



# South Coast Air Quality Management District

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

## A G E N D A

### MEETING, APRIL 3, 2020

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 AM

Pursuant to Governor Newsom's Executive Order N-29-20, (March 18, 2020), the Governing Board meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

### INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

**Join Zoom Meeting - from PC, Laptop or Phone**

<https://scaqmd.zoom.us/j/7927318325>

**Meeting ID: 792.731.8325 (applies to all)**

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**Audience will be allowed to provide public comment through telephone or Zoom connection.**

### Phone controls for participants:

The following commands can be used on your phone's dial pad while in Zoom meeting:

- \*6 - Toggle mute/unmute
- \*9 - Raise hand

### PUBLIC COMMENT WILL STILL BE TAKEN

#### Questions About an Agenda Item

- The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.
- In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

#### Meeting Procedures

- The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting at South Coast AQMD's web page ([www.aqmd.gov](http://www.aqmd.gov)).

### Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [cob@aqmd.gov](mailto:cob@aqmd.gov)

*Cleaning the air that we breathe...*

## **CALL TO ORDER**

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair  
Other Board Members  
Wayne Nastri, Executive Officer

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Staff/Phone (909) 396-

## **CONSENT CALENDAR (Items 1 through 25)**

Note: Consent Calendar items held for discussion will be moved to Item No. 26

1. Approve Minutes of March 6, 2020 Board Meeting **Thomas/2500**
2. Set Public Hearings May 1, 2020 to: **Nastri/3131**
  - A. Adopt Executive Officer's FY 2020-21 Proposed Goals and Priority Objectives and Proposed Budget **Jain/2804**

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21 have been developed and are recommended for adoption. The Budget and Work Program for FY 2020-21 represents input over the past several months from Board members, staff, and the public. This year's process will include meetings of the Budget Advisory Committee and two budget workshops, one for the public to be held on April 7, 2020 and the Board on April 10, 2020. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 2.8 percent consistent with the Consumer Price Index; however, staff is proposing to credit back this year's automatic CPI increase to counter the economic effects of the COVID-19 pandemic. This action is to adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21. (Review: Special Board Meeting/Budget Study Session, April 10, 2020)

- B. Determine That Proposed Amendments to Rule 445 – Wood-Burning Devices, Are Exempt from CEQA and Amend Rule 445 **Rees/2856**

Proposed amendments to Rule 445 will satisfy U.S. EPA contingency measure requirements and Control Measure BCM-09 from the 2016 AQMP. The threshold for no-burn days would be incrementally lowered automatically for each subsequent final determination by the U.S. EPA of a failure to meet an applicable Clean Air Act milestone. The proposed amendments would also reduce ambient PM<sub>2.5</sub> by expanding the criteria for Basin-wide wood-burning curtailments. Other minor amendments include additional definitions for terms used in the rule, and revisions to improve rule implementation and clarify existing requirements. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 445 – Wood Burning Devices, are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 445 – Wood-Burning Devices. (Reviewed: Stationary Source Committee, March 20, 2020)

**Budget/Fiscal Impact**

3. Recognize Revenue and Execute Contract to Assess Emissions Impacts of Hydrogen-Natural Gas Fuel Blend on Natural Gas Engines **Miyasato/3249**

Past studies have shown that the addition of hydrogen in natural gas may result in lower engine emissions when combined with optimized engine calibration. The University of California, Riverside (UCR)/CE-CERT, along with SoCalGas and Cummins Westport Inc., has proposed a research project to assess the criteria pollutant and GHG impacts of hydrogen-natural gas fuel blends on near-zero emissions NO<sub>x</sub> heavy-duty natural gas engines. These actions are to recognize revenue up to \$305,000 from SoCalGas into the Clean Fuels Program Fund (31) and execute a contract with UCR/CE-CERT in an amount not to exceed \$535,000 from the Clean Fuels Program Fund (31). (No Committee Review)

4. Recognize Revenue, Implement Truck Trade Down Program and Amend Award **Miyasato/3249**

In July 2019, the Board recognized \$1,500,000 in FY 19 U.S. EPA Diesel Emissions Reduction Act (DERA) funds and awarded those funds to a Market Acceleration Program for near-zero emissions heavy-duty natural gas trucks. Subsequently, U.S. EPA advised that an additional \$789,581 in funds was awarded to the South Coast AQMD. In December 2019, the Board approved a contract with Metropolitan Stevedore Company dba Metro Ports to replace one diesel switcher locomotive using Community Air Protection Program funds, noting FY 18 DERA funds were anticipated to cost-share this project. These actions are to recognize \$789,581 in FY 19 DERA funds into the Clean Fuels Program Fund (31) and \$719,500 in FY 18 DERA funds into the Advanced Technology, Outreach and Education Fund (17), implement a Truck Trade Down Program, and amend an award for replacement of one diesel switcher locomotive. (No Committee Review)

5. **Recognize and Transfer Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs** **Miyasato/3249**

U.S. EPA is executing two Supplemental Environmental Projects (SEPs) for school air filtration and CARB is executing three SEPS, one for schools and two for a residential air filtration pilot studies. Both agencies have asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools and residences in environmental justice communities. This action is to recognize up to \$146,250 from U.S. EPA and \$1,205,300 from CARB into the Air Filtration Fund (75) for these SEPs. These actions are to also execute agreements to install and maintain air filtration systems and to provide residential stipends in an amount not to exceed \$1,283,973, execute or amend access agreements with local school districts, amend contracts to purchase additional filters using unspent administrative funds, and reimburse the General Fund for administrative costs up to \$67,577 for SEP administration. (No Committee Review)

6. **Recognize Revenue and Execute Contract to Perform Evaluation of Vehicle Maintenance Costs Between Natural Gas and Diesel Fueled On-Road Heavy-Duty Vehicles** **Miyasato/3249**

South Coast AQMD has been supporting the rapid deployment of near-zero emissions heavy-duty vehicles since near-zero NO<sub>x</sub> natural gas engines became commercially available in 2015. To determine total cost of ownership, a comparative evaluation of maintenance costs between natural gas and diesel trucks needs to be performed. These actions are to recognize revenue up to \$150,000 from SoCalGas into the Clean Fuels Program Fund (31) and execute a contract to perform a comparative evaluation of vehicle maintenance costs for on-road heavy-duty vehicles in an amount not to exceed \$250,000 from the Clean Fuels Program Fund (31). (No Committee Review)

7. **Adopt Resolution Recognizing Revenue for Funding Agricultural Replacement Measures for Emission Reductions Program and Reimburse General Fund for Administrative Costs** **Berry/2363**

For FY 2019-20, the State Legislature allocated \$65 million to CARB for the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. In October 2019, CARB issued a solicitation to air districts specifying a tentative allocation of \$894,170 to the South Coast AQMD. These actions are to adopt a Resolution recognizing revenue up to \$894,170 from CARB into the Carl Moyer Program Fund (32) for the FY 2019-20 FARMER grant award and to reimburse the General Fund for administrative costs up to \$55,886. (No Committee Review)

8. Recognize Revenue, Amend Contract and Reimburse General Fund for Administrative Costs for Enhanced Fleet Modernization Program **Berry/2363**

Since 2015, the South Coast AQMD has been implementing an Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride. The program is administered with assistance from contractors providing case management and remote sensing technical support. For FY 2018-19, CARB has allocated \$1.4 million in AB 118 funds to the South Coast AQMD for the continued implementation of the EFMP. These actions are to: 1) recognize up to \$1.4 million from CARB; 2) approve vouchers and other alternative mobility options until all available funds are exhausted; 3) amend a contract with a consultant adding \$400,000 for continued program support; and 4) reimburse the General Fund for administrative costs necessary to implement the EFMP. (No Committee Review)
9. Reallocate Funds, Execute Contract and Add/Delete Positions to Quantify and Characterize Fugitive VOC Emissions Near and Around Refineries **Low/2269**

South Coast AQMD is conducting comprehensive air pollution measurements near refineries and surrounding communities as part of the AB 617 and Rule 1180 programs. The Community Emissions Reduction Plan for the Wilmington/Carson/West Long Beach community has a measure to reduce NOx, SOx, VOCs and other associated toxics emissions from refineries by 50 percent between 2020 and 2030. To assess this target, there is a need to quantify and characterize fugitive VOC emissions near and around refineries in 2020 as well as to assess progress in the future once a baseline has been established. As part of Rule 1180, staff will be operating and maintaining a network of community air monitoring stations throughout the Basin. These actions are to reallocate up to \$500,000 to Science & Technology Advancement's FYs 2019-20 and 2020-21 Budgets, execute a contract, and approve the addition and deletion of Rule 1180 positions to perform this work. (No Committee Review)
10. Approve Transfer of Funds to Conduct Rule 1118.1 Technical Assessment **Nakamura/3105**

On January 4, 2019, Rule 1118.1 – Non-Refinery Flares was adopted. Rule 1118.1 establishes requirements to reduce NOx and VOC emissions from non-refinery flares and encourages alternatives to flaring such as beneficial use of gas such as energy generation, transportation fuels, or pipeline injection. The Board Resolution for the adoption of Rule 1118.1 directed staff to conduct a technical assessment to further investigate beneficial uses of gas as an alternative to flaring at non-refinery facilities. Funding is needed to contract with an engineering consultant that will be selected through a competitive bidding process to conduct this technical assessment for an amount not to exceed \$75,000. This action is to transfer funds from the General Fund Undesignated (Unassigned) to Planning, Rule Development and Area Sources' FY 2020-21 Professional and Special Services Account. (No Committee Review)

11. **Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services** **Gilchrist/3459**

This action is to appropriate \$460,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2019-20 and/or FY 2020-21 Budgets and amend or execute contracts for legal counsel for specialized, environmental, and other litigation. (No Committee Review)

12. **Audit Reports of AB 2766 Fee Revenue Recipients for Fiscal Years Ending June 30, 2016 and 2017** **Jain/2804**

Health and Safety Code §44244.1 requires any agency that receives fee revenues subvented from the Department of Motor Vehicles to be audited once every two years. This audit of South Coast AQMD's share, MSRC's share, and local governments' share of such subvented funds, performed by independent Certified Public Accountants, has been completed. (No Committee Review)

13. **Remove Various Fixed Assets from South Coast AQMD Inventory** **Jain/2804**

South Coast AQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every six months. This action is to approve removal of surplus equipment and motor vehicles determined to be obsolete, non-operational and not worth repairing. (No Committee Review)

14. **Establish List of Prequalified Legal Counsel to Provide Employee and Labor Relations Legal Services** **Olvera/2309**

On January 10, 2020, the Board approved release of an RFP to prequalify outside legal counsel with expertise in handling employee and labor relations matters. This action is to establish a list of prequalified counsel to advise and represent South Coast AQMD in employee and labor relations matters. Funds for these services have been included in the FY 2019-20 Budget and will be requested in successive fiscal years. (No Committee Review)

15. **Establish Prequalified Vendor Lists Relating to Fleet Services and Building Maintenance** **Olvera/2309**

On January 10, 2020, the Board approved release of an RFQ for automotive mechanical repair and service for South Coast AQMD's vehicle fleet. On September 7, 2018, the Executive Officer released an RFQQ for interior painting contractors for future projects. This action is to approve these prequalified vendor lists, to be used for the next three years. Funds for services using these prequalified vendor lists have been included in the FY 2019-20 Budget and will be requested in successive fiscal years. (No Committee Review)

16. Authorize Purchase of Maintenance and Support Services for Servers and Storage Devices **Moskowitz/3329**

The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System for all South Coast AQMD core activities. Maintenance support for these systems will expire on April 30, 2020. This action is to obtain approval for the sole source purchase of hardware and software maintenance and support services for servers and storage devices from Hewlett Packard Enterprise Company for one year, in an amount not to exceed \$120,000. Funds for these purchases are included in Information Management's FY 2020-20 Budget. (No Committee Review)

17. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services **Moskowitz/3329**

South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$210,000 for AgreeYa Solutions, \$265,000 for Prelude Systems, \$338,000 for Sierra Cybernetics, and \$710,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2019-20 Budget. (No Committee Review)

**Action Item/No Fiscal Impact**

18. Amend Charter for Local Government and Small Business Assistance Advisory Group **Alatorre/3122**

The Board's Administrative Committee currently serves as the Local Government & Small Business Assistance (LGSBA) Advisory Group's liaison. This action is to amend the Charter granting the LGSBA Advisory Group the authority to present recommendations for action to the Board through the Administrative Committee. (No Committee Review)

**Items 19 through 25 - Information Only/Receive and File**

19. Legislative, Public Affairs, and Media Report **Alatorre/3122**

This report highlights the February 2020 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

20. Hearing Board Report **Prussack/2500**

This reports the actions taken by the Hearing Board during the period of February 1 through February 29, 2020. (No Committee Review)

21. Civil Filings and Civil Penalties Report **Gilchrist/3459**
- This reports the monthly penalties from February 1, 2020 through February 29, 2020, and legal actions filed by the General Counsel's Office from February 1 through February 29, 2020. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, March 20, 2020)
22. Lead Agency Projects and Environmental Documents Received **Nakamura/3105**
- This report provides a listing of CEQA documents received by the South Coast AQMD between February 1, 2020 and February 29, 2020, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA. (No Committee Review)
23. Rule and Control Measure Forecast **Fine/2239**
- This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2020. (No Committee Review)
24. Report of RFPs Scheduled for Release in April **Jain/2804**
- This report summarizes the RFPs for budgeted services over \$100,000 scheduled to be released for advertisement for the month of April. (No Committee Review)
25. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
- Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (No Committee Review)
26. Items Deferred from Consent Calendar

## **BOARD CALENDAR**

27. Stationary Source Committee (Receive & File) **Chair: Benoit Dejbakhsh/2618**

### **Staff Presentation/Board Discussion**

28. Update on Proposed Rail Yard Indirect Source Rule (*Presentation in lieu of Board Letter*) **Rees/2856**
- The proposed new regulation would reduce regional and local emissions from rail yards, consistent with the 2016 AQMP and the AB 617 Year 1 Community Emission Reduction Plans. Staff will present a status update on the proposed regulatory actions, including how these actions are being coordinated with CARB's proposed rail strategies. (No Committee Review)



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

**BOARD MEMBER TRAVEL – (No Written Material)**

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

**CONFLICT OF INTEREST DISCLOSURES – (No Written Material)**

Under the approval authority of the Executive Officer, the District will enter into a contract with the Los Angeles County Economic Development Corporation (Contract No. C20248). The Los Angeles County Economic Development Corporation is a potential conflict of interest for Governing Board Members Kathryn Barger and Joe Buscaino, which qualifies for the remote interest exception of Section 1090 of the California Government Code. Governing Board Members Barger and Buscaino, both abstained from any participation in the making of the contract.

**CLOSED SESSION - (No Written Material)**

Gilchrist/3459

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

It is necessary for the Board to recess to closed session 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 SCAQMD is a party. The actions are:

- In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement);
- In the Matter of SCAQMD v. Browning-Ferris Industries of California, Inc. dba Sunshine Canyon Landfill, SCAQMD Hearing Board Case No. 3448-14;
- Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS161399 (RECLAIM);
- Communities for a Better Environment v. South Coast Air Quality Management District, Court of Appeals, Second Appellate District, Case No. B294732 (Tesoro);
- Communities for a Better Environment v. South Coast Air Quality Management District, Los Angeles Superior Court Case No. 19STCP05239 (Tesoro);
- People of the State of California, ex rel. SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case); Delaware District Court, Case No.: 19-00891 (Appellate Case);
- In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, SCAQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No. 4861;

- In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement);
- People of the State of California, ex rel South Coast Air Quality Management District v. The Sherwin-Williams Company, an Ohio Corporation, and Does 1 through 50, Inclusive, Los Angeles Superior Court, Case No. PSCV 00136;
- CalPortland Company v. South Coast Air Quality Management District; Governing Board of the South Coast Air Quality Management District; and Wayne Nastri, Executive Officer, and Does 1-100, San Bernardino County Superior Court, Case No. CIV DS 19258941;
- Downwinders at Risk et al. v. EPA, United States Court of Appeals D.C. Circuit, Case No. 19-1024 (consolidated with Sierra Club, et al. v. EPA, No. 15-1465);
- SCAQMD, et al. v. Elaine L. Chao, et al., District Court for the District of Columbia, Case No. 1:19-cv-03436-KBJ
- SCAQMD, et al. v. EPA, United States Court of Appeals D.C. Circuit, Case No. 19-1241 (consolidated with Union of Concerned Scientists v. NHTSA, No. 19-1230); and
- Association of Irrigated Residents v. U.S. EPA, SCAQMD, SJVUAPCD, et al., United States Court of Appeals, D.C. Circuit, Case No. 19-71223.

#### CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (four cases).

#### CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the SCAQMD (two cases).

Letter from Steven J. Olson, O'Melveny & Myers LLP, on behalf of ExxonMobil Corporation, dated August 22, 2018.

Email from Somerset Perry, California Deputy Attorney General, dated March 13, 2019, regarding Notice of Violation P61321.

#### **ADJOURNMENT**

**\*\*\*PUBLIC COMMENTS\*\*\***

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD's authority. Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar and three (3) minutes or less for other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Written comments may be submitted electronically to [cob@aqmd.gov](mailto:cob@aqmd.gov) Electronic submittals to [cob@aqmd.gov](mailto:cob@aqmd.gov) of 10 pages or less including attachment, in MS WORD, PDF, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

**ACRONYMS**

AQ-SPEC = Air Quality Sensor Performance  
Evaluation Center

AQIP = Air Quality Investment Program

AQMP = Air Quality Management Plan

AVR = Average Vehicle Ridership

BACT = Best Available Control Technology

BARCT = Best Available Retrofit Control Technology

Cal/EPA = California Environmental Protection Agency

CARB = California Air Resources Board

CEMS = Continuous Emissions Monitoring Systems

CEC = California Energy Commission

CEQA = California Environmental Quality Act

CE-CERT =College of Engineering-Center for Environmental  
Research and Technology

CNG = Compressed Natural Gas

CO = Carbon Monoxide

DOE = Department of Energy

EV = Electric Vehicle

FY = Fiscal Year

GHG = Greenhouse Gas

HRA = Health Risk Assessment

LEV = Low Emission Vehicle

LNG = Liquefied Natural Gas

MATES = Multiple Air Toxics Exposure Study

MOU = Memorandum of Understanding

MSERCs = Mobile Source Emission Reduction Credits

MSRC = Mobile Source (Air Pollution Reduction) Review  
Committee

NATTS =National Air Toxics Trends Station

NESHAPS = National Emission Standards for  
Hazardous Air Pollutants

NGV = Natural Gas Vehicle

NOx = Oxides of Nitrogen

NSPS = New Source Performance Standards

NSR = New Source Review

OEHHA = Office of Environmental Health Hazard  
Assessment

PAMS = Photochemical Assessment Monitoring  
Stations

PEV = Plug-In Electric Vehicle

PHEV = Plug-In Hybrid Electric Vehicle

PM10 = Particulate Matter  $\leq$  10 microns

PM2.5 = Particulate Matter  $\leq$  2.5 microns

RECLAIM=Regional Clean Air Incentives Market

RFP = Request for Proposals

RFQ = Request for Quotations

RFQQ=Request for Qualifications and Quotations

SCAG = Southern California Association of Governments

SIP = State Implementation Plan

SOx = Oxides of Sulfur

SOON = Surplus Off-Road Opt-In for NOx

SULEV = Super Ultra Low Emission Vehicle

TCM = Transportation Control Measure

ULEV = Ultra Low Emission Vehicle

U.S. EPA = United States Environmental Protection  
Agency

VOC = Volatile Organic Compound

ZEV = Zero Emission Vehicle

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BOARD MEETING DATE: April 3, 2020

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the March 6, 2020 meeting.

**RECOMMENDED ACTION:**

Approve Minutes of the March 6, 2020 Board Meeting.

Faye Thomas  
Clerk of the Boards

FT:cmw

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**FRIDAY, MARCH 6, 2020**

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

Council Member Ben Benoit, Vice Chairman  
Cities of Riverside County

Supervisor Lisa A. Bartlett  
County of Orange

Council Member Joe Buscaino (Left at 11:00 a.m.)  
City of Los Angeles

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

Senator Vanessa Delgado (Ret.)  
Senate Rules Committee Appointee

Gideon Kracov  
Governor's Appointee

Mayor Larry McCallon  
Cities of San Bernardino County

Council Member Judith Mitchell  
Cities of Los Angeles County – Western Region

Supervisor V. Manuel Perez  
County of Riverside

Council Member Carlos Rodriguez  
Cities of Orange County

Supervisor Janice Rutherford  
County of San Bernardino

Member absent:

Supervisor Kathryn Barger  
County of Los Angeles

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

- Pledge of Allegiance: Led by Gideon Kracov.
- Opening Comments

Senator Delgado reported on a recent tour she took with staff of rendering facilities in East Los Angeles. She thanked staff for their assistance and providing her with a greater understanding of how the rule for these facilities is implemented.

Council Member Cacciotti shared photos of several electric lawn and garden equipment events. He added that he has contacted Metrolink about transitioning to electric garden equipment. He also shared information about smog check fraud and enforcement actions.

- Swearing in of Reappointed Board Member Michael A. Cacciotti

Chairman Burke administered the oath of office to Council Member Cacciotti who was reappointed to the Board by the Los Angeles County City Selection Committee - Eastern Region for a term ending January 15, 2024.

- Swearing in of Newly Appointed Board Member Gideon Kracov

Chairman Burke administered the oath of office to Gideon Kracov who was appointed to the Board by Governor Newsom for a term ending January 15, 2023. Mr. Kracov stated that he looks forward to working with his colleagues on the Board, staff and stakeholders.

## **CONSENT CALENDAR**

1. Approve Minutes of February 7, 2020 Board Meeting

### **Budget/Fiscal Impact**

2. Execute Contracts to Replace Heavy-Duty Diesel Trucks with Near-Zero Emissions Natural Gas Trucks
3. Adopt Resolution Recognizing Funds for FY 2019-20 Carl Moyer Program Award, Issue Program Announcements for Carl Moyer Program and SOON Provision and Transfer Funds for Voucher Incentive Program
4. Recognize Revenue and Transfer and Appropriate Funds for Volkswagen Environmental Mitigation Trust

5. Execute Contract to Conduct Airborne Measurements of NOx Emissions in the South Coast Air Basin
6. Recognize Revenue, Amend Contract for Heavy-Duty Truck Replacements and Reimburse General Fund for Administrative Costs
7. Execute Contract for Independent Audit Services for FYs Ending June 30, 2020, 2021 and 2022
8. Approve South Coast AQMD Annual Investment Policy and Delegation of Authority to Appointed Treasurer to Invest South Coast AQMD Funds
9. Appropriate Funds and Amend Contract for Consultant Services for South Coast AQMD's Why Healthy Air Matters High School Program
10. Issue Purchase Order to Promote "The Right to Breathe" Video

Chairman Burke noted that Item No. 10 would be referred back to the Administrative Committee.

Agenda Item Nos. 3 and 10 were pulled for comment and discussion.

Mr. Nastri noted a correction to Item No. 18 indicating that the contract amount listed on page 6 of the Contract Activity Report for Kone Inc. (C20059) should be \$1.4 million.

Council Member Mitchell noted that she has no financial interests in Item Nos. 3 and 4 but is required to identify for the record that she is a Board Member of CARB, which is involved in both items.

Due to a number of requests to speak and Board member questions on Consent and Board Calendar items 1 through 26, the vote on the Consent and Board Calendar was deferred until after those comments were made, and Board member questions were answered.

Harvey Eder, Public Solar Power Coalition, requested to speak on Agenda Items 1 through 19 and 21 through 26. He expressed concerns about climate change, global warming and dependence on fossil fuels.

MOVED BY CACCIOTTI, SECONDED BY BUSCAINO, AGENDA ITEMS 1, 2, 4 THROUGH 9 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 20-6 DELEGATING AUTHORITY TO THE TREASURER OF THE COUNTY OF THE LOS ANGELES TO INVEST AND REINVEST FUNDS OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Buscaino, Cacciotti, Delgado, Kracov, McCallon, Mitchell, Perez, Rodriguez and Rutherford

NOES: None

ABSENT: Barger

20. Items Deferred from Consent Calendar

Board Member Kracov recused himself from Agenda Item No. 10 and left the room during the discussion because of a financial interest in Alphabet Inc.

10. Issue Purchase Order to Promote "The Right to Breathe" Video

Emily Spokes, North East Los Angeles (NELA) Climate Collective, commented on their petition on change.org urging Governor Newsom to appoint an environmentalist to the Board. She expressed concern about the cost and length of the video and offered suggestions on how to make videos more engaging to increase viewership and encourage viewers to take action. She added that spending \$500,000 on carbon offsetting would do more to improve pollution.

Derrick Alatorre, DEO/Legislative, Public Affairs and Media, summarized statistics on views of the video.

Jessica Craven, NELA Climate Collective, expressed concerns about fossil fuel dependency and health effects from air pollution. She suggested that future videos focus on practical measures that individuals can take to help improve air quality.

Supervisor Rutherford commented that the funds allocated to the video could be better spent on projects that directly reduce emissions.



Council Member Cacciotti commented on the benefits of using media as an outreach tool and mentioned the video “Do One Thing” that was produced by summer interns. He noted that funds should be used to educate the public and support emission reduction projects.

Council Member Rodriguez commented on the importance of using funds towards reaching attainment goals and recommended that staff explore diversified communication strategies that include a call to action format.

Chairman Burke noted that the item would be referred back to the Administrative Committee for further discussion and brought back to the Board.

3. Adopt Resolution Recognizing Funds for FY 2019-20 Carl Moyer Program Award, Issue Program Announcements for Carl Moyer Program and SOON Provision and Transfer Funds for Voucher Incentive Program

Council Member Cacciotti expressed support for the Carl Moyer program and noted that Paul Dyson was in attendance to give public testimony on a new technology to retrofit diesel locomotives. He noted that the retrofit technology is a lower cost option to purchasing new locomotives. He asked staff to comment on retrofit technology for locomotives.

