTI, SECONDED BY
BUSCAINO, AGENDA ITEM NO. 27
APPROVED AS RECOMMENDED,
ADOPTING RESOLUTION NO. 18-18
CERTIFYING THE FINAL MITIGATED
SUBSEQUENT ENVIRONMENTAL
ASSESSMENT FOR PROPOSED AMENDED
RULE 1135 – EMISSION OF OXIDES OF
NITROGEN FROM ELECTRICITY
GENERATING FACILITIES AND AMENDING
RULE 1135, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti,
Lyou, McCallon, Mitchell, Nelson,
Parker, Robinson, Rutherford and
Solis

NOES: None

ABSENT: Perez

28. Determine that Proposed Rule 1407.1 – Emissions of Toxic Air Contaminants from Chromium Alloy Melting Operations Is Exempt from CEQA and Adopt Rule 1407.1

Michael Morris, Planning and Rules Manager, gave the staff presentation on Item No. 28. Staff's recommendation is to continue the public hearing to allow for additional discussion with stakeholders.

Supervisor Solis expressed support for continuing to work on developing a rule that is an important step to protect disadvantaged communities that are severely impacted by toxic air contaminants. She expressed appreciation for the efforts of staff during the rulemaking process.

Dr. Parker asked how long it has been known that melting chromium results in hexavalent chromium emissions.

Mr. Morris responded that the discovery of the conversion to hexavalent chromium is a relatively new discovery.

Mr. Nastri explained that the information about hexavalent chromium was the result of the investigations in Paramount and it was discovered that the high temperatures involved with metal operations resulted in high concentrations of hexavalent chromium. In this regard, the District is leading the way to develop further understanding of hexavalent chromium formation through monitoring, analysis and rulemaking.

The public hearing was opened and the following individual addressed the Board on Item 28.

James Simonelli, California Metals Coalition, expressed support for the proposed approach and noted the strong collaboration with staff and industry that occurred throughout the rule development process.

Mr. Nastri explained that staff is requesting that the public hearing be continued to the December 7, 2018 Board meeting to allow further discussions with stakeholders at the November 16 Stationary Source Committee meeting.

SUPERVISOR SOLIS MOVED TO CONTINUE THE PUBLIC HEARING ON PROPOSED RULE 1407.1 TO THE DECEMBER 7, 2018 BOARD MEETING. THE MOTION WAS SECONDED BY COUNCIL MEMBER CACCIOTTI AND CARRIED BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Perez

29. Certify Revised Final Environmental Assessment and Amend Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

Susan Nakamura, Assistant DEO/Planning, Rule Development and Area Sources, gave the staff presentation on Item No. 29.

The public hearing was opened and the following individuals addressed the Board on Item 29.

Bryan Leiker, Metal Finishing Association of Southern California (MFASC), expressed appreciation to staff for their collaboration with the metal finishing industry during the extensive rulemaking process and stated that they look forward to continued collaboration in the future. He stressed the importance of performing economic impact analysis earlier during the rulemaking process to ascertain the true expected impact to businesses. The MFASC will comply with the rule and committed to continue working with staff on future rules.

Wesley Turnbow, MFASC, acknowledged the work of staff and stakeholders to develop an acceptable rule and stressed the importance of utilizing science-based studies to develop regulations. He explained that MFASC is no longer opposed to PAR 1469. He added that rule enforcement should come after the development of a rule and recommended that socio-economic impacts be considered earlier in the rulemaking process.

Jim Meyer, Aviation Repair Solutions, expressed concerns about the cost of implementation for small businesses and the potential safety risks for employees. He noted that the Federal Aviation Administration regulations specify the components that must be used in aircraft construction which presently include hexavalent chromium.

There being no further testimony on this item, the public hearing was closed.

Supervisor Solis expressed appreciation to staff for their efforts in developing a rule that will protect the health of residents and workers. She recommended that part of the implementation of AB 617 include monitoring near parks and other public areas where sensitive receptors might be. She also inquired about the type of referrals the District makes regarding employee safeguards.

Mr. Nastri responded that the suggestion regarding monitoring near parks, can be shared with the AB 617 community steering committees for their consideration. He added that the District works closely with agencies such as Cal/OSHA and OSHA on issues dealing with worker safety. During the investigation in Paramount, the District worked with the local municipalities and state agencies on not just air quality concerns but a breadth of environmental

issues. The District is committed to working collaboratively with a variety of regulatory agencies.

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 29 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 18-19 CERTIFYING THE REVISED FINAL ENVIROMENTAL ASSESSMENT FOR PROPOSED AMENDED RULE 1469 – HEXAVALENT CHROMIUM EMISSIONS FROM CHROMIUM ELECTROPLATING AND CHROMIC ACID ANODIZING OPERATIONS AND AMENDING RULE 1469, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Nelson, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Perez

30. Determine that Updated 1-Hour Ozone Standard Attainment Demonstration Is Exempt from CEQA and Approve Updated 1-Hour Ozone Standard Attainment Demonstration

Staff waived the presentation on Item No 30.

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

MOVED BY CACCIOTTI, SECONDED BY SOLIS, AGENDA ITEM NO. 30 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 18-20 DETERMINING THAT THE UPDATED 1-HOUR OZONE STANDARD ATTAINMENT DEMONSTRATION FOR THE SOUTH COAST AIR BASIN IS EXEMPT FROM THE REQUIREMENTS OF CEQA AND ADOPTING THE UPDATED 1-HOUR OZONE STANDARD ATTAINMENT DEMONSTRATION FOR THE SOUTH COAST AIR BASIN, BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Buscaino, Cacciotti,
Lyou, McCallon, Mitchell, Nelson,
Parker, Robinson, Rutherford and
Solis

NOES: None

ABSENT: Perez

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

Mr. Eder expressed concerns about California's subsidy of Edison and PG&E and the deregulation of the electricity market. He referenced a 2003 report by the California Public Policy Institute regarding the California electricity crisis. He urged for statewide total solar conversion.

CLOSED SESSION

The Board did not meet in closed session.

ADJOURNMENT

There being no further business, the meeting was adjourned by Chairman Burke at 10:30 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on November 2, 2018.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. Clark E. Parker, Vice Chairman

ACRONYMS

BARCT = Best Available Retrofit Control Technology
CAPCOA = California Air Pollution Control Officers Association
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
DEO = Deputy Executive Officer
EJ = Environmental Justice
EV = Electric Vehicle
FY = Fiscal Year
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
NOx = Oxides of Nitrogen
OSHA = Occupational Safety and Health Administration
PAR = Proposed Amended Rule
RECLAIM = Regional Clean Air Incentives Market
RFP = Request for Proposals
SOON = Surplus Off-Road Opt-In for NOx