Dr. Matt Miyasato, DEO/Science and Technology Advancement, noted that the Board awarded Rail Propulsion Systems a project in 2017 to repower older locomotive chassis and make them either hybrid or battery-electric. Work is continuing on the project, but the technology is not yet commercialized and still needs to be verified by CARB to qualify for more funding.

Mr. Paul Dyson, Rail Propulsion Systems, explained that they are working on technology that will modernize older locomotives to Tier 4 for much lower than the cost of a new locomotive which provides an economical path to zero emissions. Phase two of the project proposes to recycle retired locomotives and retrofit them with automotive lithium-based batteries paired with a battery locomotive to provide a high-performance hybrid unit with low emissions and 30 percent better fuel economy. Mr. Dyson stated that the Carl Moyer statute provides for a demonstration project to be funded and he believes that theirs is an innovative sustainable project that is worthy of support.

MOVED BY CACCIOTTI, SECONDED BY  
BUSCAINO, AGENDA ITEM 3 APPROVED AS  
RECOMMENDED, ADOPTING RESOLUTION  
NO. 20-4 RECOGNIZING FUNDS AND  
ACCEPTING THE TERMS AND CONDITIONS  
OF THE FY 2019-20 CARL MOYER GRANT  
AWARD, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Buscaino,  
Cacciotti, Delgado, Kracov,  
McCallon, Mitchell, Perez,  
Rodriguez and Rutherford

NOES: None

ABSENT: Barger

**Staff Presentation/Board Discussion**

27. Update on MOU for the Marine Ports

Sarah Rees, Assistant DEO/Planning, Rule Development and Area Sources, gave the staff presentation on Item No. 27.

David Pettit, Natural Resources Defense Council, expressed support for proceeding with an indirect source rule (ISR) rather than an MOU. He commented on NRDC's ongoing litigation against the Ports. He expressed concerns that the \$10 per truck fee is far less than what is needed to help the region reach attainment in 2023 and urged support for a \$70 per truck fee. He noted the impacts to the local economy if sanctions were imposed by the federal government and urged the Board to take tougher measures.

Mr. Eder expressed concerns about renewable natural gas, methane, formaldehyde and benzene and the reported numbers by CARB and the South Coast AQMD. He added support for the use of solar electric trucks at the Ports and warehouses.

Greg Roche, Clean Energy, stated that his company offers assistance on grant programs to truck drivers to encourage the purchase of clean trucks. He expressed concern about the lack of incentive program information and noted that grant funding needs to be higher, \$150,000 or more in order to level the playing field and allow companies who purchase near-zero emission trucks to remain competitive.

Thomas Jelenic, Pacific Merchant Shipping Association, commented on the efforts by the Ports of Long Beach and Los Angeles to reduce emissions and provided a graph to Board members depicting TEU container forecasts for San Pedro Bay Ports. He shared economic market conditions related to the Ports and urged continued discussions on the development of an MOU. He added that the International Longshore and Warehouse Union sent a letter to the Ports specifically supporting the \$10 truck rate. (Submitted Written Document)

Chris Chavez, Coalition for Clean Air, expressed support for an ISR rather than an MOU and noted that implementing stricter emission reduction measures

is far less than the costs of a federal implementation plan and being out of compliance with the Clean Air Act. He expressed support for a higher truck rate to disincentivize dirty trucks and accelerate the transition to cleaner trucks.

Todd Campbell, Clean Energy, expressed concerns that the South Coast Basin is in extreme nonattainment with an attainment deadline of 2023 and recommended that stricter measures be taken to meet air quality goals. He commented on the Clean Air Action Plan and Clean Truck Program and expressed concern that these programs have transitioned into a funding program that lacks clear and measurable milestones. He also commented that these programs do not have a firm definition of low NO<sub>x</sub> trucks. He urged the Board to move forward on an ISR.

Council Member Cacciotti inquired whether the \$100,000 in grant funding is sufficient to assist with heavy-duty truck replacement.

Mr. Nastri responded that at \$90 million, a \$150,000 grant award could fund the conversion of 600 trucks which is far from the 8,000 pre-2010 trucks that need to be converted. There have been very extensive, high-level meetings with the Ports, South Coast AQMD and CARB and many good ideas were shared including how to leverage Carl Moyer funds, AB 617 funds, and requesting additional funds from the legislature. There are still many unresolved issues that need to be addressed. Staff recommends moving forward with an MOU, working in tandem on the development of an ISR and looking at options for increasing the truck rate.

Council Member Mitchell inquired whether there was a way to prioritize Carl Moyer funds with the truck rate funds to support truck conversion.

Mr. Nastri responded that the Board can direct the focus of Carl Moyer funding within the Ports. AB 617 funds must be invested within designated communities. The communities of Wilmington, Carson and West Long Beach encompass the Ports area, therefore a good portion of funding for those communities could be appropriated to efforts within the Ports. AB 617 funding amounts have fluctuated from \$103 million last year to \$83 million this year and it is unknown what future funding levels will be. Discussions are continuing regarding leveraging funds as well as joint opportunities to go back to Sacramento and Washington, DC to request increased funding.

Council Member Mitchell commented on issues impacting the Ports including a decrease in container volume, economic impacts and the COVID-19 virus. She discussed options for the truck rate and the MOU and noted the urgency in converting the 8,000 trucks and reducing emissions to help meet the 2023 attainment deadline. She also commented that 0.02 g/bhp-hr NO<sub>x</sub> is the right standard to be adopted in the MOU. She added that paying for the truck rate should not fall on the shoulders of the truckers and recommended that staff work on an ISR in conjunction with the MOU.

Supervisor Rutherford expressed concern about proposed language in the South Coast AQMD District Voter Authorization bill that restricts funding of certain types of improvements at the Ports. She asked that the Board be kept informed as the legislation moves forward.

Mayor McCallon commented that the Ports are the economic engine of Southern California and a key contributor to air quality issues. He recommended that the South Coast AQMD Board Marine Port Committee be included in negotiations with the Ports.

Council Member Rodriguez commented on the economic study addressing different twenty-foot equivalent unit (TEU) truck rates and expressed concerns about the rationale for the rates. The drop in cargo volume is real with 15% decline over 2019. He also commented on the need to consider the potential employment impacts on terminal operators. He expressed support for collecting TEU truck rates soon to capture some revenue and then adjusting the rate as necessary. He expressed support for the Marine Port Committee involvement in negotiations.

Mr. Nastri responded that discussions are continuing with the Ports regarding what conditions would justify an increase or decrease in the truck rate as well as whether they can front load some of the money. Staff has full confidence in the study and is aware of the economic drivers and impact on the economy as well as on air quality. Staff is continuing to explore and review all of these issues as part of the MOU process.

Council Member Buscaino thanked staff for their efforts on an MOU and stated that as Chair of the Marine Port Committee he will work with Chairman Burke to convene a meeting of the Committee. He noted the emission reductions that have been achieved by the Ports and their investments in infrastructure projects to further reduce emissions and the longstanding working relationship with the Ports. He commented on the slow down at the Ports as a result of economic conditions and added that it is unknown how the COVID-19 pandemic will further impact conditions. Council Member Buscaino stated that the full cost of replacing trucks should not fall on the Ports alone and recommended working with the state and federal governments on developing strategies for funding truck replacement. He commented on CARB's responsibility for turnover rates and engine standards and emphasized the need to work together. He expressed support for continuing with the MOU process. He noted that representatives from the Port and Mayor Garcetti's office were in attendance at today's meeting.

Mayor McCallon made a motion to direct staff to continue efforts on the MOU through the Marine Port Committee and not pivot to rulemaking at this time.

Council Member Mitchell proposed an amendment to Mayor McCallon's motion to include directing staff to begin working on an ISR as a back-up measure.

She noted the amount of time that is needed to work on rules. Mayor McCallon expressed his opposition to an ISR.

Council Member Cacciotti expressed support for Mayor McCallon's motion and recommended that the Marine Port Committee update the Board in a few months. If progress is not being made on an MOU then staff could be directed to pivot to rulemaking. He commented on Council Member Buscaino's commitment to continue working with the Ports on an MOU.

Council Member Buscaino noted that he would be requesting a no vote on Council Member Mitchell's substitute motion.

COUNCIL MEMBER MITCHELL MADE A SUBSTITUTE MOTION DIRECTING STAFF TO WORK IN CONJUNCTION WITH THE PORTS ON THE MOU THROUGH THE MARINE PORT COMMITTEE AND BEGIN THE PROCESS OF AN ISR AS A BACK-UP MEASURE, THE MOTION WAS SECONDED BY BOARD MEMBER KRACOV, AND FAILED BY THE FOLLOWING VOTE:

AYES: Mitchell and Kracov

NOES: Bartlett, Benoit, Burke, Buscaino, Cacciotti, Delgado, McCallon, Perez, Rodriguez and Rutherford

ABSENT: Barger

MOTION BY MCCALLON, SECONDED BY BUSCAINO, DIRECTING STAFF TO CONTINUE NEGOTIATIONS WITH THE PORTS ON AN MOU THROUGH THE MARINE PORT COMMITTEE AND NOT PIVOT TO RULEMAKING. THE MOTION WAS APPROVED BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Buscaino, Cacciotti, Delgado, Kracov, McCallon, Mitchell, Perez, Rodriguez and Rutherford

NOES: None

ABSENT: Barger

Written Comments Submitted By:

Gene Seroka, Port of Los Angeles and Mario Cordero, Port of Long Beach

(Council Member Buscaino left the meeting at 11:00 a.m.)

**PUBLIC HEARINGS**

28. Approve and Adopt Technology Advancement Office Clean Fuels Program 2019 Annual Report and 2020 Plan Update, Resolution and Membership Changes for Clean Fuels Advisory Group and Receive and File Updated Membership of Technology Advancement Advisory Group

The presentation on Agenda Item 28 was waived.

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

John McNamara, CR&R Inc., expressed support for funding projects that support diversion of organic waste from landfills and production of renewable natural gas. He thanked the Board for providing grant funds for their project, which has been successfully producing renewable gas for three years and fueling 100 solid waste collection vehicles. He noted the emission reductions of greenhouse gases, NOx and PM.

Andy Abele expressed concerns regarding the use of Clean Fuels Program funding on diesel emission control technologies. He quoted the language in the legislation which states and defines clean fuels and noted that diesel and gasoline are not included. He expressed support for natural gas, hydrogen and electrical options which are zero-emission. (Submitted Written Comments)

Ranji George expressed concerns regarding the environmental impacts of battery waste recycling and commented on the litigation with Exide technologies. He noted that environmental justice communities and emerging countries are shouldering the burden because waste recycling is being sent to these areas.

Mr. Nastri explained that the past management of hazardous waste for lead acid batteries cannot be compared to current management methods. The strategy for lithium ion batteries is very different and there are dedicated recycling facilities for this waste, and a tremendous reuse application for these batteries. There are other regulatory agencies that govern solid and hazardous waste and South Coast AQMD can certainly advocate for the responsible management of this waste. The focus is on clean air and NOx reductions because sanctions can occur sooner than 2023.

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

MOVED BY BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 28 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 20-5 APPROVING THE TECHNOLOGY ADVANCEMENT OFFICE CLEAN FUELS PROGRAM ANNUAL REPORT FOR 2019 AND ADOPTING THE CLEAN FUELS PROGRAM PLAN UPDATE FOR 2020, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Delgado, Kracov, McCallon, Mitchell, Perez, Rodriguez and Rutherford

NOES: None

ABSENT: Barger and Buscaino

29. Approve Annual RECLAIM Audit Report for 2018 Compliance Year

The presentation on Agenda Item 29 was waived, Amir Dejbakhsh, DEO/Engineering and Permitting, noted a correction on slide 14 of the staff presentation indicating that the text in the first bullet should read "Employment Gain" not "Employment Loss."

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

Mr. Eder expressed concerns regarding global warming and discrepancies in the numbers reported for methane and CO2 by the state and South Coast AQMD. He also expressed concern about renewable natural gas and drug resistant antibiotics.

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

MOVED BY BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 29 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti,  
Delgado, Kracov, McCallon,  
Mitchell, Perez, Rodriguez and  
Rutherford

NOES: None

ABSENT: Barger and Buscaino

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**Action Item/No Fiscal Impact**

11. Annual Meeting of the Health Effects of Air Pollution Foundation

**Items 12 through 19 – Information Only/Receive and File**

12. Legislative, Public Affairs and Media Report
13. Hearing Board Report
14. Civil Filings and Civil Penalties Report
15. Lead Agency Projects and Environmental Documents Received
16. Rule and Control Measure Forecast
17. Status Report on Major Ongoing and Upcoming Projects for Information Management
18. FY 2019-20 Contract Activity
19. Report of RFPs Scheduled for Release in March

**BOARD CALENDAR**

21. Administrative Committee
22. Investment Oversight Committee



- 23. Legislative Committee
- 24. Mobile Source Committee
- 25. Technology Committee
- 26. California Air Resources Board Monthly Report

MOVED BY CACCIOTTI, SECONDED BY MITCHELL, AGENDA ITEMS 11 THROUGH 19 AND 21 THROUGH 26, APPROVED AS RECOMMENDED, WITH THE AMENDMENT TO ITEM NO. 18, PAGE 6, AMENDING THE CONTRACT AMOUNT TO \$1.4 MILLION FOR KONE INC. (C20059), RECEIVING AND FILING THE COMMITTEE REPORTS AND CARB REPORT, AND APPROVING THE FOLLOWING POSITION ON LEGISLATION, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Delgado, Kracov, McCallon, Mitchell, Perez, Rodriguez and Rutherford

NOES: None

ABSENT: Barger and Buscaino

Agenda Item	Recommendation
H. R. 2616 (DeSaulnier, Porter, and Rouda) Clean Corridors Act of 2019	Withdrawn

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

Karla Perez, East Yard Communities for Environmental Justice (EYCEJ), expressed concern about chemicals that may have been released as a result of the Marathon refinery explosion on February 26, 2020 and urged for more accountability and regulations on refineries. She added that after filing a complaint with South Coast AQMD, an inspector contacted her and she was surprised to learn that the inspector was not allowed to enter the facility.

Council Member Mitchell commented on the importance of public notifications and noted that individuals can sign up for notifications of planned or unplanned flaring events on South Coast AQMD's website.

Chairman Burke inquired about emergency response and access to the facility.

Mr. Nastri responded that South Coast AQMD inspectors and staff were immediately deployed upon notification of the fire at the Marathon refinery. There is fence-line monitoring at the refinery and real time readings of air concentrations were analyzed by staff constantly. In addition, air samples were collected outside of the refinery during the fire and also analyzed. The data was within the normal range and information was posted on the South Coast AQMD website. Inspectors were able to get into the facility after it was deemed safe to enter. An investigation is ongoing to determine the cause of the fire and further action will be taken if necessary. Staff will report back to the Board on the investigation and opportunities for enhancing emergency response.

Whitney Amaya, EYCEJ, expressed concerns about transparency and the lack of notification and information to the public when these events occur. She suggested that updates be provided at community meetings similar to AB 617 meetings.

Mr. Eder commented on the difficulties he experienced in filing legal documents and expressed concerns about dependence on fossil fuels, refinery explosions and climate change. He urged support for the solar new deal.

Council Member Rodriguez asked staff to report back to the Board on recommended best practices for emergency response situations.

Mr. Nastri responded that staff would provide a report to the Administrative Committee identifying ways that South Coast AQMD could better support incident command teams.

## **CLOSED SESSION**

Mr. Eder commented on the poetry of the song "When the Music's Over" by the Doors and announced the 50<sup>th</sup> anniversary of Earth Day.

The Board recessed to closed session at 11:45 a.m., pursuant to Government Code sections:

## **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

- 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 South Coast AQMD is a party. The actions are:

People of the State of California, ex rel. SCAQMD v. Exide Technologies, Inc.,  
Los Angeles Superior Court Case No. BC533528;

In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case); Delaware District Court, Case No. 19-00891 (Appellate Case); and

CalPortland Company v. South Coast Air Quality Management District; Governing Board of the South Coast Air Quality Management District; and Wayne Nastri, Executive Officer, and Does 1-100, San Bernardino County Superior Court, Case No. CIV DS 19258941.

Following closed session, Bayron Gilchrist, General Counsel, announced that no reportable actions were taken in closed session.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned by Mr. Gilchrist at 11:55 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on March 6, 2020.

Respectfully Submitted,

Faye Thomas  
Clerk of the Boards

Date Minutes Approved: \_\_\_\_\_

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Dr. William A. Burke, Chairman

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## **ACRONYMS**

CARB = California Air Resources Board

CEC = California Energy Commission

CEQA = California Environmental Quality Act

FY = Fiscal Year

ISR = Indirect Source Rule

MOU = Memorandum of Understanding

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

NOx = Oxides of Nitrogen

RECLAIM = Regional Clean Air Incentives Market

RFP = Request for Proposals

SOON = Surplus Off-Road Opt-In for NOx

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compound

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 2

PROPOSAL: Set Public Hearings May 1, 2020 to:

A. Adopt Executive Officer's FY 2020-21 Proposed Goals and Priority Objectives and Proposed Budget

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21 have been developed and are recommended for adoption. The Budget and Work Program for FY 2020-21 represents input over the past several months from Board members, staff, and the public. This year's process will include meetings of the Budget Advisory Committee and two budget workshops, one for the public to be held on April 7, 2020 and the Board on April 10, 2020. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 2.8 percent consistent with the Consumer Price Index; however, staff is proposing to credit back this year's automatic CPI increase to counter the economic effects of the COVID-19 pandemic. This action is to adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21. (Review: Special Board Meeting/Budget Study Session, April 10, 2020)

B. Determine That Proposed Amendments to Rule 445 – Wood-Burning Devices, Are Exempt from CEQA and Amend Rule 445

Proposed amendments to Rule 445 will satisfy U.S. EPA contingency measure requirements and Control Measure BCM-09 from the 2016 AQMP. The threshold for no-burn days would be incrementally lowered automatically for each subsequent final determination by the U.S. EPA of a failure to meet an applicable Clean Air Act milestone. The proposed amendments would also reduce ambient PM<sub>2.5</sub> by expanding the criteria for Basin-wide wood-burning curtailments. Other minor amendments include additional definitions for terms used in the rule, and revisions to improve rule implementation and clarify

existing requirements. This action is to adopt the Resolution:  
1) Determining that the proposed amendments to Rule 445 – Wood Burning Devices, are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 445 – Wood-Burning Devices. (Reviewed: Stationary Source Committee, March 20, 2020)

The complete text of the proposed amendments, staff report and other supporting documents will be available from the South Coast AQMD's publication request line at (909) 396-2001, or from: Ms. Fabian Wesson – Assistant Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, [PICrequests@aqmd.gov](mailto:PICrequests@aqmd.gov) and on the Internet ([www.aqmd.gov](http://www.aqmd.gov)) as of April 1, 2020.

**RECOMMENDED ACTION:**

Set Public Hearings May 1, 2020 to Adopt the Executive Officer's FY 2020-21 Proposed Goals and Priority Objectives and Proposed Budget; and Amend Rule 445.

Wayne Nastri  
Executive Officer

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BOARD MEETING DATE: April 3, 2020

AGENDA NO. 3

**PROPOSAL:** Recognize Revenue and Execute Contract to Assess Emissions Impacts of Hydrogen-Natural Gas Fuel Blend on Natural Gas Engines

**SYNOPSIS:** Past studies have shown that the addition of hydrogen in natural gas may result in lower engine emissions when combined with optimized engine calibration. The University of California, Riverside (UCR)/CE-CERT, along with SoCalGas and Cummins Westport Inc., has proposed a research project to assess the criteria pollutant and GHG impacts of hydrogen-natural gas fuel blends on near-zero emissions NOx heavy-duty natural gas engines. These actions are to recognize revenue up to \$305,000 from SoCalGas into the Clean Fuels Program Fund (31) and execute a contract with UCR/CE-CERT in an amount not to exceed \$535,000 from the Clean Fuels Program Fund (31).

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Recognize revenue, upon receipt, up to \$305,000 from SoCalGas into the Clean Fuels Program Fund (31); and
2. Authorize the Chairman to execute a contract with UCR/CE-CERT to assess the emissions impacts of hydrogen-natural gas fuel blends on near-zero emissions heavy-duty natural gas engines in an amount not to exceed \$535,000 from the Clean Fuels Program Fund (31).

Wayne Nastri  
Executive Officer

## **Background**

Past studies by South Coast AQMD and others have demonstrated that the addition of hydrogen in compressed natural gas (HCNG) could potentially lower emissions with optimal engine calibration and HCNG blend ratio. A 2005 comprehensive study conducted by the National Renewable Energy Laboratory (NREL) showed an HCNG-fueled engine reduced NO<sub>x</sub> emissions by 50 percent compared with a CNG-fueled engine in a transit bus application. Recent low carbon and renewable fuel initiatives have renewed interest in further decarbonization of natural gas, providing a source of lower carbon content fuel for the transportation sector. The recent rapid commercialization of near-zero emission (NZE) NO<sub>x</sub> natural gas engines have warranted additional investigation of the effects of HCNG blends on both criteria and GHG emissions for recently certified NZE natural gas engines. There are also concerns that HCNG blends may lead to an increase in toxic air contaminants, ammonia, particulate matter (PM) and particle number (PN) emissions.

## **Proposal**

The University of California, Riverside (UCR)/CE-CERT is partnering with SoCalGas and Cummins Westport Inc. (CWI) to evaluate the impact of different HCNG blends on emissions and performance of the Cummins L9N NZE natural gas engine. UCR/CE-CERT will design and build an HCNG blending apparatus as part of the study and vary hydrogen content from zero to five percent by volume. The proposed first phase study will be focused on the emissions impacts of HCNG blends compared to the baseline on regulated engine test duty cycles. CWI will provide the test engine and aftertreatment systems, as well as engineering and data analysis support including oil sample analysis. Depending on the outcome of the first phase study, staff may seek Board approval to fund a second phase 500-hour durability study to assess deterioration effects of the HCNG fuel.

## **Sole Source Justification**

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.d.: Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interest of the South Coast AQMD. Specifically, these circumstances are B.2.d.(1): Project involving cost-sharing by multiple sponsors; and B.2.d.(8): Research and development efforts with educational institutions or nonprofit organizations. The proposed project will include in-kind contributions and cost-share by SoCalGas and CWI. UCR is an educational institution and CE-CERT is their research center with multidisciplinary resources to engage in diverse environmental and transportation research programs.

## **Benefits to South Coast AQMD**

To achieve national ambient air quality standards and protect public health, one of South Coast AQMD's primary priorities is to reduce NO<sub>x</sub> and PM emissions from



mobile sources, while realizing GHG co-benefits, where possible. The proposed HCNG fuel study will help to better understand the air quality and public health impact of the latest NZE engines, which have been deployed since first commercially available in 2015. Projects to assess emissions of potential advanced engine technologies are included in the *Technology Advancement Office Clean Fuels Program 2020 Plan Update* under the category of “Fuel/Emissions Studies”.

### Resource Impacts

The total estimated cost for the proposed project is \$585,000, of which South Coast AQMD’s proposed cost-share will not exceed \$230,000 from the Clean Fuels Program Fund (31). SoCalGas’s \$305,000 in revenue will be received into the Clean Fuels Program Fund (31) and the contract with UCR will not exceed \$535,000. Proposed cost-sharing is summarized below:

<b>Proposed Project Cost-Share</b>		
<b>Project Partner</b>	<b>Cost-Share</b>	<b>Percent</b>
SoCalGas	\$305,000	52
CWI (in-kind)	\$50,000	9
South Coast AQMD ( <i>requested</i> )	\$230,000	39
<b>Total Project Cost</b>	<b>\$585,000</b>	<b>100</b>

Sufficient funds are available in the Clean Fuels Program Fund (31) for this proposed project. The Clean Fuels Program Fund (31) is established as a special revenue fund resulting from the state mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 4

**PROPOSAL:** Recognize Revenue, Implement Truck Trade Down Program and Amend Award

**SYNOPSIS:** In July 2019, the Board recognized \$1,500,000 in FY 19 U.S. EPA Diesel Emissions Reduction Act (DERA) funds and awarded those funds to a Market Acceleration Program (MAP) for near-zero emissions heavy-duty natural gas trucks. Subsequently, U.S. EPA advised that an additional \$789,581 in funds was awarded to the South Coast AQMD. In December 2019, the Board approved a contract with Metropolitan Stevedore Company dba Metro Ports to replace one diesel switcher locomotive using Community Air Protection Program funds, noting FY 18 DERA funds were anticipated to cost-share this project. These actions are to recognize \$789,581 in FY 19 DERA funds into the Clean Fuels Program Fund (31) and \$719,500 in FY 18 DERA funds into the Advanced Technology, Outreach and Education Fund (17), implement a Truck Trade Down Program, and amend an award for replacement of one diesel switcher locomotive.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Recognize revenue up to \$789,581 for a FY 19 U.S. EPA DERA Grant into the Clean Fuels Program Fund (31);
2. Recognize revenue up to \$719,500 for a FY 18 U.S. EPA DERA Grant into the Advanced Technology, Outreach and Education Fund (17);
3. Implement a Truck Trade Down Program, with the South Coast AQMD as administrator, using \$2,289,581 in FY 19 U.S. EPA DERA Grant funds;
4. Authorize the Executive Officer to execute agreements and/or approve vouchers with truck dealers to participate in the Truck Trade Down Program (Qualified participants trade in their 2014 or newer diesel truck with an incentive for a new NZE natural gas-powered truck. The dealer will then sell the 2014 to an owner of a 2009 or older truck at a maximum of \$30,000) for implementation of the DERA Grant until all funds are exhausted; and

5. Authorize the Chairman to amend an award with Metropolitan Stevedore Company dba Metro Ports to cofund a switcher locomotive project using \$1,243,280 in Community Air Protection Program incentive funds and \$719,500 in FY 18 DERA funds for a total award not to exceed \$1,962,780.

Wayne Nasti  
Executive Officer

MMM:NB:JI:PMB:JL

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## **Background**

### **Truck Trade Down Program**

In January 2018, the Board released an RFP soliciting stationary and mobile source projects to achieve emission reductions of NOx, VOC and PM, in accordance with approved control strategies in the 2016 AQMP. In January 2019, the Board awarded several contracts for air quality emissions reduction projects from various special revenue funds, one of which was awarded to Clean Energy for \$3,000,000 to conduct a Market Acceleration Program (MAP) to replace older on-road heavy-duty diesel trucks with new near-zero emission (NZE) natural gas powered heavy-duty trucks. In July 2019, the Board recognized \$1,500,000 in FY 19 U.S. EPA Diesel Emissions Reduction Act (DERA) funds and awarded those funds to Clean Energy, to act as the administrator, to expand MAP to include a truck trade down element. Subsequently, U.S. EPA advised that an additional \$789,581 in funds was awarded to the South Coast AQMD for a total award of \$2,289,581.

### **Locomotive Replacement Project**

In December 2019, the Board approved a contract with Metropolitan Stevedore Company dba Metro Ports to replace one diesel switcher locomotive using Community Air Protection Program (CAPP) funds in the amount of \$1,243,280, but noting that approximately \$720,000 in FY 18 DERA funds were also anticipated to cost-share this project. Subsequently, CARB approved this project and acknowledged that additional revenue from FY 18 U.S. EPA DERA in the amount of \$719,500 would be available for the Metro Ports project. While the funding table (5A) in the December Board letter noted the Metro Ports project would be funded with both CAPP incentives and DERA revenue, the DERA revenue needs to be recognized and included as part of the funding award for this locomotive project.

## **Proposal**

### **Truck Trade Down Program**

These actions are to recognize an additional \$789,581 in FY 19 U.S. EPA DERA funds into the Clean Fuels Program Fund (31) and implement a Truck Trade Down Program using the full \$2,289,581 in FY 19 DERA Grant funds, with the South Coast AQMD acting as the administrator, instead of trying to enhance MAP; the U.S. EPA has

approved this recommendation. This action is to also authorize the Executive Officer to execute agreements and/or approve vouchers with truck dealers to participate in the Truck Trade Down Program for implementation of the DERA-funded incentive. This approach will ensure a more equitable distribution to all fleets including smaller operators operating in environmental justice communities. Under the new Truck Trade Down Program, qualified participants can trade in their 2014 or newer heavy-duty diesel truck to an approved dealer and receive a \$100,000 incentive from South Coast AQMD towards the purchase of a new NZE natural gas powered heavy-duty truck plus receive a \$25,000 trade-in credit for their older diesel truck. The dealer will sell the 2014 or newer diesel truck for a maximum of \$30,000 to an owner of a 2009 or older heavy-duty diesel truck. The 2009 or older diesel truck will be scrapped at a South Coast AQMD qualified truck dismantler. The dealers will retain up to \$5,000 per truck for administration and participation in the Truck Trade Down Program. The objective of the Truck Trade Down Program is to accelerate the turnover of the older heavy-duty diesel trucks while also increasing the deployment of NZE natural gas-powered heavy-duty trucks and maximizing emission reductions.

#### Locomotive Replacement Project

These actions are to recognize \$719,500 in FY 18 U.S. EPA DERA funds into the Advanced Technology, Outreach and Education Fund (17) and amend the award to Metro Ports to cofund the project using \$1,243,280 in CAPP incentives and \$719,500 in DERA funds for a total award of \$1,962,780. The DERA Grant originally set aside a portion of the award for administrative costs, but the U.S. EPA has approved allocating all funds toward project costs. The new switcher locomotive will be the cleanest available Tier 4 locomotive technology. The older Tier 2 diesel switcher will be traded down to Trona Railway, which is located within the Mojave Valley APCD. Trona Railway will scrap one dirtier, currently unregulated locomotive.

#### **Benefits to South Coast AQMD**

Successful implementation of these projects will permanently remove higher-emitting heavy-duty on-road diesel trucks and replace these heavy-duty diesel trucks with comparably powered trucks with ultra-low NOx emissions that are certified by CARB to an exhaust emissions standard that is 90% lower than the current standard and achieve the co-benefits of renewable, low carbon intensity natural gas. The locomotive and truck replacement projects will continue to provide reductions of NOx, PM and GHG emissions for several years throughout the South Coast Air Basin (Basin), especially in disadvantaged communities. The accelerated replacement of diesel trucks with NZE natural gas trucks will help realize immediate emission reductions in drayage and goods movement sectors and within fleets operating in the Basin. Projects to replace heavy-duty diesel trucks are included in the *Technology Advancement Office Clean Fuels Program 2020 Plan Update* under the category of “Fueling Infrastructure and Deployment (Natural Gas/Renewable Fuels).”

## Resource Impacts

### Truck Trade Down Program

The additional \$789,581 in FY 19 U.S. EPA DERA Grant funds will be recognized into the Clean Fuels Program Fund (31). Funding for NZE natural gas trucks will be provided through trucks dealers until all funds are exhausted. Project funding is listed in the table below.

<b>Funding Source</b>	<b>Funding Amount</b>
FY 19 DERA ( <i>redirected</i> )	\$1,500,000
Additional DERA Award	\$789,581
<b>Total</b>	<b>\$2,289,581</b>

Sufficient funds are available in the Clean Fuels Program Fund (31) for this proposed project. The Clean Fuels Program Fund (31) is established as a special revenue fund resulting from the state mandated Cleans Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

### Locomotive Replacement Project

The FY 18 U.S. EPA DERA Grant funds totaling \$719,500 will be recognized into the Advanced Technology, Outreach and Education Fund (17). Funding to Metropolitan Stevedore Company dba as Metro Ports will not exceed \$1,962,780, with full project cost-share as follows:

<b>Funding Source</b>	<b>Funding Amount</b>
FY 18 DERA Grant	\$719,500
CAPP Incentives	\$1,243,280
Metro Ports	\$915,220
<b>Total</b>	<b>\$2,878,000</b>

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 5

**PROPOSAL:** Recognize and Transfer Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs

**SYNOPSIS:** U.S. EPA is executing two Supplemental Environmental Projects (SEPs) for school air filtration and CARB is executing three SEPs, one for schools and two for residential air filtration pilot studies. Both agencies have asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools and residences in environmental justice communities. This action is to recognize up to \$146,250 from U.S. EPA and \$1,205,300 from CARB into the Air Filtration Fund (75) for these SEPs. These actions are to also execute agreements to install and maintain air filtration systems and to provide residential stipends in an amount not to exceed \$1,283,973, execute or amend access agreements with local school districts, amend contracts to purchase additional filters using unspent administrative funds, and reimburse the General Fund for administrative costs up to \$67,577 for SEP administration.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Recognize funds into the Air Filtration Fund (75) as follows:
  - a. Up to \$146,250 for two school air filtration SEPs being administered on behalf of U.S. EPA as described in the table on page 3; and
  - b. Up to \$1,013,400 and \$191,900, respectively, for one school air filtration SEP and two residential air filtration SEPs being administered on behalf of CARB as described in the table on page 3.
2. Authorize the Executive Officer to execute agreements with FL Transportation, Inc., and New Bern Transport Corporation (on behalf of U.S. EPA) and CARB for South Coast AQMD to implement SEPs for installation and maintenance of air filtration systems in schools and to execute or amend agreements with local school districts for the purpose of implementing SEPs.

3. Authorize the Chairman to execute contracts with IQAir North America for installation and maintenance of air filtration systems in schools and for IQAir to execute agreements with residents to install air filtration systems and provide stipends to residents for electricity and ancillary costs for participating in the residential air filtration pilot study in an amount not to exceed \$1,283,973 from the Air Filtration Fund (75).
4. Authorize the Chairman to amend, as needed, contracts with IQAir North America to purchase additional filters using unspent administrative funds.
5. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$67,577 to implement SEPs, from the money recognized from the EPA and CARB SEPs.

Wayne Nastri  
Executive Officer

MMM:NB:JI:PSK

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### **Background**

U.S. EPA has executed consent decrees with FL Transportation, Inc., and New Bern Transport Corporation that include a Supplemental Environmental Project (SEP) for \$73,125 each. U.S. EPA has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems at schools in environmental justice (EJ) communities.

CARB has executed consent decrees with CNS Motors, Inc., J&P Cycles, LLC, and Navistar, Inc., and has asked South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems in schools and residences in EJ communities for a residential air filtration pilot study. To date, South Coast AQMD has funded installation of air filtration systems at 90 schools and community centers in the South Coast Air Basin.

IQAir North America (IQAir) was selected through two competitive bid processes in 2011 and 2013 for air filtration projects, and staff performed a technology status check to ensure no new technologies had come on the market. IQAir is the only qualified manufacturer of high-performance panel filters and stand-alone units meeting the performance standards in South Coast AQMD's 2009 air filtration pilot study. Also, through a 2010 national testing conducted by the University of California Riverside College of Engineering/Center for Environmental Research and Technology the filters met the performance standards that include an average removal efficiency of greater than 85 percent for ultrafine PM, black carbon and PM 2.5 and a noise level below 45 decibels for stand-alone units.

CARB's Research Division on Indoor Air Quality Research has funded several research studies on indoor air quality and effectiveness of high-performance air filtration systems (filters and stand-alone units) in residences. These studies have shown a reduction of up to 90-97 percent of PM 2.5 with the use of MERV 13 filters and up to 97-98 percent with the use of MERV 16 filters, for indoor air inside residences in newer homes. Removal efficiencies may vary and will be lower for older, less energy efficient homes.

### **Proposal**

The five SEPs to be implemented by South Coast AQMD are as follows:

<b>Agency</b>	<b>Violator</b>	<b>SEP Type</b>	<b>Amount</b>
U.S. EPA	FL Transportation, Inc.	School	\$73,125
U.S. EPA	New Bern Transport Corporation	School	\$73,125
CARB	Navistar	School	\$1,013,400
CARB	CNS Motors, Inc.	Residential	\$77,150
CARB	J&P Cycles, LLC	Residential	\$114,750

The U.S. EPA, along with FL Transportation, Inc., New Bern Transport Corporation, Los Angeles Unified School District (LAUSD) and other local school districts, will identify schools to receive air filtration systems for these two SEPs. The schools will be in close proximity to these facilities in Carson and/or Torrance.

CARB, along with Navistar, LAUSD and other local school districts, will identify schools to receive air filtration systems for these three SEPs, which will be in EJ communities between the Ports and downtown Los Angeles.

CARB has accepted a proposal from South Coast AQMD to conduct a residential air filtration pilot study in San Bernardino County in close proximity to railyards for the two SEPs with CNS Motors, Inc. and J&P Cycles, LLC.

The residential air filtration pilot study will establish a blueprint for future residential air filtration deployment projects by establishing protocols for ultrafine PM and PM2.5 monitoring and optimal configuration of air filtration systems in older, less energy efficient homes. The residential air filtration pilot study will be conducted in two phases. Phase 1 will establish monitoring and air filtration protocols in older homes; Phase 2 will deploy air filtration systems and conduct monitoring in a small number of homes in San Bernardino neighborhoods near railyards. A stipend to subsidize electricity and ancillary costs to deploy stand-alone filtration units in homes will be provided to residents. The project will coordinate and supplement AB 617 implementation and planning efforts in the San Bernardino-Muscoy community. Staff will seek Board approval of additional funding to increase the number of homes as opportunities arise from appropriate funding sources.



Completion of the school air filtration SEPs will occur by June 2021 or within 12 months of execution of the last applicable contracts. Completion of the residential air filtration SEPs will occur by December 2021 or within 18 months of execution of the last applicable contracts to allow time to identify and recruit participation of residents in disadvantaged communities.

The proposed schedules for the SEPs are as follows:

DATE	EVENT
<b><u>School Air Filtration</u></b>	
April 2020	Board Approval
June 2020	Anticipated Execution of Contracts
September 2020	School Selection, Site Assessments
June 2021	Installation at Schools
June 2021–June 2026	Maintenance (varies by school)
June 2021–2026	Post Installation, Annual and Final Reports
<b><u>Residential Air Filtration</u></b>	
April 2020	Board Approval
October 2020	Anticipated Execution of Contracts
April 2020–June 2021	Community Selection/Study Design/Site Assessments/Execute Resident Contracts
December 2021	Installation at Residences
December 2021–December 2026	Maintenance (varies by residence)
December 2021–2026	Post Installation, Annual and Final Reports

These actions are to: 1) recognize up to \$1,351,550 from the five SEP agreements into the Air Filtration Fund (75); 2) authorize the Executive Officer to execute agreements with FL Transportation, Inc., and New Bern Transport Corporation (on behalf of U.S. EPA) and CARB, execute or amend agreements with local school districts to implement SEPs for installation and maintenance of air filtration systems in schools and residences; 3) execute contracts with IQAir North America for installation and maintenance of air filtration systems at schools and residences and for IQAir to execute agreements with residents to install air filtration systems and provide stipends to residents for electricity and ancillary costs for participating in the residential air filtration pilot study in an amount not to exceed \$1,283,973; 4) amend, as needed, contracts with IQAir North America to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$67,577.

**Sole Source Justification**

Section VIII. B. 2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for a sole source award is made under provision B.2.c (1): The desired services are available from only the sole source based upon the unique experience and capabilities of the proposed contractor or contractor team. IQAir remains the only manufacturer of high-performance panel filters and stand-alone units identified by South Coast AQMD and CARB staff that meet the performance standards required to complete the work.

**Benefits to South Coast AQMD**

This project will reduce children's exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in EJ communities identified in the SEP agreements. Some of the schools in which air filtration systems will be installed are located in Boyle Heights or Carson, which are within the boundaries of the East Los Angeles, Boyle Heights and West Commerce and the Wilmington, Carson, West Long Beach AB 617 Year 1 communities. For the residential air filtration pilot study, residences in San Bernardino County are located within the boundaries of the San Bernardino-Muscoy AB 617 Year 1 community.

**Resource Impacts**

The new contracts with IQAir will not exceed \$1,283,973, and any contract amendments with IQAir to purchase additional filters will not exceed the amount of any unspent administrative funds. Project funds will also be utilized for stipends to subsidize electricity and ancillary costs for residents participating in the residential air filtration pilot study.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 6

**PROPOSAL:** Recognize Revenue and Execute Contract to Perform Evaluation of Vehicle Maintenance Costs Between Natural Gas and Diesel Fueled On-Road Heavy-Duty Vehicles

**SYNOPSIS:** South Coast AQMD has been supporting the rapid deployment of near-zero emissions heavy-duty vehicles since near-zero NOx natural gas engines became commercially available in 2015. To determine total cost of ownership, a comparative evaluation of maintenance costs between natural gas and diesel trucks needs to be performed. These actions are to recognize revenue up to \$150,000 from SoCalGas into the Clean Fuels Program Fund (31) and execute a contract to perform a comparative evaluation of vehicle maintenance costs for on-road heavy-duty vehicles in an amount not to exceed \$250,000 from the Clean Fuels Program Fund (31).

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Recognize revenue, upon receipt, up to \$150,000 from SoCalGas into the Clean Fuels Program Fund (31); and
2. Authorize the Chairman to execute a contract with West Virginia University-Center for Alternative Fuels Engines and Emissions to perform comparative evaluation of vehicle maintenance costs for on-road heavy-duty vehicles in an amount not to exceed \$250,000 from the Clean Fuels Fund (31).

Wayne Nastri  
Executive Officer

## **Background**

According to U.S. Energy Information Administration (EIA) projections, the freight truck sector's annual vehicle miles traveled (VMT) will increase by 54 percent by 2050. As the transportation sector continues to grow, diversified and cost-effective solutions are necessary to ensure resiliency and affordability, while meeting increasing energy demands. The U.S. Department of Transportation maintains that natural gas plays a key role as a versatile, low emission fuel and is an increasingly attractive alternative to conventional diesel fuel on a nationwide basis. Due to low carbon fuel and renewable fuel initiatives, renewable natural gas (RNG) further increases interest and motivation in expanding the use of natural gas in the transportation sector.

South Coast AQMD has been supporting the rapid deployment of near-zero emission 0.02 g/bhp-hr NO<sub>x</sub> vehicles through its incentive programs since the first near-zero heavy-duty natural gas engines became commercially available in 2015. In evaluating natural gas vehicle (NGV) total cost of ownership (TCO), maintenance costs are often cited as a potential advantage that reduces NGV TCO relative to comparable diesel-powered vehicles due to lack of exhaust aftertreatment systems. There is no recent data that clearly compares the relative maintenance costs of NGVs and diesel trucks, especially for advanced natural gas and diesel technologies introduced in the last decade. The South Coast Air Basin (Basin) includes one of the largest NGV fleets, including near-zero emission NGVs. Combined with the unique urban duty cycle in the Basin, a more detailed and regionally focused maintenance study is necessary to help understand the TCO and drive greater adoption of NGVs.

## **Proposal**

West Virginia University-Center for Alternative Fuels Engines and Emissions (WVU-CAFEE), along with SoCalGas, has proposed to perform a comparative evaluation of vehicle maintenance costs between natural gas and diesel fueled vehicles. The vehicles in the proposed study include Class 6, 7 and 8 vehicles in the Basin and are used in goods movement and delivery vocations. The WVU-CAFEE project proposes to build upon the emissions and activity data collected and relationships developed from a currently ongoing in-use emissions study that includes a comprehensive sample of more than 200 trucks and buses from 25 fleet participants in 5 different vocations. The proposed project will enable correlation of vehicle maintenance costs to already available fleet information, real-world vehicle activity and in-use emissions data. WVU-CAFEE is currently seeking additional co-funding to expand the project scope to include other alternative fuels such as propane, electric and bio-diesel blends.

## **Benefits to South Coast AQMD**

Understanding the TCO of near-zero NO<sub>x</sub> alternative fuel engines, combined with renewable fuels like RNG, will lead to further near-term NO<sub>x</sub> reductions for ozone attainment and concurrent GHG emission reductions. This study will help to collect data that could result in wider NGV adoption in the Basin. Projects to support development

of near-zero emission engines maintenance costs are included in the *Technology Advancement Office Clean Fuels Program 2020 Plan Update* under the category “Fuel/Emissions Studies”.

### **Sole Source Justification**

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.d.: Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interest of the South Coast AQMD. Specifically, B.2.d.(8): Research and development efforts with educational institutions or nonprofit organizations. WVU is an educational institution and CAFEE is their research center with multidisciplinary resources to engage in diverse environmental and transportation research programs.

### **Resource Impacts**

SoCalGas’s \$150,000 in revenue will be received into the Clean Fuels Program Fund (31) and the contract with WVU-CAFEE will not exceed \$250,000. The total estimated cost for the proposed project is \$250,000, of which South Coast AQMD’s proposed cost-share will not exceed \$100,000 from the Clean Fuels Program Fund (31), as summarized below:

**Proposed Project Cost-Share**

<b>Project Partner</b>	<b>WVU Study</b>	<b>Percent</b>
SoCalGas	\$150,000	60
South Coast AQMD (requested)	\$100,000	40
<b>Total Project Cost*</b>	<b>\$250,000</b>	<b>100</b>

\*WVU is seeking additional co-funding to expand the project scope

Sufficient funds are available in the Clean Fuels Program Fund (31) for this proposed project. The Clean Fuels Program Fund (31) is established as a special revenue fund resulting from the state mandated Cleans Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 7

**PROPOSAL:** Adopt Resolution Recognizing Revenue for Funding Agricultural Replacement Measures for Emission Reductions Program and Reimburse General Fund for Administrative Costs

**SYNOPSIS:** For FY 2019-20, the State Legislature allocated \$65 million to CARB for the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. In October 2019, CARB issued a solicitation to air districts specifying a tentative allocation of \$894,170 to the South Coast AQMD. These actions are to adopt a Resolution recognizing revenue up to \$894,170 from CARB into the Carl Moyer Program Fund (32) for the FY 2019-20 FARMER grant award and to reimburse the General Fund for administrative costs up to \$55,886.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Adopt the attached Resolution recognizing, upon receipt, up to \$894,170 from CARB into the Carl Moyer Program Fund (32) for the FY 2019-20 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program grant award (Grant ID number G19-AGIP-18); and
2. Reimburse the General Fund from the Carl Moyer Program Fund (32) for administrative costs up to \$55,886, as needed, to implement the FY 2019-20 FARMER Program.

Wayne Nastri  
Executive Officer

MMM:NV:VW:WS:AY

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**Background**

The agricultural industry in California, including the South Coast Air Basin, particularly the Coachella Valley, consists of many farms and ranches that produce commodities shipped throughout the world. This industry consists of producers, custom operators and

first processors that own and operate numerous on- and off-road, diesel-fueled equipment, which are a significant source of NOx emissions. Even with increasingly stringent emission standards on engine manufacturers, emissions from these agricultural vehicles and equipment are a significant source of air pollution since most of this equipment is operated for decades. Natural turnover is not sufficient to meet South Coast AQMD's clean air goals. Reducing these emissions is necessary to meet federal ozone and particulate matter air quality standards.

In October 2019, CARB released a solicitation to air districts to apply for funding from the FY 2019-20 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. South Coast AQMD submitted an application and CARB has announced a tentative allocation of \$894,170. The air district allocations are based on each district's contribution to the statewide emissions from farm equipment and current attainment status with the National Ambient Air Quality Standards. CARB is currently updating the agricultural off-road diesel inventory and the results of this inventory will affect future allocations to air districts.

### **Proposal**

This action is to adopt the attached Resolution recognizing up to \$894,170 from CARB through the Greenhouse Gas Reduction Fund (GGRF) into the Carl Moyer Program Fund (32) for implementation of the FY 2019-20 FARMER Program. Of this amount, \$838,284 is designated for project funding and \$55,886 for administrative and outreach efforts. This action is to also reimburse the General Fund up to \$55,886 for administrative costs to implement the FY 2019-20 FARMER Program.

Projects that utilize FARMER funds will be evaluated based on the FARMER Program Guidelines approved by CARB on March 23, 2018. Proposals will be accepted through the currently open Carl Moyer Program Announcement (#PA2020-04), which was released on March 6, 2020, and closes 1:00 pm on Tuesday, June 2, 2020. Staff expects to finalize the review and evaluation of the proposals and bring award recommendations to the Board for consideration at the October 2020 Board meeting.

### **Disproportionately Impacted Areas Point Ranking**

The FARMER Program Guidelines include a recommendation to allocate at least 50 percent of the total funds to projects that will reduce emissions in disadvantaged communities and at least five percent for projects that will reduce emissions in low-income communities.

Consistent with this recommendation and other criteria in the FARMER Guidelines, all projects will be evaluated according to the following criteria.

- 1) Each project must meet the cost-effectiveness limit(s) established in the Carl Moyer Program Guidelines, and

- 2) The domiciled address for each project will be used to determine if the project qualifies as benefiting a disadvantaged or low-income community based on the CalEnviroScreen 3.0 model.

### **Benefits to South Coast AQMD**

The South Coast AQMD supports a variety of activities for the advancement of new technologies and commercialization of new, zero emission and low emission vehicles/equipment. The successful implementation of the Carl Moyer Program has resulted in the accelerated deployment of these technologies and achieved significant emission reductions in the region. The FARMER Program provides additional funding to further incentivize the purchase of cleaner agricultural vehicles/equipment. The vehicles and equipment funded by the FARMER Program will operate for many years, providing long-term emissions reduction benefits.

### **Resource Impacts**

CARB has tentatively allocated \$894,170 to the South Coast AQMD for implementation of the FARMER Program. Of this amount, \$838,284 is designated for project funding and \$55,886 for administrative and outreach efforts.

### **Attachment**

Resolution of the South Coast AQMD Governing Board Recognizing the FY 2019-20 FARMER Funds



## **RESOLUTION NO. 20-**

### **A Resolution of the South Coast Air Quality Management District Governing Board Recognizing FY 2019-20 FARMER Funds**

WHEREAS, in June 2019, Governor Newsom signed into law Assembly Bill (AB) 74, which appropriates \$65 million from the State Budget for Fiscal Year (FY) 2019-20 to the California Air Resources Board (CARB) for reducing criteria, toxic and greenhouse gas (GHG) emissions from the agricultural sector;

WHEREAS, CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines to meet the Legislature's objectives and help meet the State's criteria, toxic and GHG reduction goals;

WHEREAS, the funding for the FARMER Program comes from the Greenhouse Gas Reduction Fund (GGRF);

WHEREAS, CARB has proposed an allocation of \$894,170 for South Coast Air Quality Management District (South Coast AQMD) to implement projects pursuant to the FARMER Program Guidelines;

WHEREAS, there are specific legislative requirements (e.g., expenditure records, quantification methodology, annual reporting, and disadvantaged/low income community investments) of the cap and trade proceeds that the South Coast AQMD will need to adhere to;

WHEREAS, the South Coast AQMD may have need to transfer funds to other air districts, or may be invited to accept FARMER funds through inter-district transfer;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board, in regular session assembled on April 3, 2020, does hereby approve South Coast AQMD participation in the FY 2019-20 FARMER Program and recognize up to \$894,170 from CARB in FARMER Program funds.

BE IT FURTHER RESOLVED that South Coast AQMD will comply with FARMER Program requirements as specified in the grant award, applicable FARMER Program Guidelines and the South Coast AQMD's FARMER Policies and Procedures Manual.

BE IT FURTHER RESOLVED that the South Coast AQMD Governing Board authorizes the Executive Officer to enter into contracts or grants with other California air quality districts to transfer funds to other districts or accept FARMER funds through inter-district transfer as necessary.

BE IT FURTHER RESOLVED that the Executive Officer is hereby authorized and empowered to execute on behalf of South Coast AQMD grant agreements with CARB and all other necessary documents to implement and carry out the purposes of this Resolution.

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Date

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Faye Thomas, Clerk of the Boards

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 8

**PROPOSAL:** Recognize Revenue, Amend Contract and Reimburse General Fund for Administrative Costs for Enhanced Fleet Modernization Program

**SYNOPSIS:** Since 2015, the South Coast AQMD has been implementing an Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride. The program is administered with assistance from contractors providing case management and remote sensing technical support. For FY 2018-19, CARB has allocated \$1.4 million in AB 118 funds to the South Coast AQMD for the continued implementation of the EFMP. These actions are to: 1) recognize up to \$1.4 million from CARB; 2) approve vouchers and other alternative mobility options until all available funds are exhausted; 3) amend a contract with a consultant adding \$400,000 for continued program support; and 4) reimburse the General Fund for administrative costs necessary to implement the EFMP.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Recognize, upon receipt, up to \$1.4 million from CARB (Grant #G18-EFMP-01) into the HEROS II Special Revenue Fund (56) for the EFMP Base Program;
2. Authorize the Executive Officer to approve vouchers and other alternative mobility options for the continued implementation of the EFMP base incentives until all funds are exhausted;
3. Authorize the Chairman to amend a contract with Opus Inspection Inc. in an amount not to exceed \$400,000 for continued support of the EFMP from the administrative portion of the HEROS II Special Revenue Fund (56); and
4. Reimburse the General Fund up to \$140,000 from the HEROS II Special Revenue Fund (56) as authorized by the grant agreement for administrative costs necessary to implement the EFMP. This item and item 3 above cumulatively do not exceed 10% of the grand award.

Wayne Nastri  
Executive Officer

## **Background**

In 2015, the South Coast AQMD implemented the Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride, which is authorized by the AB 118 California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 (Health and Safety Code Sections 44124-44127). The South Coast AQMD's Replace Your Ride Program is a vehicle retire and replacement program, which provides incentives to lower income motorists to scrap and replace their older, high-emitting vehicles with newer, cleaner models or utilize other clean transportation options.

Since its inception, the South Coast AQMD has provided \$48 million in EFMP funding for the replacement of over 6,200 older passenger vehicles with newer fuel-efficient conventional vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles and zero emission vehicles. Approximately 93 percent of the vouchers have been issued to participants residing in disadvantaged communities, and 88 percent of the participants have been in the lowest poverty level. The EFMP is achieving the goal to replace the oldest and dirtiest light-duty passenger vehicles on the road. Replace Your Ride is administered with assistance from three contractors providing case management support and remote sensing technical support. The South Coast AQMD also maintains a website and has added additional case managers to address the growing number of participants with completing and submitting applications.

For FY 2018-19, CARB has allocated an additional \$1.4 million in AB 118 funds to South Coast AQMD for the continued implementation of the EFMP Base Program. This grant includes administrative funds up to 10% of the total grant award to implement the program.

## **Proposal**

These actions are to recognize up to \$1.4 million from CARB for the EFMP Base Program into the HEROS II Special Revenue Fund (56) and authorize the Executive Officer to approve vouchers and other alternative mobility options for this program until all available funds are exhausted. The additional funding will enable the continuation of the EFMP Base Program while offering eligible participants alternatives in replacement vehicle technologies.

Funding for one of the three contractors assisting with implementation of Replace Your Ride is nearly fully expended. This action is to amend the contract with Opus Inspection adding up to \$400,000 from the administrative portion of the HEROS II Special Revenue Fund (56).

This action is to also reimburse the General Fund up to \$140,000 (up to 10% of the grant award) from the HEROS II Special Revenue Fund (56) as authorized by the grant agreement for administrative and outreach costs necessary to implement the program.

**Benefits to South Coast AQMD**

Replace Your Ride will continue to provide incentives to qualifying lower income vehicle owners including those residing in disadvantaged communities, thereby providing emissions reduction benefits to these communities and throughout the region.

**Resource Impacts**

CARB funding (Grant #G18-EFMP-01) up to \$1.4 million, upon receipt, for the FY 2018-19 EFMP Base Program will be recognized into the HEROS II Special Revenue Fund (56). Funding for the contract amendment with Opus Inspection will not exceed \$400,000, and there are sufficient funds available in the administrative portion of the FY 2018-19 EFMP Base and Plus-Up grants. The transfer of funds from the HEROS II Special Revenue Fund (56) to reimburse the General Fund for administrative costs will not exceed \$140,000.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 9

**PROPOSAL:** Reallocate Funds, Execute Contract and Add/Delete Positions to Quantify and Characterize Fugitive VOC Emissions Near and Around Refineries

**SYNOPSIS:** South Coast AQMD is conducting comprehensive air pollution measurements near refineries and surrounding communities as part of the AB 617 and Rule 1180 programs. The Community Emissions Reduction Plan for the Wilmington/Carson/West Long Beach community has a measure to reduce NO<sub>x</sub>, SO<sub>x</sub>, VOCs and other associated toxics emissions from refineries by 50 percent between 2020 and 2030. To assess this target, there is a need to quantify and characterize fugitive VOC emissions near and around refineries in 2020 as well as to assess progress in the future once a baseline has been established. As part of Rule 1180, staff will be operating and maintaining a network of community air monitoring stations throughout the Basin. These actions are to reallocate up to \$500,000 to Science & Technology Advancement's FYs 2019-20 and 2020-21 Budgets, execute a contract, and approve the addition and deletion of Rule 1180 positions to perform this work.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Reallocate AB 617 funds (General Fund) up to \$500,000 within the Services & Supplies Major Object in Science & Technology Advancement's FY 2019-20 Budget and/or FY 2020-21 Budgets to fund an AB 617 contract.
2. Authorize the Executive Officer to execute a contract with FluxSense, Inc., in an amount up to \$500,000 to perform mobile air monitoring measurements to establish year 2020 "baseline" emissions for the AB 617 program (General Fund).

3. Approve the addition of two new positions and deletion of three positions in the General Fund for Rule 1180 (as listed in the table in Resource Impacts).

Wayne Natri  
Executive Officer

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### **Background**

Petroleum refineries are among the largest stationary sources of air pollution in the South Coast Air Basin (Basin). These sources process crude oil into various products, such as gasoline, diesel fuel, aviation fuel and other fuel oils. These and other refinery-related activities can result in emissions of criteria pollutants, toxic air contaminants, and greenhouse gases. In recent years, community concerns over emissions from refineries have increased, both from routine facility operations and potential releases due to emergency or other unforeseen conditions.

The AB 617 Community Emissions Reduction Plan (CERP) for the Wilmington/Carson/West Long Beach community, which was approved by the Board on September 6, 2019, has a measure to reduce NOx, SOx, VOCs and toxics emissions from refineries by 50 percent between 2020 and 2030. To assess this measure, there is a need to estimate and characterize fugitive VOC emissions near and around refineries as well as to assess progress in the future once a baseline has been established. Although not yet appropriate for other purposes, optical remote sensing (ORS) measurements on a mobile platform is the most appropriate technology to provide this baseline emissions estimate. Traditional monitoring approaches are not suitable for this purpose because traditional monitoring techniques measure concentrations of gases (i.e. what the levels of pollutants are in a given air sample), not emissions (how much pollution is emitted over a specified time) which Fluxsense's mobile platform can monitor.

Rule 1180 Refinery Fenceline and Community Air Monitoring, which was adopted by the Board in December 2017, requires real-time fenceline air monitoring systems and establishes a fee schedule for all major refineries in the Basin to fund refinery-related community air quality monitoring. These activities will provide information to the public about levels of VOCs and air toxic pollutants at or near the property boundaries of petroleum refineries and in nearby communities.

### **Proposal**

This action is to reallocate AB 617 funds in an amount up to \$500,000 within the Services & Supplies Major Object in Science & Technology Advancement's FY 2019-20 and/or FY 2020-21 Budgets. This action is to also authorize the Executive Officer to execute a contract with FluxSense, Inc., to conduct mobile ORS emissions monitoring

of VOCs, NO<sub>x</sub> and SO<sub>x</sub> from all major refineries in the Wilmington/Carson/West Long Beach community (i.e., Marathon Carson, Marathon Wilmington, Phillips 66 Carson, Phillips 66 Wilmington and Valero Wilmington). The results of the ORS monitoring will provide the initial baseline refinery emissions estimates that will be used to calculate the percentage change over time as a measure for tracking AB 617 refinery emissions reduction goals. The contract amount will not exceed \$500,000.

This action is to also approve the addition of two Air Quality Specialist positions and the deletion of one Senior Air Quality Instrument Specialist and two Air Quality Instrument Specialist II positions for Rule 1180 air monitoring implementation. This staffing will better serve operational needs for the Rule 1180 Community Air Monitoring Program, which requires staff to perform more specialized and complex activities, including: installation, operation, calibration, maintenance and repair of advanced air monitoring and ORS equipment, mobile monitoring surveys, and data analysis, mapping, interpretation and reporting.

#### **Sole Source Justification**

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole-source award may be justified. The request for a sole source contract with FluxSense is made under Sections VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor or contractor team; VIII.B.2.c(2): The project involves the use of proprietary technology; and VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. FluxSense is the only contractor who provides mobile ORS measurement services allowing quantification of refinery emissions of VOCs, NO<sub>x</sub> and SO<sub>x</sub>, which is most appropriate to fulfill the technical requirements of this AB 617 measure and satisfy CERP requirements. Additionally, the proposed instruments and proprietary software are compatible with instrumentation and software that is currently being used by staff in South Coast AQMD Mobile ORS Laboratory, therefore allowing for data compatibility and comparability.

#### **Benefits to South Coast AQMD**

Implementation of AB 617 and Rule 1180 benefits environmental justice communities and others working and residing in the Basin.

#### **Resource Impacts**

Funding from CARB's Community Air Protection Program under AB 617 (General Fund) will provide sufficient resources for FluxSense to perform mobile air monitoring measurements to establish year 2020 "baseline" emissions for the AB 617 program.

Payments received from petroleum refineries under Rule 1180 and Rule 301 fees will provide sufficient resources to plan and establish the required community air monitoring program, and for ongoing community air monitoring operation and maintenance.



Below is a table summarizing the proposed Rule 1180 staffing additions/deletions:

<b>Position Title</b>	<b>Qty</b>	<b>Estimated Amount*</b>
Air Quality Specialist	2	\$335,196
Senior Air Quality Instrument Specialist	-1	-150,515
Air Quality Instrument Specialist II	-2	-279,236
<b>Total</b>	<b>-1</b>	<b>-\$94,555</b>

\*Annual Salaries & Employee Benefits at Step 5 include base salary, retirement cost, insurance, FICA & SDI.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 10

**PROPOSAL:** Approve Transfer of Funds to Conduct Rule 1118.1 Technical Assessment

**SYNOPSIS:** On January 4, 2019, Rule 1118.1 – Non-Refinery Flares was adopted. Rule 1118.1 establishes requirements to reduce NOx and VOC emissions from non-refinery flares and encourages alternatives to flaring such as beneficial use of gas such as energy generation, transportation fuels, or pipeline injection. The Board Resolution for the adoption of Rule 1118.1 directed staff to conduct a technical assessment to further investigate beneficial uses of gas as an alternative to flaring at non-refinery facilities. Funding is needed to contract with an engineering consultant that will be selected through a competitive bidding process to conduct this technical assessment for an amount not to exceed \$75,000. This action is to transfer funds from the General Fund Undesignated (Unassigned) to Planning, Rule Development and Area Sources' FY 2020-21 Professional and Special Services Account.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTION:**

Authorize transfer of \$75,000 from the General Fund Undesignated (Unassigned) Fund Balance into Planning, Rule Development and Area Sources' FY 2020-21 Professional and Special Services Account, for Board required technical assessment of beneficial uses from non-refinery flaring.

Wayne Nastri  
Executive Officer

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**Background**

On January 4, 2019, the South Coast AQMD adopted Rule 1118.1 – Control of Emissions from Non-Refinery Flares. Rule 1118.1 applies to facilities that operate non-refinery flares located at landfills, wastewater treatment plants, oil and gas production facilities, organic liquid loading stations, and tank farms. Rule 1118.1 establishes

requirements to reduce NOx and VOC emissions from non-refinery flares and to encourage alternatives to flaring (e.g., increase beneficial use of gas), such as energy generation, transportation fuels, or pipeline injection.

Upon adoption of the rule, the Board directed staff to conduct a technology assessment of various technologies, techniques, approaches, and associated costs to beneficially use gas to reduce flaring and to provide a summary of the technology assessment to the Stationary Source Committee within 24 months of rule adoption and amend the requirements for flaring produced gas, if deemed appropriate.

A working group was established to assist in the development of the goals, scope, and cost associated with the technology assessment. Staff held several stakeholder meetings and three formal working group meetings to develop an outline and a Request for Proposals for the technology assessment. The RFP will obtain proposals from potential qualified consultants with technical expertise and experience in alternative technologies to reduce flaring from oil and gas sites, landfills, and wastewater treatment plants and prepare a technical assessment to examine the emission reduction benefits, the cost impacts, potential revenue, hurdles, system problems, and incentives of using gas that would be otherwise flared. The assessment will focus on sites not currently utilizing a large percentage of gas beneficially and shall include four sites (either actual sites or representative facilities): a large landfill, a small wastewater treatment plant, and two oil and gas sites (one remote and one either urban or an aggregate of existing facilities). The working group concluded the technology assessment would best be performed by a third-party engineering consultant.

### **Proposal**

Staff is proposing that the Board authorize the transfer of \$75,000 from the General Fund Undesignated (Unassigned) to Planning, Rule Development and Area Sources' FY 2020-21 Professional and Special Services Account. These monies will be used to fund a technology assessment on the beneficial use of flare gas as directed in the Rule 1118.1 Board Resolution.

### **Resource Impacts**

Funds are available from the General Fund, Unreserved (Unassigned) Fund Balance.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 11

**PROPOSAL:** Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services

**SYNOPSIS:** This action is to appropriate \$460,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2019-20 and/or FY 2020-21 Budgets and amend or execute contracts for legal counsel for specialized, environmental, and other litigation.

**COMMITTEE:** Administrative, March 13, 2020; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Appropriate \$460,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2019-20 and/or FY 2020-21 Budgets, Services and Supplies Major Object, Professional and Special Services Account; and
2. Authorize the Chairman or the Executive Officer, depending on whether the amount exceeds \$100,000, to amend or execute contracts with legal counsel handling existing matters, as well as prequalified counsel approved by the Board, and specialized legal counsel and services, as the need arises.

Wayne Natri  
Executive Officer

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**Background**

The FY 2019-20 Adopted Budget includes \$246,001 for litigation expenses in environmental law and other cases and specialized legal counsel and services. The total amount currently allocated will not cover current and anticipated costs of legal counsel and specialized counsel and services.

South Coast AQMD will require an additional amount of up to \$460,000 for these services. Monies will be expended on lawsuits and legal proceedings, including an appeal in the Exide matter; defending on Appeal the challenge to South Coast AQMD's

environmental analysis of the Tesoro Los Angeles Refinery Integration and Compliance project; potential litigation regarding EPA's recent actions, and other matters. In the Tesoro case, Tesoro will reimburse the South Coast AQMD for attorney's fees and other costs once the case is completed. Accordingly, staff is requesting an appropriation of funds in the amount of \$460,000 for a total expected expenditure of \$1,156,001 this fiscal year.

**Proposal**

In order to defend ongoing litigation, and continue other legal work, it is necessary to appropriate additional funds for expenditures by outside counsel. It is expected that ongoing lawsuits and other legal work will require an additional \$460,000 for attorneys handling existing matters, prequalified counsel approved by the Board, and with specialized legal counsel and services, as the need arises.

**Resource Impacts**

Sufficient funds will be available in Legal's FY 2019-20 Budget upon approval of this Board letter. This action will bring the total amount of outside counsel costs approved by the Board in FY 2019-20 to \$1,156,001.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 12

REPORT: Audit Reports of AB 2766 Fee Revenue Recipients for Fiscal Years Ending June 30, 2016 and 2017

SYNOPSIS: Health and Safety Code 44244.1 requires any agency that receives fee revenues subvented from the Department of Motor Vehicles to be audited once every two years. This audit of South Coast AQMD's share, MSRC's share, and local governments' share of such subvented funds, performed by independent Certified Public Accountants, has been completed.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file report.

Wayne Nastri  
Executive Officer

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### **Background**

AB 2766 was chaptered into law as Health and Safety Code Sections 44220-44247 which were enacted to authorize air pollution control districts to impose fees on motor vehicles. These fees are to be expended specifically for the purpose of mobile source air pollution reduction measures pursuant to the California Clean Air Act of 1988 or the South Coast AQMD's AQMP pursuant to Article 5 of Chapter 5.5 of Part 3 of the Health and Safety Code.

The fee revenue is collected by the Department of Motor Vehicles (\$4.00 per vehicle registration) and subvented to the South Coast AQMD for distribution as follows: thirty percent (\$1.20) goes to support South Coast AQMD-approved programs for the reduction of emissions from mobile sources; forty percent (\$1.60) is placed in the Air Quality Improvement Trust Fund for quarterly disbursement to local governments; and

thirty percent (\$1.20) is placed in the Mobile Source Air Pollution Reduction Special Revenue Fund for projects awarded by the Mobile Source Air Pollution Reduction Review Committee (MSRC) under a work program approved by the South Coast AQMD's Board.

### **Audit Summary**

#### *South Coast AQMD's Use of AB 2766 Fee Revenues – Segment 1*

The audit of the South Coast AQMD's use of the motor vehicle registration revenues resulted in no negative findings. The audit report is included in Attachment I. The cost of auditing the South Coast AQMD's use of the AB 2766 revenues was \$4,560, paid from the South Coast AQMD's portion of the fee revenues.

#### *Local Government Use of AB 2766 Fee Revenues – Segment 2*

The audit of local governments' use of AB 2766 funds resulted in 35 negative findings for 22 agencies, out of 162 recipients. All of these findings will be resolved in accordance with AB 2766 program guidelines. A summary of the audit findings is included in Attachment II, along with the audit reports in Attachments III and IV.

The total cost to audit the local government recipients was \$86,190. The cost of the audit is allocated and paid from the local governments' portion of the fee revenues in accordance with AB 2766 program guidelines.

#### *MSRCs Use of AB 2766 Fee Revenues – Segment 3*

The audit of the MSRC fund and of projects from the MSRC Work Program resulted in no negative findings. The audit reports are included in Attachments V and VI. The MSRC reviewed the summary audit reports at its March 19, 2020 meeting. The cost of auditing the MSRC and their use of program revenues was \$7,000 and will be deducted from the fee revenues subvented to the MSRC.

### **Attachments**

- I. South Coast AQMD's Use of AB 2766 Fee Revenues – Segment 1
- II. Summary of AB 2766 Audit Findings for Local Governments and Council of Governments
- III. Local Governments Use of AB 2766 Fee Revenues Summary of Audit Reports - Segment 2.
- IV. Local Governments Use of AB 2766 Fee Revenues Summary of Audit Reports - Segment 2, Subgroup 1
- V. MSRC's Use of AB 2766 Fee Revenues Summary Audit Report - Segment 3
- VI. MSRC Projects Audit – Segment 3, Projects

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT***

***AIR QUALITY IMPROVEMENT FUND  
(SEGMENT 1)***

***INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES***

***FOR THE YEARS ENDED JUNE 30, 2017 AND 2016***







SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Governing Board of  
The South Coast Air Quality Management District

We have performed the procedures enumerated below, which were agreed to by the management of the South Coast Air Quality Management District (South Coast AQMD), solely to assist you in determining whether automobile registration fee revenues (AB 2766 funds) received by the South Coast AQMD during fiscal years 2015-16 and 2016-17 were spent on the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). The South Coast AQMD's management is responsible for the use of AB 2766 funds in accordance with the cited criteria. The South Coast AQMD's management is responsible for use of AB 2766 funds in accordance with the cited criteria. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

Our procedures and results are as follows.

1. We obtained an understanding of how the South Coast AQMD accounts for AB 2766 funds – Segment 1, including whether the AB 2766 funds are maintained in a separate fund or if there is a separate accounting of the AB 2766 funds maintained by another means.

### ***Result***

We noted that the AB 2766 funds - Segment 1 (District Funds) are recorded under the General Fund of the South Coast AQMD.

2. We conducted interviews and tested significant controls to identify significant deficiencies in the design or operation of the South Coast AQMD's internal control procedures over the receipt and use of AB 2766 funds.

***Result***

We noted no exceptions in performing this procedure.

3. We obtained the California Department of Motor Vehicles (DMV) fee distribution record for AB 2766 revenues and agree them to the South Coast AQMD's AB 2766 revenues recorded in the general ledger.

***Result***

We noted no exceptions to recorded revenues.

4. We recalculated the South Coast AQMD's allocation of AB 2766 revenue fees to recipients to verify that the allocation was in accordance with CHSC Section 44243, after deducting administrative costs pursuant to Section 44229, and any audit costs pursuant to Section 44244.1(a).

***Result***

We noted no exceptions on the allocation of AB 2766 revenue fees to the recipients.

5. We conducted interviews in order to obtain an understanding of how the South Coast AQMD allocates interest earned and determined the reasonableness of the interest allocation and that interest was used for the same purposes for which AB 2766 funds were allocated to the South Coast AQMD.

***Result***

We noted no exceptions to interest allocation earned or use of interest earned.

6. We verified that the South Coast AQMD's governing board adopted a resolution to document the intent and use of AB 2766 funds exclusively for the reduction of air pollution from motor vehicles in accordance with the California Clean Air Act of 1988.

***Result***

We noted no exceptions in performing this procedure.

7. We obtained the South Coast AQMD's cost allocation schedule. We conducted interviews and recalculated allocations on a test basis to determine the reasonableness and mathematical accuracy of the cost allocation method.

***Result***

We noted no exceptions on the cost allocation schedule.

8. We tested AB 2766 direct and indirect non-labor project expenditures for each year to determine:
  - a) allowability, reasonableness, adequacy of supporting documentation, proper approval, clearly identified the project, and were incurred during the fiscal year;
  - b) that the funds were spent in accordance with CHSC Section 44220(b), which requires that AB 2766 fund expenditures were incurred solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement and technical studies necessary for implementation of the California Clean Air Act of 1988; and
  - c) in accordance with CHSC Section 44235, the South Coast AQMD did not use AB 2766 fees for establishing or maintaining the district as a direct provider of the carpool, van pool, or other ridesharing or transit services.

***Result***

We noted no exceptions in performing this procedure.

9. We tested AB 2766 direct payroll expenditures, reviewed related payroll registers and employee records to verify hours worked, mathematical accuracy, and salary rates.

***Result***

We noted no exceptions to the AB 2766 direct payroll expenditures.

10. We analyzed AB 2766 administrative expenditures to verify, in accordance with CHSC Section 44233, that the South Coast AQMD did not use more than 5% for FY2016 and 6.25% for FY2017 of the AB 2766 fees distributed for administrative expenditures.

***Result***

We noted no exceptions in performing this procedure.

11. We obtained the South Coast AQMD expenditures to verify, in accordance with CHSC Section 44244.1(d), that the South Coast AQMD expended AB 2766 fees within one year of the program or project completion date.

***Result***

We noted no exceptions in performing this procedure.

12. We obtained the South Coast AQMD reports to verify that the South Coast AQMD submitted a report to the State Board on the use of the fees and results of the programs funded, and to verify that the South Coast AQMD's control measures were in compliance with Title 42 of the United States Code control measures.

***Result***

We noted no exceptions in performing this procedure.



We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion on the South Coast AQMD's compliance with the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the governing board and management of the South Coast AQMD, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Simpson &amp; Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California  
July 19, 2019

## Summary of Fiscal Year 2015-16 and Fiscal Year 2016-17 AB 2766 Audit Findings for Local Governments and Council of Governments

Findings Description	Fiscal Year(s)	City/County/COG	Status
AB 2766 Funds Not Accounted For Separately	FY 2016-17	Culver City	Resolved-The City created a separate fund.
AB 2766 Funds Not Accounted For Separately	FY 2015-16 & FY 2016-17	Western Riverside Council of Governments	Resolved-The WRCOG created a separate fund.
Expenditures without Supporting Documentation	FY 2015-16	Huntington Park	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Expenditures without Supporting Documentation	FY 2015-16 & FY 2016-17	San Bernardino	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Inaccurate Information in the Annual Program Progress Report	FY 2016-17	Murrieta	Resolved-The City included the project in the FY 2017-18 report.
Interest Income on Accumulated AB 2766 Funds	FY 2015-16 & FY 2016-17	Compton	Resolved-The City will be allocating the interest earning to the fund.
Over-allocation of Costs to AB 2766 Fund	FY 2016-17	El Monte	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Research and Development Project in Excess of 10% Cap	FY 2016-17	Murrieta	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Artesia	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Beaumont	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16	Brea	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Compton	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	El Monte	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Hemet	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Huntington Park	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16	La Habra Heights	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2016-17	Lawndale	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Lomita	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2016-17	Los Alamitos	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2016-17	Lynwood	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2016-17	Maywood	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	Placentia	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2016-17	Rialto	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16	San Jacinto	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2015-16 & FY 2016-17	South El Monte	Resolved-City was Audited.
Submission of Annual Audited Financial Statements	FY 2016-17	Yucaipa	Resolved-City was Audited.
Unallowable Expenditures	FY 2015-16	Compton	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Unallowable Expenditures	FY 2015-16	Huntington Park	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Unallowable expenditures	FY 2015-16	Huntington Park	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Unallowable Expenditures	FY 2016-17	Lomita	Resolved-The City has replaced the funds.
Unallowable expenditures	FY 2016-17	Lynwood	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Unallowable expenditures	FY 2016-17	Lynwood	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.
Unallowable Expenditures	FY 2016-17	Placentia	Resolved-The City has replaced the funds.
Unallowable Expenditures	FY 2016-17	Rialto	Resolved-The City has replaced the funds.
Unallowable Expenditures	FY 2015-16	San Bernardino	Resolved-The City has requested SCAQMD to withhold funds from future disbursements.

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT***  
***SUMMARY REPORT ON***  
***AB 2766 FEE REVENUES***  
***FOR LOCAL GOVERNMENT RECIPIENTS***  
***UNDER HEALTH AND SAFETY CODE SECTION 44243(b)***  
***(Segment 2)***  
***FOR THE YEARS ENDED JUNE 30, 2017 AND 2016***



***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT***

***AB 2766 FEE REVENUES FOR LOCAL GOVERNMENT RECIPIENTS  
UNDER HEALTH AND SAFETY CODE SECTION 44243(b)  
(Segment 2)***

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## AB 2766 Air Quality Improvement Fund Summary of Segment 2 Reports

The Governing Board of  
The South Coast Air Quality Management District

This report provides a summary of the findings and questioned costs contained in the audit reports and reports on applying agreed-upon procedures completed for Segment 2 for the Biennial Audit of Fee Revenues under AB 2766 for fiscal years ended June 30, 2017 and 2016. See Attachment B for a list of the reports included in this summary.

For the purpose of determining whether motor vehicle registration fees (AB 2766 funds) subvended to the South Coast Air Quality Management District (SCAQMD) were expended for air pollution measures pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988 or the SCAQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC), the SCAQMD requested that we perform audits or agreed-upon procedures reviews for six subgroups of local governments receiving Segment 2 funds. Segment 2 funds are the 40% of motor vehicle fee revenues subvended to the SCAQMD that are distributed to local governments on a quarterly basis. The SCAQMD placed local governments into subgroups based on the amount of Segment 2 funds received and whether the entity had provided Air Quality Improvement Fund audited financial statements and progress reports to the SCAQMD. Local governments in Segment 2 include cities, counties and consortiums of local governments. These consortiums are legal entities created through joint power agreements entered into by cities and counties in a common geographical area. Local governments are permitted to pool their resources for implementing the requirements for the use of AB 2766 funds and to undertake regional projects to reduce air pollution from motor vehicles.

For local governments in Subgroup 1, we reviewed audit reports prepared by other auditors and summarized audit findings included in the reports. The Subgroup 1 summary was provided in a separate report dated December 23, 2019.



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To this report, we have summarized audit findings and questioned costs for local government entities in Subgroups 2, 3, 4, 5 and 6 into 19 categories, as described below.

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**CATEGORY****DESCRIPTION**

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**Noncompliance with the AB 2766 Compliance Requirements:**

- |   |  |
|---|--|
| 1 | Unallowable Expenditures   |
| 2 | Over-allocation of Costs to AB 2766 Fund   |
| 3 | Expenditures without Supporting Documentation                                    |
| 4 | Research and Development Project in Excess of 10% Cap                            |
| 5 | Interest Income on Accumulated AB 2766 Funds                                     |
| 6 | AB 2766 Funds Not Accounted for Separately                                       |
| 7 | Inaccurate Information in the Annual Program Progress Report Submitted to SCAQMD |
| 8 | Submission of Annual Audited Financial Statements                                |

**Material Weaknesses or Significant Deficiencies in Financial Reporting:**

- |    |   |
|----|---|
| 9  | City's Finance Organization                               |
| 10 | Lack of Policies and Procedures                           |
| 11 | Procurement Policies and Procedures                       |
| 12 | Lack of Controls Over Financial Reporting                 |
| 13 | Lack of Controls Over Year-end Closing Procedures         |
| 14 | Lack of Controls Over Capital Assets                      |
| 15 | Lack of Controls Over Receivables and Revenue Recognition |
| 16 | Segregation of Duties Over Check Disbursements            |
| 17 | Conflict of Interest Code                                 |
| 18 | City's Financial Condition                                |

The audit findings are described in the Summary of Findings in Attachment A.

This report is intended solely for the information and use of the governing board and management of the SCAQMD, and is not intended to be and should not be used by anyone other than these specified parties.

Los Angeles, California  
February 6, 2020

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
AIR QUALITY IMPROVEMENT FUND***

**SUMMARY OF FINDINGS**  
For the Years Ended June 30, 2017 and 2016  
(Continued)

**1. Unallowable Expenditures**

California Health and Safety Code Section 44243 require that AB 2766 funds be used for programs to reduce air pollution from mobile sources. We noted the following cities charged unallowable expenditures to AB 2766 funds.

<u>Fiscal Year 2017</u>	<u>Description</u>	<u>Amount</u>
<u>Los Angeles County</u>		
City of Lynwood	LED lights installed were not close to the EV charging stations	\$ 6,800.00
City of Lynwood	Purchase of EVs and charging stations were based on budget instead of vendor invoices	2,020.00
City of Lomita	EV charging station repair costs	581.28
<u>Orange County</u>		
City of Placentia	Lightbars installation on EVs	14,318.24
<u>San Bernardino County</u>		
City of Rialto	Rideshare incentives paid were either missing supporting documents or did not meet the minimum number of rideshare days	3,647.00

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
AIR QUALITY IMPROVEMENT FUND***

SUMMARY OF FINDINGS  
For the Years Ended June 30, 2017 and 2016  
(Continued)

**1. Unallowable Expenditures (Continued)**

<u>Fiscal Year 2016</u>	<u>Description</u>	<u>Amount</u>
<u>Los Angeles County</u>		
City of Compton	Audit fees charged to the AB 2766 Fund, but the audits have not been completed	\$ 13,500.00
Huntington Park	Southern California Association of Governments annual membership renewal fees	5,626.00
Huntington Park	The invoices provided by the City to support a payment did not clearly identify the project. Also, according to the fund numbers and account codes indicated on the invoices, the expenditures should be charged to the Gas Tax Fund and Planning Fund.	33,092.50
<u>San Bernardino County</u>		
City of San Bernardino	CalPERS settlements charged due to deferral payment of employer portion of retirement contributions	6,572.00

## **2. Over-allocation of Costs to AB 2766 Fund**

According to Chapter 17 of the SCAQMD Resource Guide, “Expenditures on equipment, materials, and subcontractor services must be supported by a warrant and other source document clearly showing that the payment was for an expenditure charged against the fund and included in the annual program report to the AQMD. It is also important that the source document (invoice, requisition, equipment rental charge, and other pertinent data) clearly identify the project to establish a readily discernible audit trail.” Also, according to Chapter 17 of the SCAQMD Resource Guide, “Direct labor must be documented on timesheets. If timesheets do not permit the level of detail required to document direct labor hours to be charged to AB 2766 projects specifically, then a detailed log of time spent on projects, the activities performed and the outcome or product generated must be maintained. Direct labor costs must identify the project to establish a clear audit trail. Allocating a fixed or budgeted amount of staff time and associated salary expense each pay period will not meet the requirements for the audit”.

### Los Angeles County

#### City of El Monte

During review of the cash disbursements for fiscal year 2016, we noted that one invoice for street sweeping expense was over-allocated to the AB 2766 fund. The total invoice amount was \$23,842.03 and only \$8,333.03 should be allocated to AB 2766 fund. However, the City of El Monte inadvertently charged \$15,509.00 to the AB2766 fund. As a result, the City of El Monte over-allocated \$7,175.97 to the AB 2766 fund.

## **3. Expenditures without Supporting Documentation**

According to Chapter 17 of the SCAQMD Resource Guide, “Direct labor must be documented on timesheets. If timesheets do not permit the level of detail required to document direct labor hours to be charged to AB 2766 projects specifically, then a detailed log of time spent on projects, the activities performed and the outcome or product generated must be maintained. Direct labor costs must identify the project to establish a clear audit trail. Allocating a fixed or budgeted amount of staff time and associated salary expense each pay period will not meet the requirements for the audit.”

### Los Angeles County

#### City of Huntington Park

For fiscal year 2016, the City of Huntington Park was unable to provide the vendor invoices for four out of 32 samples selected for disbursement testing and one out of three samples selected for accounts payable testing. In addition, a vendor invoice

### **3. Expenditures without Supporting Documentation (Continued)**

provided was missing certain pages. In addition, a vendor invoice provided was missing certain pages. Total questioned costs amounted to \$16,414.56.

#### San Bernardino County

##### City of San Bernardino

We noted that during the first half of fiscal year 2016, the City of San Bernardino maintained a method of allocation of labor charges to the Fund that did not permit the level of detail required to document the hours spent on projects, the activities performed and the outcome or product generated. The City updated the system in January 2016 to provide timesheets that reflected actual hours worked for the Fund. However, we noted that the payroll system was still allocating indirect or adjusted hours of staff time to the Fund based on a budgeted percentage that was not supported by a time study. Total questioned costs amounted to \$1,445.00 and \$23,989.00 for fiscal years 2017 and 2016, respectively.

### **4. Research and Development Projects in Excess of 10% Cap**

According to Chapter 3 of the SCAQMD Resource Guide, "Funding of all research and development projects and related environmental impact reports shall not exceed 10% of the jurisdiction's total subvention funds received during the fiscal year reporting cycle."

#### Riverside County

##### City of Murrieta

For fiscal year 2017, we noted that the City of Murrieta charged \$18,627.00 to the Air Quality Improvement Fund for a transportation study. The amount charged exceeded the 10% research and development cap ( $\$145,315.65 \times 10\% = \$14,531.57$ ) by \$4,095.44.

## **5. Interest Income on Accumulated AB 2766 Funds**

According to Chapter 15 of the SCAQMD Resource Guide, “Often local governments accumulate funds over an extended period for costly projects. Depending on the amount of annual AB 2766 receipts and the timeliness of project expenditures, cities/ counties may have large cash balances in the AB 2766 Special Revenue Fund. Interest earned on these cash balances could amount to a significant sum of money. If AB 2766 fees are invested with cash balances from other general fund revenues, an equitable, proration of interest earned on the total funds invested must be made to the AB 2766 Special Revenue Funds”.

### Los Angeles County

#### City of Compton

For fiscal years 2017 and 2016, we noted that interest of City of Compton was not credited to the Air Quality Improvement Fund. The estimate of interest earned based on LAIF PMIA for fiscal years 2017 and 2016 were \$2,703.72 and \$1,561.50, respectively.

## **6. AB 2766 Funds Not Accounted for Separately**

California Health and Safety Code Section 44243 (b)(1)(C) requires local governments to account for and separately track AB 2766 funds within their accounting records.

### Los Angeles County

#### City of Culver

The City of Culver City did not maintain a separate fund to track assets, liabilities, and fund balance of the AB 2766 funds. The City records revenues, expenditures, and balance sheet accounts of the AB 2766 funds along with other non-major operating grants in a special revenue fund (Fund 414). The City’s accounting system did not separately identify and track balance sheet accounts of the AB 2766 funds within this fund.

## **6. AB 2766 Funds Not Accounted for Separately (Continued)**

### Consortium

#### Western Riverside Council of Governments (WRCOG)

The WRCOG used AB 2766 funds to partly finance the expenditures of its Clean Cities Program (an outreach program to promote clean air quality). As such, disbursements of AB 2766 funds are included in the expenditures report of the Clean Cities program. For the fiscal year ended June 30, 2017 & 2016, WRCOG maintained AB 2766 funds in the Special Revenue Fund that was used to account for the proceeds of specific revenues sources that are legally restricted to expenditures for specific purposes. The WRCOG's accounting system did not separately identify and track AB 2766 funds within this fund.

## **7. Inaccurate Information in the Annual Program Progress Report Submitted to SCAQMD**

According to the SCAQMD Resource Guide, "Cities and counties under SCAQMD's jurisdiction provide annual program and financial information to the SCAQMD. This information is compiled by the SCAQMD and forwarded as an annual report to California Air Resources Board (CARB)".

According to Chapter 12 of the SCAQMD Resource Guide, "The Audit Guidelines describes the financial and program reporting requirements for local governments. The AB 2766 program legislation requires that each agency receiving motor vehicle registration fee revenues must submit:

- An annual program progress report
- An annual audited financial statement of AB 2766 funds

### Riverside County

#### City of Murrieta

For fiscal years 2017 and 2016, the City of Murrieta omitted the Traffic Signal Optimization project in the annual program progress report submitted to the SCAQMD.



## 8. Submission of Annual Audited Financial Statements

The Audit Guidelines prepared by the SCAQMD describe the financial and program reporting requirements for local governments. The AB 2766 program legislation requires that each agency receiving motor vehicle registration fee revenues must submit an annual program progress report and annual audited financial statements of AB 2766 funds by the first Friday in February of each year. For fiscal years 2017 and 2016, the following cities did not submit its annual audited financial statements to the SCAQMD in a timely manner.

<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
<u>Los Angeles County</u> City of Artesia City of Compton City of El Monte City of Huntington Park City of Lawndale City of Lomita City of Lynwood City of Maywood City of South El Monte	<u>Los Angeles County</u> City of Artesia City of Compton City of El Monte City of Huntington Park City of La Habra Heights City of Lomita City of South El Monte
<u>Orange County</u> City of Los Alamitos City of Placentia	<u>Orange County</u> City of Brea City of Placentia
<u>Riverside County</u> City of Beaumont City of Hemet	<u>Riverside County</u> City of Beaumont City of Hemet City of San Jacinto
<u>San Bernardino County</u> City of Rialto City of Yucaipa	

## **9. City's Finance Organization**

### Los Angeles County

#### City of Lynwood

On July 11, 2018, City of Lynwood's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported material weaknesses in the City's finance organization. According to the City's independent auditor, the Finance Department had significant turnover especially in the management positions. The City was not able to recruit permanent employees with sufficient governmental accounting experience during the year ended June 30, 2017. Although consultants were brought in to assist the City, the City was significant behind on the day to day activities and was not able to catch up on the work.

## **10. Lack of Policies and Procedures**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

### Riverside County

#### City of Beaumont

On June 15, 2018, the City of Beaumont's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported that the City lacked having formal policies, procedures and guidelines in place for certain areas, including the following:

- Accounting Policies and Procedures
- Debt Management Policy

## **10. Lack of Policies and Procedures (Continued)**

### **City of Hemet**

During the City of Hemet's independent auditors' review of control environment, the City's independent auditors noted that the City lacked formal policies and procedures. Although the City has informal policies, the City should establish formal and comprehensive policies approved by the City Council to provide detailed guidance to employees and management of the City.

Also, we noted that the City recognized \$249,841 received from the State of California as revenue in the Air Quality Improvement Fund during fiscal year 2016 which was unrelated to air pollution reduction measures.

## **11. Procurement Policies and Procedures**

### **Los Angeles County**

#### **City of Maywood**

According to the City of Maywood Accounting Policy and Procedures dated June 27, 2006, before a cash disbursement can be generated, a purchase order must be obtained. Purchase orders are required for most purchases. Purchases that do not require a purchase order are annual dues and memberships, monthly utilities, and invoices supported by a contract.

During our audit, we noted that the City did not obtain a purchase order when acquiring electric vehicles and charging station for the electric vehicles.

## **12. Lack of Controls Over Financial Reporting**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

### Los Angeles County

#### City of Compton

On March 15, 2019, the City's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor identified the following as material weaknesses:

- 1) Bank reconciliations were not prepared and reviewed in a timely manner. The last bank reconciliation prepared was for August 2014.
- 2) The City did not have written policies and procedures related to security controls for logical access for the City IT infrastructure and systems.
- 3) The City did not have written policies and procedures related to controls over the physical security of the City's IT infrastructure and its systems.

We also noted that during fiscal year 2017 the City did not record the second quarter AB 2766 distribution in the Air Quality Improvement Fund, which was inadvertently deposited and recorded in another City's Fund.

#### City of Huntington Park

On June 27, 2018, the independent auditor of the City issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported a significant deficiency in the City's accounting and financial reporting system. According to the City's independent auditor, there has been delay in closing of the books and the preparation of the financial statements and more than twenty journal entries were provided to correct the trial balance provided by the City to the independent auditor and thirteen audit journal entries were proposed based on the audit performed.

## **12. Lack of Controls Over Financial Reporting (Continued)**

### **City of Lynwood**

On July 11, 2018, the independent auditor of the City of Lynwood issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported material weaknesses in the City's accounting and financial reporting system, which include the following:

- 1) There was significant delay in performing bank reconciliations.
- 2) The City provided two version of the trial balances to the City's independent auditor. After the second version of the trial balance was provided, more than fifty client journal entries and nine audit journal entries were posted to correct the trial balance.
- 3) There was no indication of review or approval of payroll register and supporting documents; and timesheets were not approved by direct supervisors for 10 out of 25 samples selected by the City's independent auditor.
- 4) There was lack of segregation of duties between Payroll and Human Resources. The payroll personnel had access and authority to make changes on the personnel files in the system; however, there is no further review after the changes were made.
- 5) The City did not remit the CalPERS pension related payments in the amount of \$348,850 timely. In addition, there was a variance of \$100,146 in contribution that the City did not reconcile from the general ledger to the CalPERS contribution report.
- 6) Purchase orders were issued after the purchases were made. (This finding is also applicable to a sample selected for the AB 2766 biennial audit.)
- 7) Vendor invoices were regularly held at the department levels until the payments were due. This resulted in the need of rush payments through the prepaid checks instead of regular check runs.

## **12. Lack of Controls Over Financial Reporting (Continued)**

### **City of South El Monte**

On January 22, 2018, the independent auditor of the City of South El Monte issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2016. The independent auditor reported material weaknesses in the City's accounting and administrative control system. The material weaknesses include the following:

- 1) Unclear as to what competitive bidding procedures should be followed when procuring and contracting for professional services, including various purchasing thresholds that would require informal quotes, formal bidding procedures, etc.
- 2) The City regularly enters into contracts for projects, services, etc., that have set not-to-exceed cost maximums; however, the City's accounting system does not have a system to track the purchases or expenditures charged to specific contracts that have not-to-exceed cost maximums.
- 3) Detailed receipts were missing from the supporting documentation for credit card transactions.
- 4) Contracts that exceeded \$25,000 were not approved by the City Council. In addition, there were no indication that these contracts were subjected to any competitive bidding procedures.

### **City of South Gate**

On January 31, 2018, the independent auditor of the City of South Gate issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The independent auditor reported significant deficiencies in the City's internal controls over financial reporting. The significant deficiencies included the following:

- 1) Bank Reconciliation  
The City did not complete the monthly bank reconciliation process in a timely manner. The City's independent auditors tested five bank reconciliations and noted that four of them had not yet been completed. The bank reconciliations were not completed until November 2017, which was twelve months afterward.
- 2) Expenditures, Payables, and Deferred Inflows  
During the City's independent auditors' testing of the purchasing and cash disbursement process, the City's independent auditors noted that three out of the forty payments to vendors were missing purchase orders.

## **12. Lack of Controls Over Financial Reporting (Continued)**

### **3) Revenue, Receivables, and Deferred Inflows of Resources**

During the City's independent auditors' testing of the cash receipt process, the City's independent auditors noted that thirty one out of the forty daily cash receipt reports were not reviewed or signed-off until the following month. In addition, there were two missing signatures on the courier deposit log.

#### Riverside County

##### **City of Beaumont**

On June 15, 2018, the independent auditor of the City of Beaumont issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported that internal controls were either lacking, were not designed properly, and mitigating controls were not sufficient to effectively identify misstatements due from error.

In addition, the City's independent auditor reported that the City did not have in place a systematic method for ensuring that timely and complete year-end closing procedures were in operation before presenting the trial balance to the City's independent auditors, resulting a number of journal entries necessary to correct or to reclassify balances in financial statements that should normally be captured through the closing process.

##### **City of Murrieta**

On April 4, 2018, the City's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor identified a material weakness related to the accuracy and timeliness of Accounting Records and Financial Reporting. The City's independent auditor noted the following:

There were certain accounts that had not yet been thoroughly analyzed and reconciled to the supporting records. This included receivables, revenues, unavailable revenues, accounts payable, claims liabilities, capital assets and payroll related accruals. In addition, while performing audit procedures, the City's independent auditor identified and proposed several material adjusting journal entries to the City's accounting records. Adjusting journal entries were being made as late as March 2018, approximately 9 months after the end of the fiscal year. The City's independent auditor recognized that the City had significant staff turnover in the Finance department, which might have been a contributing factor.

### **13. Lack of Controls over Year-end Closing Procedures**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported.

#### San Bernardino County

City of Rialto

We noted that the City of Rialto did not accrue the rideshare incentives expenditures for the month of June 2017.

### **14. Lack of Controls Over Capital Assets**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

#### Los Angeles County

City of Lynwood

On July 11, 2018, the City's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported material weaknesses in the City's controls over capital assets. According to the City's independent auditor, the City does not have a capital assets list at the department level and does not perform capital asset count or tag the equipment. Moreover, the City did not have proper procedures in place to review capital outlay expenditures by each project which resulted in \$3,452,277 prior period adjustments in the construction in process. In addition, it was noted by the City's independent auditor that projects completed and placed in service without proper approval from the City Council or issuance of notice of completion.



## **15. Lack of Controls Over Receivables and Revenue Recognition**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported.

### Los Angeles County

#### City of Lynwood

We noted that the City did not accrue the AB 2766 fourth quarter funds distributed by the SCAQMD and collected within 60 days of the end of fiscal year 2017.

## **16. Segregation of Duties Over Check Disbursements**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

### Los Angeles County

#### City of South El Monte

On June 8, 2018, the independent auditor of the City of South El Monte issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The independent auditor found that the accounts payable clerk enters the information for the checks to be paid, prints and checks, maintains the vendor master file, and files the invoices that are paid. And there was no independent review of the checks along with supporting documentation, including the approved invoices.

## **17. Conflict of Interest Code**

Los Angeles County

City of Lynwood

On July 11, 2018, City of Lynwood's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported a significant deficiency in the City's Conflict of Interest Code.

According to the City's independent auditor, the City did not properly re-adopt required conflict of interest code for the year ended June 30, 2017. In addition, former City attorney form 700 filed was not available to provide to the City's independent auditor.

## **18. City's Financial Condition**

Los Angeles County

City of Lynwood

On July 11, 2018, City of Lynwood's independent auditor issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the year ended June 30, 2017. The City's independent auditor reported material weaknesses in the City's financial condition.

According to the City's independent auditor, on July 19, 2016, the Mayor and Common Council enacted Resolution No. 2016-161 declaring available a fiscal emergency due to the ongoing structural deficit. The City has used its available General Fund balance to bridge the structural budget deficit, meaning it would use nearly all General Fund reserves before the end of fiscal year 2017 and would not have enough revenue to cover proposed expenditures, maintain current service levels, and meet the City's reserve policy. By cutting City staff and services to the bare minimum necessary to preserve the public health, safety and welfare, and drawing down the General Fund balance, it prevented the City from running out of money in the General Fund. However, it was evident that future General Fund revenue is no longer sufficient to maintain minimum staff and service levels. Accordingly, the City Council of the City unanimously declared the existence of a fiscal emergency within the City.

## **18. City's Financial Condition**

As of June 30, 2017, the City's governmental activities had an unrestricted net deficit of \$35,212,722. The General Fund had net decrease \$1,068,755 before transfers from other funds. Without administrative support charged to the Water and Sewer Enterprise Funds, the net decrease before transfers would be \$2,187,001. In addition, the City transferred \$800,000 from the Refuse Special Revenue Fund to cover citywide expenditures and \$1,828,837 from the Retirement Special Revenue Fund to cover CalPERS retirement costs. The General Fund was not able to sustain itself.

The City's independent auditor also noted that the City does not have an updated cost allocation plan while General Fund was charging Water and Sewer Enterprise Funds administrative costs in the amount of \$1,118,246.

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
AIR QUALITY IMPROVEMENT FUND***

**LIST OF LOCAL GOVERNMENT RECIPIENTS AUDITED  
For the Years Ended June 30, 2017 and 2016**

	<b>City</b>	<b>Type of Audit</b>	<b>Fiscal Year (s)</b>
	<b>Los Angeles County</b>		
1.	City of Alhambra	Financial & Compliance	2017 & 2016
2.	City of Artesia	Financial & Compliance	2017 & 2016
3.	City of Bellflower	Agreed Upon Procedures	2017
4.	City of Cerritos	Agreed Upon Procedures	2016
5.	City of Compton	Financial & Compliance	2017 & 2016
6.	City of Culver City	Agreed Upon Procedures	2017
7.	City of El Monte	Financial & Compliance	2017 & 2016
8.	City of Glendale	Financial & Compliance	2017 & 2016
9.	City of Hawthorne	Financial & Compliance	2017 & 2016
10.	City of Huntington Park	Financial & Compliance	2017 & 2016
11.	City of La Habra Heights	Financial & Compliance	2016
12.	City of La Puente	Agreed Upon Procedures	2016
13.	City of Lakewood	Financial & Compliance	2017 & 2016
14.	City of Lawndale	Financial & Compliance	2017
15.	City of Lomita	Financial & Compliance	2017 & 2016
16.	City of Long Beach	Financial & Compliance	2017 & 2016
17.	City of Los Alamitos	Financial & Compliance	2017
18.	City of Lynwood	Financial & Compliance	2017
19.	City of Maywood	Financial & Compliance	2017
20.	City of Monrovia	Agreed Upon Procedures	2016
21.	City of Montebello	Agreed Upon Procedures	2017
22.	City of Monterey Park	Agreed Upon Procedures	2016
23.	City of Redondo Beach	Agreed Upon Procedures	2017
24.	City of San Fernando	Agreed Upon Procedures	2016
25.	City of Signal Hill	Agreed Upon Procedures	2017
26.	City of South El Monte	Financial & Compliance	2017 & 2016
27.	City of South Gate	Financial & Compliance	2017 & 2016
28.	City of West Hollywood	Agreed Upon Procedures	2017
29.	City of Westlake Village	Agreed Upon Procedures	2016
30.	County of Los Angeles	Financial & Compliance	2017 & 2016

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
AIR QUALITY IMPROVEMENT FUND***

**LIST OF LOCAL GOVERNMENT RECIPIENTS AUDITED  
For the Years Ended June 30, 2017 and 2016  
(Continued)**

	<u>City</u>	<u>Type of Audit</u>	<u>Fiscal Year (s)</u>
	<b>Orange County</b>		
31.	City of Anaheim	Financial & Compliance	2017 & 2016
32.	City of Buena Park	Financial & Compliance	2017 & 2016
33.	City of Brea	Financial & Compliance	2016
34.	City of Laguna Woods	Agreed Upon Procedures	2017
35.	City of Newport Beach	Financial & Compliance	2017 & 2016
36.	City of Placentia	Financial & Compliance	2017 & 2016
37.	City of Stanton	Agreed Upon Procedures	2016
38.	City of Tustin	Agreed Upon Procedures	2017
39.	County of Orange	Financial & Compliance	2017 & 2016
	<b>Riverside County</b>		
40.	City of Banning	Agreed Upon Procedures	2016
41.	City of Beaumont	Financial & Compliance	2017 & 2016
42.	City of Coachella	Agreed Upon Procedures	2016
43.	City of Hemet	Financial & Compliance	2017 & 2016
44.	City of Jurupa Valley	Financial & Compliance	2016
45.	City of Menifee	Financial & Compliance	2017 & 2016
46.	City of Moreno Valley	Financial & Compliance	2017 & 2016
47.	City of Murrieta	Financial & Compliance	2017 & 2016
48.	City of Perris	Agreed Upon Procedures	2017
49.	City of San Jacinto	Financial & Compliance	2016
50.	City of Temecula	Financial & Compliance	2017 & 2016
	<b>San Bernardino County</b>		
51.	City of Chino	Financial & Compliance	2016
52.	City of Chino Hills	Agreed Upon Procedures	2017
53.	City of Redlands	Agreed Upon Procedures	2016
54.	City of Rialto	Financial & Compliance	2017
55.	City of San Bernardino	Financial & Compliance	2017 & 2016
56.	City of Upland	Agreed Upon Procedures	2016
57.	City of Yucaipa	Financial & Compliance	2017
58.	County of San Bernardino County	Financial & Compliance	2017 & 2016

	<u>City</u>	<u>Type of Audit</u>	<u>Fiscal Year (s)</u>
	<b>Consortium</b>		
59.	Coachella Valley Association of Governments	Financial & Compliance	2017 & 2016
60.	Gateway Cities Council of Governments	Financial & Compliance	2017 & 2016
61.	Western Riverside Council of Governments	Financial & Compliance	2017 & 2016

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT***

***AIR QUALITY IMPROVEMENT FUND  
(SEGMENT 2 – SUBGROUP 1)***

***INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES***

***FOR THE YEARS ENDED JUNE 30, 2017 and 2016***





SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Governing Board of  
The South Coast Air Quality Management District

We have performed the procedures enumerated below, which were agreed to by the management of the South Coast Air Quality Management District (South Coast AQMD), solely to assist you in summarizing instances of noncompliance and internal control deficiencies and material weaknesses reported in financial statement audit reports and internal control and compliance reports submitted to the South Coast AQMD by cities and counties that received automobile registration fee revenues (AB 2766 funds) from the South Coast AQMD in fiscal years 2015-16 and 2016-17. This report includes instances of noncompliance with respect to whether AB 2766 funds were spent on activities that reduce air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). This report also includes internal control deficiencies and material weaknesses identified in the reports on internal control.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested, nor any other purpose.

Our procedures and results are as follows:

We performed a summary review of the audited financial statements and the independent auditors' report on compliance and on internal control over compliance required by AB 2766, submitted to South Coast AQMD by the cities and counties that received more than \$100,000 of AB 2766 funds per year (Large Recipients) for fiscal years 2015-16 and 2016-17 (See Attachment A for list of municipalities). We identified any modifications of the independent auditors' opinions on the Large Recipients' annual financial statements; instances of noncompliance with the AB 2766 compliance requirements; and deficiencies, significant deficiencies, and material weaknesses in internal controls over financial reporting and compliance required by AB 2766, and summarized these instances below.







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## **MODIFIED OPINIONS ON THE AUDITED FINANCIAL STATEMENTS**

No matters noted.

## **NONCOMPLIANCE WITH THE AB 2766 COMPLIANCE REQUIREMENTS**

No matters noted.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING AND COMPLIANCE REQUIRED BY AB 2766**

### **1. Revenue Recognition (Material Weakness)**

#### Orange County

##### City of Irvine

Governmental funds are accounted for on the modified accrual basis. As such, revenues are recognized only when they are measurable and available. For the City of Irvine, availability is defined as being collected within the current period or within 60 days after year-end. Those accrued revenues that are not available are recorded on the balance sheet as a deferred inflow of resources.

For fiscal year 2017, the independent auditors of the City of Irvine noted that the revenue related to a certain material receivable balance in the City's Capital Project Improvement Fund was recorded as both unearned revenue and a deferred inflow of resources on the balance sheet which resulted in an understatement of fund balance. The cause for this duplication was an incorrect prior period adjustment made in fiscal year 2015-16. The City's independent auditors recommended that a more thorough review of capital project related reimbursements occur during the year-end closing process to ensure the accuracy of the revenue recognition related to specific capital projects.

### **2. Information Technology Equipment Records (Significant Deficiency)**

#### Orange County

##### City of Irvine

For fiscal year 2016, the independent auditors of the City of Irvine noted that there is a lack of controls related to the maintenance of capital asset records related to information technology equipment that resulted in the write-off of a significant amount of fully depreciated capital assets by management during the year. According to the

understanding of the City's independent auditors, the City contracts with a third-party vendor to provide information technology services and has been experiencing difficulties in obtaining proper supporting documentation related to technology equipment replacements and retirements from the former third-party vendor. Inaccurate capital asset records related to technology equipment can result in the misstatement of the machinery and equipment asset classification reported in the financial statements and, potentially, the misappropriation of City assets. The City's independent auditors recommended that the City work with its current third-party vendor to establish procedures and controls to ensure that an inventory of the City's technology equipment is maintained and that adequate supporting records of purchases, dispositions, and retirements of technology equipment are received in order to accurately report such equipment for financial reporting purposes.

### **3. Construction in Progress (Significant Deficiency)**

#### Orange County

##### City of Irvine

For fiscal year 2017, the independent auditors of the City of Irvine identified certain capital improvement projects, where construction was completed and the projects were placed in service as of the end of the fiscal year; however, the asset values had not been transferred from the capital asset classification, "Construction in Progress" (CIP), to the appropriate capital asset category (e.g. infrastructure, improvements, etc.). As a result, the commencement of depreciation of the capital assets was delayed and the asset category balances in the capital asset note disclosures as of the end of the fiscal year were misstated. According to the City's independent auditors, the City does perform an annual process in November each year to identify completed capital projects and has the City Council formally accept the projects as being complete. It is at this time that City adjusts the related CIP balances. Unfortunately, this practice can cause timing issues with generally accepted accounting principles. An important part of financial reporting is ensuring the accuracy of capital asset classifications and appropriately estimating the use of those capital assets in the form of depreciation expense. As these projects are completed and placed in service, the assets should be transferred to the appropriate capital asset category and depreciation of the capital assets should commence pursuant to the City's depreciation policy. The City's independent auditors recommended that the City consider moving the timing of their annual analysis process for formally accepting the completion of capital projects to July or August so that it can coincide with the year-end financial closing process to ensure that accounting for the completed capital projects is done in accordance with generally accepted accounting principles.

#### **4. Contributed Capital Assets (Significant Deficiency)**

##### Orange County

##### City of Irvine

For fiscal year 2017, the independent auditors of the City of Irvine noted that two current year additions to the capital asset classification, Land, should have been recorded in prior years. These two additions represented the second and third installments relate to a long-term existing agreement whereby the third party was obligated to contribute land to the City for affordable housing. The Fiscal Services Division only identified the existence of this unrecorded land as a result of monitoring the minutes of recent council meetings in which discussions occurred about transferring this contributed land to the Irvine Community Land Trust. The City's independent auditors recommended that the City departments responsible for monitoring activity related to multi-year agreements affecting City assets and obligations such as the one identified above, improve their communications with the Fiscal Services Division to ensure the timely and accurate recording of events involving the multi-year agreements.

#### **5. Classification of AQMD Expenditures (Significant Deficiency)**

##### Riverside County

##### City of Jurupa Valley

For fiscal year 2017, the independent auditors of the City of Jurupa Valley noted that the City classified \$9,829 of expenditures within the AQMD fund, however these were not allowable AQMD expenditures. As a result, an adjustment was posted during the audit to reclassify these expenditures to other funds. This represented approximately 7.5% of total AQMD fund expenditures prior to the adjustment. The City's independent auditors recommended that the City develop procedures to review the AQMD expenditures for proper eligibility as part of the recording of the transactions, as well as review during reporting and closing process, to ensure only eligible costs are reported within the fund.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion on the South Coast AQMD's compliance with the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



This report is intended solely for the information and use of the governing board and management of the South Coast AQMD, and is not intended to be and should not be used by anyone other than these specified parties.

*Simpson & Simpson*

Los Angeles, California  
February 6, 2020



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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
AIR QUALITY IMPROVEMENT FUND

List of Local Government Large Recipients  
For the Years Ended June 30, 2017 and 2016

<u>Local Government</u>	<u>Fiscal Year(s)</u>
<b>Los Angeles County</b>	
1. Burbank	2017 and 2016
2. Carson	2017 and 2016
3. Downey	2017 and 2016
4. Inglewood	2017 and 2016
5. Los Angeles	2017 and 2016
6. Norwalk	2017 and 2016
7. Pasadena	2017 and 2016
8. Pomona	2017 and 2016
9. Santa Clarita	2017 and 2016
10. Santa Monica	2017 and 2016
11. Torrance	2017 and 2016
12. West Covina	2017 and 2016
13. Whittier	2017 and 2016
<b>Orange County</b>	
14. Costa Mesa	2017 and 2016
15. Fullerton	2017 and 2016
16. Garden Grove	2017 and 2016
17. Huntington Beach	2017 and 2016
18. Irvine	2017 and 2016
19. Lake Forest	2017 and 2016
20. Mission Viejo	2017 and 2016
21. Orange	2017 and 2016
22. Santa Ana	2017 and 2016
23. Tustin	2017 and 2016
24. Westminster	2017 and 2016
<b>Riverside County</b>	
25. Corona	2017 and 2016
26. County of Riverside	2017 and 2016
27. Indio	2017 and 2016
28. Jurupa Valley	2017
29. Riverside	2017 and 2016
<b>San Bernardino County</b>	
30. Chino	2017
31. Fontana	2017 and 2016
32. Ontario	2017 and 2016
33. Rancho Cucamonga	2017 and 2016

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT***

***MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
(SEGMENT 3)***

***INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES***

***FOR THE YEARS ENDED JUNE 30, 2017 and 2016***





SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

## Independent Accountant's Report On Applying Agreed-Upon Procedures

The Governing Board of  
The South Coast Air Quality Management District

We have performed the procedures enumerated below to the financials and other records of the South Coast Air Quality Management District (South Coast AQMD), which were agreed to by the management of the South Coast AQMD, solely to assist you in determining whether automobile registration fee revenues (AB 2766 funds) distributed to the Mobile Source Air Pollution Reduction Review Committee (MSRC) during fiscal years 2015-16 and 2016-17 were spent on the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). The South Coast AQMD's management is responsible for use of AB 2766 funds in accordance with the cited criteria. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

Our procedures and results are as follows.

1. We reviewed the list of the MSRC members to verify that, in accordance with CHSC 44244(a), the Committee consists of a representative from each of the specified agencies.

### ***Result***

We noted no exceptions in performing this procedure.



2. In accordance with CHSC Section 44244(b), we verified that the MSRC developed and adopted work programs for FY 2015-16 and 2016-17 that were approved by the South Coast AQMD Governing Board.

***Result***

We noted no exceptions in performing this procedure.

3. We reviewed the list of the Technical Advisory Committee (TAC) members to verify that membership of TAC is in accordance with the specifications of CHSC Section 44244(c). As required by CHSC Section 44244(c), the TAC advisory committee shall also include one or more person who is a mechanical engineer specializing in vehicle engines.

***Result***

We noted that for the period reviewed (July 1, 2015 through June 30, 2017), the TAC position for a mechanical engineer specializing in vehicle engines was vacant. In addition, we noted that the TAC positions for a representative of the Southern California Association of Governments, Cities of Los Angeles County, Regional Rideshare Agency, and Air Pollution Control Expert reflected vacant positions. We noted no other exceptions in performing this procedure.

4. We obtained an understanding of how AB 2766 funds are accounted for, including whether AB 2766 funds are maintained in a separate fund or if there is a separate accounting for the funds maintained by other means.

***Result***

We noted that the MSRC has a separate fund called the Mobile Source Air Pollution Reduction Review Committee Fund.

5. We obtained an understanding of established internal control procedures related to the receipt and use of AB 2766 funds.

***Result***

We noted no exceptions in performing this procedure.



6. We agreed AB 2766 revenues recorded in the Mobile Source Air Pollution Reduction Fund General Ledger to the South Coast AQMD's record of disbursements.

***Result***

We noted no exceptions in performing this procedure.

7. We conducted interviews in order to obtain an understanding of how the South Coast AQMD allocates interest earned and determined the reasonableness of the interest allocation and that interest was used for the same purposes for which AB 2766 funds were allocated to the South Coast AQMD.

***Result***

We noted no exceptions on the cost allocation schedule.

8. We tested AB 2766 expenditures of the Mobile Source Air Pollution Reduction Fund for each year to determine:
  - a) allowability, reasonableness, adequacy of supporting documentation, proper approval, clearly identified the project, and were incurred during the fiscal year;
  - b) that the funds were spent in accordance with CHSC Section 44220(b), which requires that AB 2766 fund expenditures were incurred solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement and technical studies necessary for implementation of the California Clean Air Act of 1988; and
  - c) in accordance with CHSC Section 44235, the South Coast AQMD did not use AB 2766 fees for the purpose of establishing or maintaining the district as a direct provider of the carpool, van pool, or other ridesharing or transit services.

***Result***

We noted no exceptions in performing this procedure.

9. We analyzed AB 2766 administrative expenditures to verify, in accordance with CHSC Section 44233, that the MSRC did not use more than 5% for FY2016 and 6.25% for FY2017 of the AB 2766 fees for administrative expenditures.

***Result***

We noted no exceptions in performing this procedure.

10. We obtained the South Coast AQMD expenditures to verify, in accordance with CHSC Section 44244.1(d), that the MSRC expended AB 2766 fees within one year of the program or project completion date.

***Result***

We noted no exceptions in performing this procedure.

11. We reviewed the South Coast AQMD's financial statements to verify that the Mobile Source Air Pollution Reduction Review Committee Fund was audited as part of the South Coast AQMD's annual audit conducted by an Independent CPA firm.

***Result***

We noted that the Mobile Source Air Pollution Reduction Review Committee Fund was audited as part of the South Coast AQMD's annual audit conducted by an Independent CPA firm.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion on the MSRC's compliance with the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



This report is intended solely for the information and use of the governing board and management of the South Coast AQMD, members of the Mobile Source Air Pollution Reduction Review Committee and members of the Technical Advisory Committee of the MSRC and is not intended to be, and should not be used anyone other than those specified parties.

A handwritten signature in black ink that reads "Simpson &amp; Simpson".

Los Angeles, California  
July 19, 2019

***SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT***

***MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
(SEGMENT 3 - PROJECTS)***

***INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES***

***FOR THE YEARS ENDED JUNE 30, 2017 and 2016***





SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
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## Independent Accountant's Report On Applying Agreed-Upon Procedures

The Governing Board of  
The South Coast Air Quality Management District

We have performed the procedures enumerated below to the financials and other records of the South Coast Air Quality Management District (South Coast AQMD), which were agreed to by the management of the South Coast AQMD, solely to assist you in determining whether automobile registration fee revenues (AB 2766 funds) distributed to the Mobile Source Air Pollution Reduction Review Committee (MSRC) during fiscal years 2015-16 and 2016-17 were spent on the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). These AB 2766 funds were allocated within the MSRC's fiscal years 2015-16 and 2016-17 AB 2766 Discretionary Fund Work Programs. The South Coast AQMD's management is responsible for use of AB 2766 funds in accordance with the cited criteria. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

Our procedures and results are as follows.

1. We examined and tested ten (10) projects, as presented in Attachment A, approved for funding during FY 2015-16 and 2016-17 by the MSRC to determine if these projects were aligned with the work programs for FY 2015-16 and 2016-17 and if these were properly approved by the South Coast AQMD's Governing Board

### ***Result***

We noted no exceptions in performing this procedure.

2. For the ten projects selected in fiscal years 2015-16 and 2016-17, as presented in Attachment A, we verified that the project was proposed under the FY 2015-16 and 2016-17 work programs that was developed and adopted by the MSRC and approved by the South Coast AQMD Board in accordance with CHSC Section 44244(b).

***Result***

We noted no exceptions in performing this procedure.

3. Obtain an understanding of how AB 2766 funds are accounted for, including whether AB 2766 funds are maintained in a separate fund or if there is a separate accounting for the funds maintained by other means.

***Result***

We noted that the MSRC has a separate fund called the Mobile Source Air Pollution Reduction Review Committee Fund.

4. We obtained an understanding of established internal control procedures related to the receipt and use of AB 2766 funds.

***Result***

We noted no exceptions in performing this procedure.

5. We agreed AB 2766 revenues recorded in the Mobile Source Air Pollution Reduction Fund General Ledger to the South Coast AQMD's record of disbursements.

***Result***

We noted no exceptions in performing this procedure.

6. We obtained a detailed listing of expenditures for the ten projects approved during fiscal years 2015-16 and 2016-17 and selected a sample of expenditures for testing. We tested AB 2766 expenditures of the Mobile Source Air Pollution Reduction Fund for each year to determine:
  - a) allowability, reasonableness, adequacy of supporting documentation, proper approval, clearly identified the project, and were incurred during the fiscal year;
  - b) that the funds were spent in accordance with CHSC Section 44220(b), which requires that AB 2766 fund expenditures were incurred solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement



and technical studies necessary for implementation of the California Clean Air Act of 1988; and

- c) in accordance with CHSC Section 44235, the South Coast AQMD did not use AB 2766 fees for the purpose of establishing or maintaining the district as a direct provider of the carpool, van pool, or other ridesharing or transit services.

***Result***

We noted no exceptions in performing this procedure.

- 7. We obtained a listing of the South Coast AQMD expenditures to verify, in accordance with CHSC Section 44244.1(d), that the MSRC expended AB 2766 fees within one year of the program or project completion date and that no more than 5% (FY 2015-16) or 6.25% (FY 2016-17) of the AB 2766 funds are used for administrative costs.

***Result***

We noted no exceptions in performing this procedure.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion on the MSRC's compliance with the California Clean Air Act of 1988 or the South Coast AQMD's Air Quality Management Plan (AQMP) prepared pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code (CHSC). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the governing board and management of the South Coast AQMD, members of the Mobile Source Air Pollution Reduction Review Committee and members of the Technical Advisory Committee of the MSRC and is not intended to be, and should not be used anyone other than those specified parties.

A handwritten signature in black ink, reading 'Simpson &amp; Simpson'.

Los Angeles, California  
December 20, 2019

**ATTACHMENT A**  
**REVIEW RESULTS OF TEN (10) MSRC PROJECTS**



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS

**Contract No.:** ML16017

**Contractor:** City of Long Beach

**Project Title:** Purchase 48 Medium-Duty and up to 16 Heavy-Duty Natural Gas Vehicles (CNG) and Install CNG Stations

**Project Status\*:** Install CNG Stations – Completed  
Purchase CNG Vehicles – In Progress

<b>AB 2766 Funding Adopted</b>	<b>Amount Paid to Date*</b>	<b>Contract Balance*</b>	<b>Questioned Costs</b>	<b>Costs Accepted</b>
\$945,400 (CNG Vehicles)	\$631,400	\$314,000	\$ -	\$631,400
\$500,000 (Install CNG Station)	\$500,000	\$500,000	\$ -	\$500,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** ML16020

**Contractor:** City of Pomona

**Project Title:** Install Bicycle Detection Systems

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 440,000	\$ 440,000	\$ -	\$ -	\$ 440,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** ML16026

**Contractor:** City of Downey

**Project Title:** Install EV Charging Stations

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 40,000	\$ 40,000	\$ -	\$ -	\$ 40,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** ML16028

**Contractor:** City of Azusa

**Project Title:** Enhance Existing Class I Bikeway

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 25,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** ML16070

**Contractor:** City of Beverly Hills

**Project Title:** Purchase 3 Heavy-Duty Natural Gas Vehicles

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 90,000	\$ -	\$ 90,000	\$ -	\$ 90,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** ML16099

**Contractor:** Foothill Transit

**Project Title:** Provide Special Bus Services to the Los Angeles County Fair

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** MS16103

**Contractor:** Arrow Services, Inc.

**Project Title:** Construct a Limited-Access CNG Station

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** MS16105

**Contractor:** Huntington Beach Union High School District

**Project Title:** Expansion of Existing CNG Infrastructure

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 175,000	\$ 175,000	\$ -	\$ -	\$ 175,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** MS16114

**Contractor:** City of Norwalk

**Project Title:** Repower of Up To 3 Transit Buses

**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 45,000	\$ 32,170	\$ -	\$ -	\$ 32,170

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE AIR POLLUTION REDUCTION  
REVIEW COMMITTEE FUND  
REVIEW RESULTS OF TEN (10) MSRC PROJECTS  
(CONTINUED)

**Contract No.:** MS16118  
**Contractor:** OmniTrans  
**Project Title:** CNG Fuel Infrastructure  
**Project Status\*:** Complete

<b><u>AB 2766 Funding Adopted</u></b>	<b><u>Amount Paid to Date*</u></b>	<b><u>Contract Balance*</u></b>	<b><u>Questioned Costs</u></b>	<b><u>Costs Accepted</u></b>
\$ 175,000	\$ 166,250	\$ 8,750	\$ -	\$ 175,000

**Audit Results:** No findings

\* Project status, amount paid to date, and contract balance are as of June 30, 2019.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 13

PROPOSAL: Remove Various Fixed Assets from South Coast AQMD Inventory

SYNOPSIS: South Coast AQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every six months. This action is to approve removal of surplus equipment and motor vehicles determined to be obsolete, non-operational and not worth repairing.

COMMITTEE: No Committee Review

**RECOMMENDED ACTION:**

Declare the items on Attachments A and B as surplus and authorize removal of these items from the fixed assets inventory through donation, trade-in, auction process, salvage, or dismantlement for parts.

Wayne Nastri  
Executive Officer

SJ:tm

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**Background**

South Coast AQMD Administrative Policies and Procedures No. 20 established procedures for the approval, purchasing, tagging, physical inventory, and disposal of fixed assets. This policy requires the review of the fixed assets and controlled items for obsolescence and disposal every six months. The list of equipment appearing on Attachment A represents old, obsolete and non-operational equipment that could not be repaired. The list of vehicles appearing on Attachment B represents vehicles that are non-operational and not worth repairing. These vehicles have been driven an average of over 157,000 miles. Equipment and vehicles purchased with federal funds are being disposed of in accordance with applicable federal regulations.

**Proposal**

Staff is recommending that assets on Attachments A and B, as in the past, be surplused through the surplus process and properly disposed. Equipment will be auctioned, traded-in, donated or dismantled for parts and the motor vehicles will be disposed of through auction.

**Resource Impacts**

Miscellaneous revenue from auction sales will be recorded in the General Fund. The total original cost of \$1,307,573.23 for the fixed assets in Attachments A and B was accounted for, depreciated, and reported in the annual audited financial statements.

**Attachments**

- A. Obsolete or Non-repairable Equipment
- B. Obsolete or Non-repairable Motor Vehicles

**ATTACHMENT A**  
**Obsolete or Non-repairable Equipment**

Asset ID	Tag#	Description	Cost	Date Purchased	Net Book Value **	Disposition
00001243	0015091	ThermoEnviron Model 55 NMOC	\$ 17,532.27	1/7/1997	\$ 0.00	Scrap/Auction (1)
00001244	0015092	ThermoEnviron Model 55 NMOC	17,532.27	1/7/1997	0.00	Scrap/Auction (1)
00002774	E000002 *	Sampler Andersen RAAS 2.5	10,500.00	1/29/1999	0.00	Scrap/Auction (1)
00002855	E000241 *	Gas Cal - Env 9100	13,613.55	5/12/1999	0.00	Donate/Auction (4)
00003053	0016503	Sampler Canister Xonteck 910A	12,321.01	7/1/2001	0.00	Scrap/Auction (1)
00003255	E000145 *	Sampler, Automated Cartridge	12,410.02	2/1/2002	0.00	Scrap/Auction (1)
00003264	0016508	Analyzer, Horiba APMA-360 CE CO	6,671.60	7/31/2001	0.00	Scrap/Auction (1)
00003539	E000170 *	Sampler Voc Xonteck 910A	12,699.70	7/25/2002	0.00	Scrap/Auction (1)
00003590	E000160 *	Calibrator, Ozone Transfer Std	8,780.43	1/1/2004	0.00	Donate/Auction (4)
00003592	E000162 *	Calibrator, Ozone Transfer Std	8,780.43	1/1/2004	0.00	Donate/Auction (4)
00003610	E000204 *	Analyzer, Nox, Teledyne API	6,718.45	1/1/2004	0.00	Donate/Auction (4)
00003624	E000218 *	Analyzer, Nox, Teledyne API	6,718.45	1/1/2004	0.00	Scrap/Auction (1)
00003660	0016618	Spectrometer Energy Dispersive	114,950.68	1/1/2005	0.00	Donate/Auction (4)
00000000427	--	CNG Home Refueling Appliance	6,107.86	1/1/2012	0.00	Disposed (2)
000000003688	E000302 *	Sampler, Canister 910A CARB	11,486.95	1/1/2005	0.00	Donate/Auction (4)
000000003689	E000303 *	Sampler, Canister 910A CARB	11,486.95	1/1/2005	0.00	Scrap/Auction (1)
000000003734	0016632	Analyzer, SO2, Thermo Environmental	6,197.31	1/1/2006	0.00	Donate/Auction (4)
000000003736	E000320 *	Sampler Carbonyl 8-Port Cartridge	13,896.47	1/1/2006	0.00	Scrap/Auction (1)
000000003739	0015465	Sampler, Canister Xontec 910A	6,621.71	1/1/1999	0.00	Scrap/Auction (1)
000000003788	E000325 *	Calibration System Ambient Monitor	14,804.48	1/1/2007	0.00	Donate/Auction (4)
000000003789	E000326 *	Calibration System Ambient Monitor	14,804.48	1/1/2007	0.00	Donate/Auction (4)
000000003811	0016649	Ambient Monitor Calibration System	14,804.48	1/1/2007	0.00	Donate/Auction (4)
000000003855	0016674	Analyzer Ambient Co APMA 370	6,430.08	1/1/2007	0.00	Scrap/Auction (1)
000000003860	E000372 *	Sample Intro System Apex HF	25,022.25	1/1/2007	0.00	Scrap/Auction (1)
000000003907	E000348 *	Air Monitoring Calibration System	15,865.70	1/1/2008	0.00	Donate/Auction (4)
000000003955	E000373 *	Ion Chromatograph System	84,202.83	6/5/2008	0.00	Scrap/Auction (1)
000000003993	0016723	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000003998	0016728	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004000	0016730	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004001	0016731	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004003	0016733	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004005	0016735	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004008	0016738	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004012	0016765	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004013	0016766	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004038	0016778	Energy Dispersive XRF Spec System	128,813.48	6/24/2009	0.00	Donate/Auction (4)
000000004099	--	Software Feature Analyst Std	5,856.04	5/7/2010	0.00	Scrap/Auction (1)
000000004110	0016848	Mass Spectrometer Induct Coupled	152,328.85	5/7/2010	0.00	Trade In (3)
000000004121	E000431 *	Sample Intro System Apex HF	17,727.73	5/7/2010	0.00	Scrap/Auction (1)
000000004244	0016853	Scanner, Microfilm Scanpro	5,846.75	7/26/2011	0.00	Disposed (2)
000000004354	--	Intangible-Spanish Lang Support	32,000.00	6/13/2012	0.00	Scrap/Auction (1)
000000004383	E000474 *	Ambient Data System Controller	6,352.84	10/26/2012	0.00	Scrap/Auction (1)
	<b>Total Obsolete or Non-repairable Equipment</b>		<b>\$ 909,007.44</b>		<b>\$ 0.00</b>	

\* Assets purchased with federal funds.

\*\* Net Book Value represents historical cost reduced by estimated depreciation. It is expected that some revenue will be realized upon sale at auction.

(1) Usable parts will be removed and the remainder will be auctioned and scrapped.

(2) Disposed prior to the Board approval.

(3) Equipment will be traded in.

(4) Equipment will be donated or auctioned.

**ATTACHMENT B**  
**Obsolete or Non-repairable Motor Vehicles**

<b>Asset ID</b>	<b>Tag#</b>	<b>Description</b>	<b>Cost</b>	<b>Date Purchased</b>	<b>Net Book Value **</b>	<b>Disposition ***</b>
00003202	0038709	Toyota Camry-2001	\$ 30,538.20	3/30/2001	\$ 0.00	Auction
00003468	0038738	CNG, Ford	22,483.12	5/24/2002	0.00	Auction
00003477	0038747	CNG, Ford	22,483.12	5/24/2002	0.00	Auction
00003529	0038759	Hybrid Honda White	20,593.48	7/31/2002	0.00	Auction
000000003692	0038765	Toyota Prius Hybrid 2005	26,892.55	1/1/2005	0.00	Auction
000000003754	0038773	Van 8-Pass CNG 2004 Ford E350	40,557.19	1/1/2006	0.00	Auction
000000003767	0038779	Honda Civic GX 2006	25,338.69	1/1/2006	0.00	Auction
000000003770	0038782	Honda Civic GX 2006	25,338.69	1/1/2006	0.00	Auction
000000003780	0038791	Honda Civic GX CNG 2006	25,337.97	1/1/2007	0.00	Auction
000000003848	H0003 *	Honda Civic GX CNG 2007	25,866.67	1/1/2007	0.00	Auction
000000003870	0038794	Honda Civic GX CNG 2007	25,866.67	1/1/2007	0.00	Auction
000000003880	0038804	Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
000000003882	0038806	Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
000000004301	H00011 *	Honda Civic GX CNG 2012	28,482.76	4/10/2012	0.00	Auction (1)
000000004534	38907	Honda CNG GX 2014	27,053.36	7/29/2014	0.00	Auction (1)
<b>Total Obsolete or Non-repairable Motor Vehicle</b>			<b>\$ 398,565.79</b>		<b>\$ 0.00</b>	

\* Assets purchased with federal funds.

\*\* Net Book Value represents historical cost reduced by estimated depreciation. It is expected that some revenue will realized upon sale at auction.

\*\*\* These vehicles have an average of 157,000 miles; cost to repair them exceeds the value of the vehicles.

(1) These vehicles were involved in a collision and cost to repair them exceeds the value of the vehicles.

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 14

**PROPOSAL:** Establish List of Prequalified Legal Counsel to Provide Employee and Labor Relations Legal Services

**SYNOPSIS:** On January 10, 2020, the Board approved release of an RFP to prequalify outside legal counsel with expertise in handling employee and labor relations matters. This action is to establish a list of prequalified counsel to advise and represent South Coast AQMD in employee and labor relations matters. Funds for these services have been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Approve the eight law firms listed in the Attachment as prequalified to provide employee and labor relations services through June 30, 2023; and
2. Authorize the Executive Officer to execute contracts and amendments, with the option of two one-year extensions, with one or more of these firms, as the need arises, in a total amount not to exceed \$200,000 per fiscal year.

Wayne Natri  
Executive Officer

AJO:mm

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**Background**

Legal services provided by firms on the prequalified list may include advising and representing South Coast AQMD on various employee and labor relations matters, and providing expert legal advice and formal opinions with respect to employer-employee matters to assist South Coast AQMD in meeting its legal obligations as an employer and in achieving fair and effective relations with employees.

The current list of prequalified outside labor and employment legal counsel has expired. RFP #P2020-06 was released on January 10, 2020, to seek proposals from law firms interested in being prequalified to provide services over the next period.

### **Proposal**

This proposal is to establish a list, valid through June 30, 2023, of eight law firms that have been prequalified to provide employee and labor relations legal services for South Coast AQMD. The recommended list of prequalified law firms is set forth in the Attachment. This proposal is also to authorize the Executive Officer to execute contracts (or extend an existing contract) with one or more of these firms, as needed, in a combined amount not to exceed \$200,000 per fiscal year over the term of the list.

Selection of a law firm for particular legal matters will be based on the individual firm's specific experience and expertise, as identified in its proposal, and on prior relevant experience, the needs of the particular project, and the firm's availability.

### **Outreach**

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the entire South Coast Basin.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ has been mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, the State of California Contracts Register website, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>). Information was also available on South Coast AQMD's bidder's 24-hour telephone message line (909) 396-2724.

### **Bid Evaluation**

One hundred fifty-one copies of the RFP were mailed to law firms in California. Fourteen proposals were received by 1:00 p.m. on February 11, 2020, the deadline for submittal. An evaluation panel rated proposals according to criteria described in the RFP. The Attachment lists the firms that were deemed qualified to provide employee and labor relations legal services.

The three-member evaluation panel consisted of three South Coast AQMD employees - a Senior Deputy District Counsel, a Principal Deputy District Counsel and the DEO of Administrative & Human Resources. Of these, one is Asian, one is White, one is Hispanic; two females, one male.



**Resource Impacts**

An amount not to exceed \$200,000 per fiscal year for employee and labor relations legal services was included in the current budget. Funds for subsequent years will be included in subsequent budget requests.

**Attachment**

Recommended List of Prequalified Legal Counsel to Provide Employee and Labor Relations Legal Services

## **ATTACHMENT**

### **EVALUATION OF PROPOSALS FOR RFP #P2020-06**

#### **Prequalified Legal Counsel to Provide Employee and Labor Relations Legal Services**

<b>Rank</b>	<b>Firm/Lead Attorney</b>	<b>Eval. Score</b>	<b>Cost Score</b>	<b>Add'l Pts</b>	<b>Total Score</b>
<b>1</b>	WILEY PRICE & RADULOVICH, LLP	65	25	10	100
2	BURKE, WILLIAMS & SORENSEN, LLP	70	23	7	100
3	MUSICK, PEELER & GARRETT LLP	66	25	7	98
4	LIEBERT CASSIDY WHITMORE	74	21	0	95
5	BEST BEST & KRIEGER LLP	70	25	0	95
6	ATKINSON, ANDELSON, LOYA, RUUD & ROMA	72	20	2	94
7	JACKSON LEWIS	65	12	0	77
8	LITTLER MENDELSON, P.C.	67	2	0	69

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BOARD MEETING DATE: April 3, 2020

AGENDA NO. 15

**PROPOSAL:** Establish Prequalified Vendor Lists Relating to Fleet Services and Building Maintenance

**SYNOPSIS:** On January 10, 2020, the Board approved release of an RFQ for automotive mechanical repair and service for South Coast AQMD's vehicle fleet. On September 7, 2018, the Executive Officer released an RFQ for interior painting contractors for future projects. This action is to approve these prequalified vendor lists, to be used for the next three years. Funds for services using these prequalified vendor lists have been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

1. Approve vendors listed in Table 1 as prequalified vendors to provide automotive mechanical repair and service for South Coast AQMD's fleet for a three-year period ending June 30, 2023; and
2. Approve vendors listed in Table 2 as prequalified vendors to provide interior painting services at South Coast AQMD facilities for a three-year period ending June 30, 2023.

Wayne Nastri  
Executive Officer

AJO:VMR:lm

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**Background**

On January 10, 2020, South Coast AQMD released RFQ #2020-09 for Automotive Mechanical Repair and Service to establish a list of prequalified vendors from which these services and supplies will be purchased over a three-year period. These services

and supplies are purchased routinely to support operational needs. South Coast AQMD's vehicle fleet is composed of 289 vehicles, most of which are passenger vehicles fueled by CNG. South Coast AQMD's fleet vehicle mileage annually exceeds 2.5 million miles.

On September 7, 2018, South Coast AQMD released RFQ #2019-02 for various interior painting projects to establish a list of prequalified vendors from which these services and supplies will be purchased over a three-year period. South Coast AQMD periodically has projects that are not handled by Building Services staff, including painting of existing interior walls, newly constructed interior walls, metal doors and/or frames, metal handrails and existing exterior walls constructed of stucco, wood, or metal.

### **Outreach**

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFQ has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

### **Bid Evaluation**

For RFQ 2020-09 to prequalify vendors to provide automotive mechanical repair and service for South Coast AQMD's fleet, 30 copies of the RFQ were mailed out. Eight proposals were received by the close of bidding at 2:00 p.m., February 13, 2020. Five proposals evaluated received a qualifying score and three proposals did not qualify. Table 1 summarizes the results of the evaluation process.

The evaluation panel consisted of three South Coast AQMD employees: Business Services Manager, Fleet Services Supervisor and Building Supervisor. Of these three panel members, one is Caucasian and two are Hispanic; one is female and two are male.

For RFQ 2019-02, a bidder's conference was held on September 21, 2018 to solicit proposals for the painting of the lower level conference room and establish a list of prequalified painting contractors. Five proposals were received by the close of bidding at 2:00 p.m. on October 10, 2018. Four proposals evaluated received a qualifying score and one proposal did not qualify. The two vendors who received the highest scores are

being recommended for placement on the pre-qualification list. Table 2 summarizes the results of the evaluation process.

The evaluation panel consisted of three South Coast AQMD employees: Building Maintenance Manager, Building Supervisor, and Facilities Services Technician. Of these three panel members, two are Caucasian, one is Hispanic; all are male.

**Resource Impacts**

Sufficient funds have been appropriated for these services in the FY 2019-20 Budget and will be requested in subsequent fiscal year budgets.

**Attachment**

Table 1 - Prequalified Vendors for Automotive Mechanical Repair and Service

Table 2 - Prequalified Vendors for Various Painting Projects

## **ATTACHMENT**

**Table 1**  
**PREQUALIFIED VENDOR LIST**  
**AUTOMOTIVE MECHANICAL REPAIR AND SERVICE**  
**RFQ #2020-09**

<b>Name</b>	<b>Qualifying Score</b>	<b>Additional Points</b>	<b>Total Points</b>
Cerritos Auto Repair Center and Body Shop	87	17	104
Grand Mobil	83	15	98
Consumer Auto Center	80	15	95
Car Dr. Auto Repair	76	15	91
Imperial Auto Repair	73	15	88

**Table 2**  
**PREQUALIFIED VENDOR LIST**  
**INTERIOR PAINTING SERVICES**  
**RFQ #2019-02**

<b>Name</b>	<b>Qualifying Score</b>	<b>Additional Points</b>	<b>Total Points</b>
US National Corp Inc.	92	10	102
Mear Construction Inc.	77	10	87

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 16

**PROPOSAL:** Authorize Purchase of Maintenance and Support Services for Servers and Storage Devices

**SYNOPSIS:** The servers and storage devices are used by enterprise-level software applications that currently support the Clean Air Support System for all South Coast AQMD core activities. Maintenance support for these systems will expire on April 30, 2020. This action is to obtain approval for the sole source purchase of hardware and software maintenance and support services for servers and storage devices from Hewlett Packard Enterprise Company for one year, in an amount not to exceed \$120,000. Funds for these purchases are included in Information Management's FY 2020-21 Budget.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTION:**

Authorize the Procurement Manager to purchase one year of maintenance and support services for South Coast AQMD servers and storage devices from Hewlett Packard Enterprise Company at a cost not to exceed \$120,000.

Wayne Natri  
Executive Officer

RMM:MH:JP:hlp

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**Background**

South Coast AQMD uses Hewlett-Packard Enterprise Company (HP) servers and storage devices running Windows Server and Linux operating systems. The HP servers support several production applications such as the Clean Air Support System (CLASS), Permit Processing, Finance, Compliance, NSR, Emission Fee Billing, Notice of Violations, Facility Permits, ERS Interim Reports, Subscription Services, Web Servers, PeopleSoft Financial and HCM database, OnBase document management system, Legal system, AQMP Modeling and Telemetry system. Hardware and software maintenance

and support services are required to ensure the continued operation of these programs with minimum interruption. Maintenance and support services for these servers expires on April 30, 2020.

In 2006, the Board approved release of an RFQ to select a vendor capable of providing the most cost-effective hardware and software maintenance and support services for servers. Only one vendor, (HP), the company that is currently supporting the agency's servers, submitted a bid. HP is the sole manufacturer and provider of the hardware and software, and the only source for maintenance support licensing agreements. HP also provides the South Coast AQMD with substantial discounts through cooperative agreements.

### **Sole Source Justification**

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.c(2) and (3). The project involves the use of proprietary technology, and the contractor has ownership of key assets required for project performance. HP is the sole provider of this hardware and software and therefore, the only source for its maintenance and support licensing agreements.

### **Proposal**

Staff recommends the purchase of one year of maintenance and support services for server hardware and software from HP at a cost not to exceed \$120,000.

### **Resource Impacts**

Sufficient funds are included in the FY 2019-20 Budget.



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BOARD MEETING DATE: April 3, 2020

AGENDA NO. 17

**PROPOSAL:** Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

**SYNOPSIS:** South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$210,000 for AgreeYa Solutions, \$265,000 for Prelude Systems, \$338,000 for Sierra Cybernetics, and \$710,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2019-20 Budget.

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

Authorize the Executive Officer to execute amendments to the contracts for systems development services in the amount of \$210,000 to AgreeYa Solutions, \$265,000 to Prelude Systems, \$338,000 to Sierra Cybernetics, and \$710,000 to Varsun eTechnologies from Information Management's FY 2019-2020 Budget for the specific task orders listed in the Attachment.

Wayne Natri  
Executive Officer

RMM:XC:to

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**Background**

At the March 2, 2018 Board meeting, the Board authorized staff to initiate level-of-effort contracts with several vendors for systems development, maintenance and support services. At the time these contracts were executed, it was expected that they would be

modified in the future to add funding from approved budgets as system development requirements were identified and sufficiently defined so that task orders could be prepared. The contracts are for one year with the option to renew for two one-year periods.

Systems development and maintenance efforts are currently needed (see Attachment) to enhance system functionality and to provide staff with additional automation for improving productivity. The estimated cost to complete the work on these additional tasks exceeds the amount of funding in the existing contracts.

### **Proposal**

Staff proposes to amend the contracts to add \$210,000 to AgreeYa Solutions, \$265,000 to Prelude Systems, \$388,000 to Sierra Cybernetics and \$710,000 to Varsun eTechnologies for the specific task orders listed in the Attachment.

### **Resource Impacts**

Sufficient funding is available in Information Management's FY 2019-2020 Budget.

### **Attachment**

Task Order Summary

## Attachment

### Task Order Summary

#### Section A – Funding Totals for each Systems Development Contract

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
AgreeYa Solutions	\$508,010	\$210,000	\$718,010
Prelude Systems	\$637,152	\$265,000	\$902,152
Sierra Cybernetics	\$800,500	\$338,000	\$1,138,500
Varsun eTechnologies	\$1,652,195	\$710,000	\$2,362,195
TOTAL	\$3,597,857	\$1,523,000	\$5,120,857

#### Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
Advisories and Emergency Notifications	An agency wide workflow system to initiate, route, and approve advisories and emergency notifications. Disseminates to multiple end points including: Web, Mobile App, and any other third-party emergency notification systems in the future	\$150,000	AgreeYa
Mobile Application Enhancement	Enhancements for both iOS and Android version of the Mobile App including Spanish translation; enhanced weather information (UV index, Humidity); integrated media streaming; and a complete redesign of Alternative Fuel functions	\$60,000	AgreeYa
Source Tests Tracking System	Automated system to facilitate the tracking, routing and management of Source Test submissions	\$250,000	Prelude
e-Movers Maintenance	Maintenance of Transportation System	\$15,000	Prelude
Special Monitoring Website	Develop new Special Monitoring Website for responding to wildfire and other emergencies where monitors must be deployed, and real-time data displayed	\$80,000	Sierra
FENS Phase Two	Second phase of the Flare Notification System	\$61,000	Sierra
Rule 1180 Monitoring	Web application and notification system for Rule 1180 Fence Line Monitoring	\$53,000	Sierra
CLASS/PeopleSoft System Enhancements	Technology upgrades and system enhancements for CLASS and payroll time reporting system	\$74,000	Sierra
Web Application UI/UX Designer	Web Application User Interface and User Experience design services for startup and	\$70,000	Sierra

	enhancement of all web application development projects		
VW Mitigation Phase One and Phase Two	Develop a web-based Application and Grant Management System (GMS) for two funding categories under the Volkswagen Environmental Mitigation Trust	\$290,000	Varsun
AQ-Spec Cloud-based Computing Platform, Phase Two	Integration, archive and storage of Air Quality data from multiple data-source to the AQ-Spec Cloud platform	\$150,000	Varsun
Application for Hourly Air Quality Forecast	Enhancement to the Air Quality reporting system to support the new hourly forecast model as well as other upcoming air quality reporting methods. A full pipeline to seamlessly disseminate this information to multiple end points	\$200,000	Varsun
PeopleSoft System Enhancements	Enhance PeopleSoft Finance and Payroll System for changes resulting from labor agreements and regulatory changes, etc.	\$70,000	Varsun
TOTAL		\$1,523,000	

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BOARD MEETING DATE: April 3, 2020

AGENDA NO. 18

**PROPOSAL:** Amend Charter for Local Government and Small Business Assistance Advisory Group

**SYNOPSIS:** The Governing Board's Administrative Committee currently serves as the Local Government & Small Business Assistance (LGSBA) Advisory Group's liaison. This action is to amend the Charter granting the LGSBA Advisory Group the authority to present recommendations for action to the Board through the Administrative Committee.

**COMMITTEE:** Administrative, March 13, 2020, Recommended for Approval

**RECOMMENDED ACTION:**

Amend Charter for the Local Government & Small Business Assistance Advisory Group in accordance with Attachment A.

Wayne Nastri  
Executive Officer

DJA:EH:ar

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**Background**

The Board established several advisory groups in 1997 and from time to time has modified charters for those groups to meet the needs of South Coast AQMD and the public. In 2002, the Board approved a Blue Ribbon Panel recommendation regarding the operation of the various groups.

One such group is the Local Government & Small Business Assistance Advisory Group (LGSBA). The membership of this advisory group allows for greater participation from local government, business interests, as well as concerned public members established within the South Coast AQMD's jurisdiction. South Coast AQMD

Governing Board Vice-Chair Ben Benoit currently serves as Chair of the LGSBA Advisory Group.

It is recommended that Charter be amended to allow the LGSBA Advisory Group to adopt formal recommendations for action by the Governing Board. Any recommendation shall be presented to the Administrative committee by an agreed upon representative of the LGSBA Advisory Group.

**Proposal**

Amend the Local Government & Small Business Assistance Advisory Group Charter in accordance with Attachment A.

**Fiscal Impacts**

None

**Attachment**

A - Local Government & Small Business Assistance Advisory Group Charter

## ATTACHMENT A

### LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP CHARTER Modified April 2020

#### Synopsis of History:

A Local Government & Small Business Assistance Committee (LGSBA) was established by South Coast Air Quality Management District (South Coast AQMD) in 1996 to enhance outreach to and assist local governments and small businesses on matters relating to air quality. The Interagency Air Quality Management Plan (AQMP) Implementation Committee (IAIC) and its Technical Advisory Committee (TAC) were established by the Governing Board in 1989. The IAIC provided ongoing policy-level coordination between the South Coast AQMD Board and key local government entities that either must implement the AQMP or which may be affected by AQMP implementation. The TAC was comprised of staff representatives from any interested local government, including special districts. In December 2002, the Board received recommendations of the Blue Ribbon Panel Regarding Operations of Advisory Groups and made changes to the South Coast AQMD Advisory Group and the Ethnic Community Advisory Group which has since evolved into the Environmental Justice Advisory Group.

#### LGSBA Advisory Group Mission:

Provide input on the implementation of the AQMP, public outreach, the role of local government in achieving clean air, and small business issues; review and make recommendations regarding (a) public outreach activities related to the impacts of existing and proposed regulations on small business and local government; (b) source education; (c) small business loan and assistance programs; and (d) proposed draft rules including those most significantly impacting local government and small businesses.

This Group will provide policy level recommendations on issues within the Agency's jurisdiction which impact local governments and small businesses. Specifically, the Group shall:

- a) Review the emissions attributable to small business, local government, and community activities and the AQMP's overall approach to reducing them and make recommendations regarding these;
- b) Review and make recommendations regarding the South Coast AQMD's communication with small businesses, local governments, and community based organizations;
- c) Review and make recommendations regarding the South Coast AQMD's small business, local government, source education and community outreach programs and materials, enforcement policies and rules; and
- d) Act as a resource to the South Coast AQMD for innovative problem solving, resource leveraging, and partnership building.

#### Membership:

The number of standing members shall be no more than 20 individuals consisting of: seven local government representatives, three South Coast AQMD Board Members, five small business representatives, and five members of the general public. Members may serve staggered terms of four years. Members appointed as of December 5, 2003 who were previous members of this Advisory Group shall serve an initial term of two years to facilitate rotation of membership. The group membership shall reflect the geographic, ethnic, and cultural diversity of the region.

#### Appointment of Members

Upon recommendation by the Advisory Group Chair, and subsequent recommendation for approval by the Administrative Committee:

- a) The Chairman of the Board will appoint/reappoint members, with consideration for Board Member recommendations.
- b) The same process as above applies for re-appointing a member to fill any vacancy.

Chair: Chairman of the Board or designee.

#### Reporting:

The Governing Board's Administrative Committee shall be the Board's liaison with this Advisory Group. The business of the Group shall be conducted through monthly or quarterly meetings of the committee as whole and monthly meetings of subcommittees established by the committee as a whole. The meeting frequency shall be determined by the Chairman of the Advisory Group. The Group shall report monthly to the Administrative Committee on its activities and results and shall provide the Governing Board with a written annual report outlining its goals and accomplishments and proposing its agenda for the coming year.

The Advisory Group may adopt formal recommendations for action by the Governing Board to be taken to the Administrative Committee. Such recommendations shall be placed on the Advisory Group's agenda and shall become effective upon a vote by no less than a quorum. The recommendation shall be presented to the Administrative Committee via a written memorandum or letter, or by presentation by an agreed upon representative of the Advisory Group.

#### Compensation:

Effective July 1, 1997 the standing members of this Advisory Group shall be eligible to claim per diem of \$100 and reimbursement of mileage and parking expenses, in accordance with District policy, associated with attendance at meetings of this Advisory Group.



BOARD MEETING DATE: April 6, 2020

AGENDA NO. 19

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the February 2020 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State, and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

DJA:FW:LTO:KH:DM:ar

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## **BACKGROUND**

This report summarizes the activities of the Legislative, Public Affairs and Media Office for February 2020. The report includes: Major Events; Community Events/Public Meetings; Environmental Justice Update; Speakers Bureau/Visitor Services; Communications Center; Public Information Center; Business Assistance; Media Relations; and Outreach to Community Groups and Governments.

## **MAJOR EVENTS (HOSTED AND SPONSORED)**

Every year South Coast AQMD staff engage in holding and sponsoring a number of major events throughout the South Coast AQMD's four county areas to promote, educate and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality and the economy.

### **February 5**

South Coast AQMD held an AB 2588 Toxic Hotspots Public Meeting for Lubeco, Inc., in North Long Beach. Staff presented on the AB 2588 program and on improvements made by the facility to lower emissions-related health risks. The meeting attendees included community members, elected officials, government representatives and business stakeholders.

### **COMMUNITY EVENTS/PUBLIC MEETINGS**

South Coast AQMD staff engaged with thousands of residents, providing valuable information about the agency, incentive programs and ways individuals can help reduce air pollution through events and meetings sponsored solely by South Coast AQMD or in partnership with others. Attendees typically receive the following information.

- Tips on reducing their exposure to smog and its health effects;
- Clean air technologies and their deployment;
- Invitations or notices of conferences, seminars, workshops and other public events;
- South Coast AQMD incentive programs;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

South Coast AQMD staff attended and/or provided information and updates at the following event:

### **February 19**

Staff participated in a Government and Business Relations program to provide students at California State University, San Bernardino information on South Coast AQMD and air quality issues.

### **ENVIRONMENTAL JUSTICE UPDATE**

The following are key environmental justice-related activities in which staff participated throughout the month. These events involve communities affected disproportionately from adverse air quality impacts.

### **February 6**

The South Coast AQMD hosted the Southeast Los Angeles AB 617 Community Steering Committee Meeting (CSC) in Bell Gardens. The focus of the meeting was to gather input from the CSC and the public on the development of community air monitoring plans and community emissions reduction plan.

### **February 20**

The South Coast AQMD hosted the Eastern Coachella Valley AB 617 CSC Meeting in Coachella. The focus of the meeting was to gather input from the CSC and the public on

the development of community air monitoring plans and a community emissions reduction plan.

### **SPEAKERS BUREAU/VISITOR SERVICES**

South Coast AQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals and health-based organizations. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

#### **February 14**

Teachers and students from the Institute of Knowledge in Diamond Bar visited South Coast AQMD for a presentation on South Coast AQMD and air quality issues. The students also toured the library, laboratory, alternative clean fuel vehicles, and fueling stations.

#### **February 28**

A group of 40 Civil Engineering students from Cal Poly Pomona University visited the South Coast AQMD for a presentation on South Coast AQMD and air quality issues, as well as a tour of alternative clean fuel vehicles and fuel stations.

### **COMMUNICATION CENTER STATISTICS**

The Communication Center handles daily and after-hour calls on Coast AQMD's main line, 1-800-CUT-SMOG® and Spanish language telephone lines. The total number of calls received in February is summarized below.

South Coast AQMD's Main Line and 1-800-CUT-SMOG®	3,205
Spanish-Language	27
Clean Air Connections	<u>6</u>
Total Calls	3,238

### **PUBLIC INFORMATION CENTER STATISTICS**

The Public Information Center (PIC) handles telephone calls and walk-in requests for general information. Information for February is summarized below.

Calls Received by PIC Staff	162
Calls to Automated System	<u>541</u>
Total Calls	703

Materials Mailed	2
Visitor Transactions	237
Email Advisories Sent	8,005

## **BUSINESS ASSISTANCE**

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. South Coast AQMD also works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provides personalized assistance to small businesses both over the telephone and via on-site consultation, as summarized below.

- Provided permit application assistance to 194 companies;
- Conducted six free on-site consultations; and
- Processed 63 Air Quality Permit Checklists.

Types of businesses assisted:

Auto Body Shops	Gas Stations	Furniture Refinishing Facilities
Auto Repair Centers	Restaurants	Construction Firms
Warehouses	Plating Facilities	Architecture Firms
Manufacturing Facilities	Dry Cleaners	Engineering Firms

## **MEDIA RELATIONS**

The Media Office handles all South Coast AQMD outreach and communications with television, radio, newspapers and all other publications and media operations. The February reports are listed as follows:

Major Media Interactions:	130
Press Releases:	3
Air Quality Advisories Issued:	7

### **Major Media Topics for February**

- South Coast AQMD app in Spanish - Pitched local news stations/newspapers. Univision interviewed staff regarding the release of the South Coast AQMD app in Spanish. The interview was aired multiple times throughout the morning broadcast. Supervisor V. Manuel Perez conducted an interview with NBC/Telemundo in Palm Springs.
- Volvo LIGHTS Event - Pitched local reporters to arrange interviews with South Coast AQMD at the February 11, 2020 Volvo LIGHTS Event. Staff was interviewed by The Trucker magazine.
- Windblown Dust - Pitched local media outlets regarding the dust advisory in Los Angeles and was picked up by KTLA, Press-Enterprise and MSN Weather.

- Replace Your Ride - Random Lengths News requested details about the Replace Your Ride Program. Responses were sent to the reporter.
- Asbestos - The Architect Magazine requested additional information regarding demo notifications and/or asbestos notifications for LACMA. Responses were sent to reporter.
- Odors - The Long Beach Report requested information on the number of complaint calls received regarding an odor event in Long Beach on February 12. Staff responded.
- Use of MHF - KPCC requested an interview on the regulation of MHF in refineries. Staff responded to reporter's questions via email.
- Ship Odors - The Long Beach Post requested an update on South Coast AQMD's handling of odors from ships in the Long Beach area. Staff responded to reporter's questions.
- Check Before You Burn - Pitched local media outlets about No-Burn Days. Several news outlets covered, including KNBC, KABC, KNX, KFI, MyNewsLA, Valley News, South OC Beaches and three separate Patch websites. The LA Times requested information on the annual number of No-Burn Days declared and data on PM 2.5. Staff provided the information.
- Marathon Refinery Fire/Mayor of Carson Press Conference - KTTV, KPCC, Bloomberg News, LA Times, the Daily Breeze, and two reporters from KNBC inquired about the Marathon Refinery Fire in Carson. The Communications Office provided updates and statements to all press and responded to all follow-up inquiries. An additional statement was sent to ABC7, KTLA, and KCBS. KTTV (Fox 11) and KABC inquired whether we had a response to remarks by the Carson mayor regarding the refinery fire.
- Marathon Compliance Reports - The LA Times inquired about our inspection history, as well as inspection reports for the Marathon Refinery for the past couple of years. Responses were sent to the reporter.
- Rule 2202 - The LA Times requested the types of data collected, as part of the Rule 2202 Commuter Surveys. Staff are working on responses.

#### **News Releases and Announcements**

- South Coast AQMD Issues Windblown Dust Advisory for Portions of Riverside and San Bernardino counties (February 2, 2020)
- No-Burn Day - Mandatory Wood-Burning Ban in Effect for Residents of the South Coast Air Basin (February 6, 2020)
- No-Burn Day Continued - Mandatory Wood-Burning Ban in Effect for Residents of the South Coast Air Basin (February 7, 2020)

- Yorba Linda City Council Member Rodriguez Joins South Coast AQMD Governing Board (February 7, 2020) - Announced the appointment of Governing Board Member Carlos Rodriguez
- No-Burn Day - Mandatory Wood-Burning Ban in Effect for Residents of the South Coast Air Basin (February 13, 2020)
- No-Burn Day - Mandatory Wood-Burning Ban In Effect for Residents of the South Coast Air Basin (February 14, 2020)
- No-Burn Day - Mandatory Wood-Burning Ban Continued for Residents of the South Coast Air Basin (February 15, 2020)
- No-Burn Day - Mandatory Wood-Burning Ban in Effect for Residents of the South Coast Air Basin (February 18, 2020)
- Marathon Refinery Fire Incident Update (February 26, 2020) - Provided public with an update on South Coast AQMD's response to the incident.
- Marathon Refinery Fire Update (February 27, 2020) - Provided public with update on air sample results and update on South Coast AQMD's response to the incident.

#### **Media/Google Campaign: Right to Breathe**

- In February, the *Right to Breathe* Google Ads played 3.6M times (Impressions), received 1.84M Views (counted when users watch at least 30 seconds of the ad), and were clicked 6.09K times.

#### **Check Before You Burn:**

- The 2019-2020 Check Before You Burn season had a total of twenty-three no-burn days.
- 10,168 people were reached via Check Before You Burn Facebook Video Ads.
- 8,711 people were reached via No-Burn Day Facebook Ads.

#### **Social Media Notable Posts**

- Before You Burn (February 7, 2020): 27,854 Twitter Impressions
- Now Hiring - Mail Clerk and AQ Instrument positions (February 13, 2020): 3,407 Facebook users reached
- Check Before You Burn (February 13, 2020): 4,307 Facebook users reached
- Check Before You Burn (February 13, 2020): 13,299 Twitter Impressions
- Check Before You Burn Reminder (February 14, 2020): 6,717 Twitter Impressions
- Check Before You Burn (February 18, 2020): 13,613 Twitter Impressions
- Check Before You Burn Reminder (February 19, 2020): 4,025 Facebook users reached

- SGVCOG Twitterchat Reminder (February 20, 2020): 1,345 Twitter Impressions
- Marathon Refinery Fire (February 16, 2020): 1,776 Twitter Impressions

## **OUTREACH TO COMMUNITY GROUPS AND FEDERAL, STATE, AND LOCAL GOVERNMENTS**

Field visits and/or communications in February 2020 were conducted with elected officials or staff from the following cities:

Alhambra	Glendora	Pomona
Altadena	Garden Grove	Rancho Cucamonga
Anaheim	Glendora	Rosemead
Arcadia	Grand Terrace	San Bernardino
Azusa	Huntington Beach	San Dimas
Baldwin Park	Industry	San Gabriel
Bell Gardens	Irwindale	San Marino
Brea	La Habra	Santa Ana
Buena Park	La Cañada Flintridge	San Dimas
Chino Hills	La Puente	San Gabriel
Claremont	La Verne	San Marino
Central	Long Beach	South El Monte
Coachella Valley	Los Angeles	South Pasadena
Covina	Mission Viejo	Temple City
Cypress	Montclair	Torrance
Diamond Bar	Monrovia	Tustin
Duarte	Monterey Park	Walnut
El Monte	Ontario	West Covina
Fontana	Pasadena	Westminster
Fountain Valley	Placentia	Yucaipa

Visits and/or communications were conducted in February 2020 with elected officials and/or staff from the following state and federal offices:

- |   |  |
|---|--|
| • U.S. Senator Dianne Feinstein             | • U.S. Representative Norma Torres         |
| • U.S. Representative Pete Aguilar          | • Senate President Pro Tempore Toni Atkins |
| • U.S. Representative Ken Calvert           | • Senator Anthony Portantino               |
| • U.S. Representative Judy Chu              | • Senator Susan Rubio                      |
| • U.S. Representative Lou Correa            | • Senator Jeff Stone                       |
| • U.S. Representative Alan Lowenthal        | • Senator Tom Umberg                       |
| • U.S. Representative Grace Napolitano      | • Assembly Member Ian Calderon             |
| • U.S. Representative Katie Porter          | • Assembly Member Tyler Diep               |
| • U.S. Representative Harley Rouda          | • Assembly Member Chris Holden             |
| • U.S. Representative Lucille Roybal-Allard | • Assembly Member Melissa Melendez         |
| • U.S. Representative Raul Ruiz             |  |

Staff represented South Coast AQMD in February 2020 and/or provided updates or a presentation to the following governmental agencies and business organizations:

Bear Valley Business Association  
CAL FIRE  
Coachella Valley Association of Governments  
Fullerton Joint Union High School  
Los Angeles Department of Water and Power  
Omnitrans  
Pasadena Chamber of Commerce  
Riverside County Department of Waste Resources  
Riverside County Transportation Authority  
Riverside Transit Authority, Transportation NOW, Southwest Riverside  
San Bernardino Chamber of Commerce  
San Bernardino County Fleet Management  
San Bernardino County Transportation Authority  
San Bernardino International Airport  
San Gabriel Valley Council of Governments  
San Gabriel Valley Economic Partnership  
Santa Ana Chamber of Commerce  
South Pasadena Chamber of Commerce  
Westside Cities Council of Governments

Staff represented South Coast AQMD in February 2020 and/or provided updates or a presentation to the following community and educational groups and organizations:

American Cancer Society  
Anaheim Chamber of Commerce  
Central City Lutheran Mission  
CHA CHA Altadenian's for Clean, Healthy Air  
California State University, San Bernardino  
Fullerton Joint Union High School District  
CIVrut, Jewish Federation of Los Angeles  
Kennedy High School, La Palma  
La Brea Hancock Homeowners Association  
Torrance Unified High School District  
Washington Preparatory High School, Los Angeles  
West Covina Unified School District  
Walnut Unified School District  
Whitaker Elementary School, Buena Park



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BOARD MEETING DATE: April 3, 2020

AGENDA NO. 20

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of February 1 through February 29, 2020.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Julie Prussack  
Chairman of Hearing Board

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Two summaries are attached: **February 2020 Hearing Board Cases and Rules From Which Variances and Orders for Abatement Were Requested in 2020.** An index of South Coast AQMD Rules is also attached.

There was one (1) appeal filed during the period of February 1 to February 29, 2020.

## Report of February 2020 Hearing Board Cases

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Air Liquide Large Industries, U.S. LP Case No. 5705-9 (D. Hsu)	203(b) 2004(f)(1) 3002(c)(1)	Additional time needed to install replacement Ammonia CEMS analyzer which catastrophically failed.	Not Opposed/Granted	SV granted commencing 2/6/20 and continuing through 3/23/20.	None
2. Colton Power, LP Case No. 6167-1 (N. Feldman)	203(b) 218.1(b)(4)(C) 2004(f)(1) 2012, Appendix A, Chapter C h. 3002(c)(1)	Seeking to delay required RATA testing to a time when petitioner is more likely to be called into service as a peaking facility.	Not Opposed/Granted	RV granted commencing 3/30/20 and continuing through 9/30/20, the FCD.	None
3. Colton Power, LP Case No. 6167-2 (N. Feldman)	203(b) 218.1(b)(4)(C) 2004(f)(1) 2012, Appendix A, Chapter C h. 3002(c)(1)	Seeking to delay required RATA testing to a time when petitioner is more likely to be called into service as a peaking facility.	Not Opposed/Granted	RV granted commencing 3/30/20 and continuing through 9/30/20, the FCD.	None
4. S & C Oil Co. Inc. and JP Resources Inc. Case No. 6165-1 (M. Reichert)	N/A	Request to reduce payment of excess emission fees due to financial hardship.	No Position/Granted	The Hearing Board granted petitioner's request to modify the payment of excess emission fees.	N/A
5. S & C Oil Co. Inc. Case No. 6165-2 (S. Hanizavareh)	203(b) 463(c)	Due to recent changes in fuel specifications, petitioner is no longer able to send its processed gas offsite and needs time to install new vapor recovery systems.	Not Opposed/Granted	RV granted commencing 2/12/20 and continuing through 11/28/20, the FCD.	None

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
6. South Coast AQMD vs. Rudolph Foods West, Inc. Case No. 6168-1 (K. Manwaring)	202	Respondent operating fryers in violation of permit condition that requires source testing to demonstrate compliance with emission limits.	Stipulated/Issued	O/A issued commencing 2/13/20; the Hearing Board shall retain jurisdiction over this matter until 12/31/20.	N/A
7. Tesoro Refining & Marketing Co., LLC Case No. 4982-122 (No Appearance; Consent Calendar)	203(b) 2004(f)(1) 2011(c)(2)(A) 2011(c)(2)(B) 2011(e)(1) 2012(c)(2)(A) 2012(c)(2)(B) 2012(g)(1) 3002(c)(1)	Temporarily remove CEMS from service to conduct necessary maintenance.	Not Opposed/Granted	SV and AOC granted commencing 2/19/20 and continuing through 4/6/20.	None
8. Tesoro Refining & Marketing Co., LLC Case No. 4982-123 (D. Hsu)	203(b) 1176(e)(2)(A) 2004(f)(1) 3002(c)(1)	Unanticipated equipment breakdown resulted in fire and damage to equipment.	Not Opposed/Denied	Ex Parte EV denied.	N/A
9. Ultramar Inc., dba Valero Wilmington Refinery Case No. 3845-99A (D. Hsu)	203(b) 401(b)(1) 407(a) 2004(f)(1) 3002(c) H&S §41701	Additional time needed to complete FCCU startup sequence, following turnaround maintenance activities.	Not Opposed/Granted	Ex Parte EV granted commencing 3/1/20 and continuing through 3/16/20.	CO: 1,232 lbs/total SOx: 464 lbs/total Opacity: TBD by 3/16/20

### Acronyms

AOC: Alternative Operating Conditions  
 CARB: California Air Resources Board  
 CEMS: Continuous Emissions Monitoring System  
 CO: Carbon Monoxide  
 EV: Emergency Variance  
 FCD: Final Compliance Date  
 FCCU: Fluid Catalytic Cracking Unit  
 GDF: Gasoline Dispensing Facility  
 H&S: Health and Safety Code  
 ICE: Internal Combustion Engine  
 IV: Interim Variance  
 Mod. O/A: Modification Order for Abatement  
 N/A: Not Applicable  
 NH3: Ammonia  
 NOx: Oxides of Nitrogen  
 O/A: Order for Abatement  
 P/C: Permit to Construct

PM: Particulate Matter  
 PM-10: Particulate Matter ≤ 10 microns  
 PPM: Parts Per Million  
 RATA: Relative Accuracy Test Audit  
 RV: Regular Variance  
 SV: Short Variance  
 SOx: Oxides of Sulfur  
 TBD: To Be Determined  
 VOC: Volatile Organic Compounds

Rules from which Variances and Orders for Abatement were Requested in 2020														
	2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
109(c)(1)														0
202			1											1
202(a)														0
202(c)														0
203(a)														0
203(b)		6	7											13
218.1(b)(4)(C)			2											2
401(b)(1)			1											1
401(b)(1)(B)														0
405(a)														0
407														0
407(a)			1											1
415(d)(1)(B)(ii)														0
415(d)(1)(C)(ii)														0
415(e)(1)														0
415(e)(5)														0
415(e)(6)														0
461(c)(1)(A)														0
461(c)(2)(A)														0
461(c)(3)(P)														0
461(e)(5)														0
463(c)		1	1											2
463(c)(2)														0
463(c)(3)														0
463(e)(4)														0
463(f)(1)(C)														0
1110.2(d)(1)(F)														0
1110.2(d)(1)(L)														0
1110.2(h)														0
1110.2(i)(1)(B)														0
1110.2(i)(1)(J)														0
1111														0
1111(c)(4)														0
1146(c)(5)														0
1147														0
1147(c)(1)														0
1148.1(d)(8)		1												1
1150.1(d)(1)(C)(i)														0
1150.1(d)(8)														0
1150.1(d)(10)														0
1150.1(d)(11)														0
1150.1(d)(12)														0
1150.1(d)(14)														0
1150.1(d)(16)														0
1150.1(d)(20)														0
1150.1(e)(1)														0
1150.1(e)(2)														0
1150.1(e)(2)(B)														0
1150.1(e)(2)(C)														0
1150.1(e)(3)														0
1150.1(e)(3)(B)														0

Rules from which Variances and Orders for Abatement were Requested in 2020														
	2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1150.1(e)(3)(C)														0
1150.1(e)(4)														0
1150.1(e)(4)(A)														0
1150.1(e)(4)(B)														0
1150.1(e)(7)														0
1150.1(e)(7)(C)														0
1150.1(f)(1)(A)														0
1150.1(f)(1)(A)(iii)(I)														0
1150.1(f)(1)(B)														0
1150.1(f)(1)(C)														0
1150.1(f)(1)(E)														0
1150.1(f)(1)(G)														0
1150.1(f)(1)(L)														0
1150.1(f)(2)(A)														0
1158(d)(2)														0
1173(d)(1)(B)		1												1
1176(e)(2)(A)			1											1
1178(g)														0
1178(h)(2)														0
1178(h)(4)														0
1196														0
1303														0
1303(a)														0
1303(b)														0
1303(b)(2)														0
1402(g)(2)(C)														0
1420.2(g)(3)(B)														0
1430														0
1430(d)(8)														0
1430(e)(2)														0
1469(h)(4)(C)(i)														0
1470(c)(2)(C)(iv)(I)														0
2004(f)(1)		5	6											11
2011(c)(2)(A)			1											1
2011(c)(2)(B)			1											1
2011(e)(1)			1											1
2012, Appendix A		1												1
2012, Appendix A, Chapter C h.			2											2
2012(d)(2)		1												1
2012(c)(2)(A)			1											1
2012(c)(2)(B)			1											1
2012(g)(1)			1											1
2202(a)														0
2202(b)														0
2202(e)														0
2202(i)														0
3002(c)		1	1											2
3002(c)(1)		4	5											9
H&S 41701			1											1
H&S 41960.2														0

**SOUTH COAST AQMD RULES AND REGULATIONS INDEX  
FOR 2020 HEARING BOARD CASES AS OF FEBRUARY 29, 2020**

**REGULATION II – PERMITS**

Rule 202      Temporary Permit to Operate  
Rule 203      Permit to Operate  
Rule 218.1    Continuous Emission Monitoring Performance Specifications

**REGULATION IV – PROHIBITIONS**

Rule 401      Visible Emissions  
Rule 463      Organic Liquid Storage

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1148.1   Oil and Gas Production Wells  
Rule 1173      Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants  
Rule 1176      VOC Emissions from Wastewater Systems

**REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004      Requirements  
Rule 2011      Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO<sub>x</sub>) Emissions  
Rule 2012      Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO<sub>x</sub>) Emissions

**REGULATION XXX - TITLE V PERMITS**

Rule 3002      Requirements

**CALIFORNIA HEALTH AND SAFETY CODE**

§41701        Restricted Discharges

[↑ Back to Agenda](#)

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 21

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from February 1, 2020 through February 29, 2020, and legal actions filed by the General Counsel's Office from February 1 through February 29, 2020. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, March 20, 2020, Reviewed

RECOMMENDED ACTION:  
Receive and file this report.

Bayron T. Gilchrist  
General Counsel

BTG:ew

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<u>Civil Filing</u>	<u>Violations</u>
1. North American Polymer Company, Ltd. Los Angeles Superior Court Case No. 20STCV08320; Filed 2.28.20 (SP) P64816 R. 314 – Fees for Architectural Coatings	1
	1 Violation

### **Attachments**

February 2020 Penalty Report

Index of South Coast AQMD Rules and Regulations

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**  
**General Counsel's Office**

**February 2020 Settlement Penalty Report**

**Total Penalties**

Civil Settlements:	\$195,335.00
MSPAP Settlements:	\$2,153.00
Hearing Board Settlements:	\$49,175.00

**Total Cash Settlements:                   \$246,663.00**

**Total SEP Value:                               \$0.00**

**Fiscal Year through 2 / 2020 Cash Total:                   \$11,600,255.36**

**Fiscal Year through 2 / 2020 SEP Value Only Total:                   \$0.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Civil Settlements</b>						
107653	CALMAT CO	2004	2/28/2020	VKT	P64141	\$4,000.00
137421	CORONA OIL CO, CORONA SHELL	461 H&S 41960	2/14/2020	NAS	P64669	\$1,000.00
123774	HERAEUS PRECIOUS METALS NO. AMERICA, LLC	2012	2/12/2020	BT	P69367	\$1,200.00
78137	JUANITA'S FOODS	203 1146	2/14/2020	NAS	P64022	\$3,000.00
2812	LA CO.,DEPT OF PUBLIC WRKS,EL MONTE AIRP	203(b) 461	2/19/2020	WBW	P60544 P67560	\$16,135.00
137767	MADISON MATERIALS INC	403	2/14/2020	DH	P63164 P63165	\$6,000.00



Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
59618	PACIFIC CONTINENTAL TEXTILES, INC.	2004	2/4/2020	KER	P66915 P66918 P66923	\$5,500.00
800183	PARAMOUNT PETR CORP	3002(c)(1)	2/11/2020	NSF	P60368 P64029 P64034 P64037 P67801 P67802	\$151,500.00
52517	REXAM BEVERAGE CAN COMPANY	2004	2/27/2020	SH	P67370	\$2,000.00
182752	TORRANCE LOGISTICS COMPANY LLC	109 1146 1178 3002(c)(1)	2/28/2020	VKT	P65317 P65327	\$2,500.00

**Total Civil Settlements: \$195,335.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>MSPAP Settlements</b>						
180501	AMERICAN PACIFIC ENTERPRISES GROUP INC.	461 H&S 41960.2	2/7/2020	GC	P67213	\$330.00
98727	ANAHEIM CITY	1415	2/7/2020	GC	P68504	\$552.50
5981	ANAHEIM CITY, POLICE DEPT	461 1415	2/7/2020	GC	P68502	\$718.00
6638	ANAHEIM CITY, PUBLIC UTILITIES DEPT	1415	2/7/2020	GC	P68501	\$552.50
<b>Total MSPAP Settlements: \$2,153.00</b>						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Hearing Board Settlements</b>						
191012	CLIMATE INDUSTRIES, INC. dba HOWARD INDUSTRIES	1111	2/11/2020	MJR	6153-2	\$49,175.00

**Total Hearing Board Settlements: \$49,175.00**

## **SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR FEBRUARY 2020 PENALTY REPORT**

### **REGULATION I - GENERAL PROVISIONS**

Rule 109            Recordkeeping for Volatile Organic Compound Emissions

### **REGULATION II - PERMITS**

Rule 203            Permit to Operate

### **REGULATION IV - PROHIBITIONS**

Rule 403            Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities

Rule 461            Gasoline Transfer and Dispensing

### **REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1111           NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Rule 1146           Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1178           Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

### **REGULATION XIV - TOXICS**

Rule 1415           Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems

### **REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004           RECLAIM Program Requirements

Rule 2012           Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

### **REGULATION XXX - TITLE V PERMITS**

Rule 3002           Requirements for Title V Permits

### **CALIFORNIA HEALTH AND SAFETY CODE**

41960            Certification of Gasoline Vapor Recovery System

41960.2           Gasoline Vapor Recovery

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 22

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides a listing of CEQA documents received by the South Coast AQMD between February 1, 2020 and February 29, 2020, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

PF:SN:JW:LS:AM:MI

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**CEQA Document Receipt and Review Logs (Attachments A and B)** – Each month, the South Coast AQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received during the reporting period February 1, 2020 to February 29, 2020 is included in Attachment A. A list of active projects from previous reporting periods for which South Coast AQMD staff is continuing to evaluate or has prepared comments is included in Attachment B. A total of 49 CEQA documents were received during this reporting period and nine comment letters were sent.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for FY 2002-03, approved by the Board in October 2002, each attachment notes proposed projects where the South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. The South Coast AQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact the

South Coast AQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; and as part of oral comments at South Coast AQMD meetings or other meetings where South Coast AQMD staff is present. The attachments also identify, for each project, the dates of the public comment period and the public hearing date, if applicable. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

At the January 6, 2006 Board meeting, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement, CEQA documents (Attachments A and B) are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures was compiled into a series of tables relative to: off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of the South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources.

Staff focuses on reviewing and preparing comments for projects: where the South Coast AQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g. special event centers, landfills, goods movement); that may have localized or toxic air quality impacts (e.g. warehouse and distribution centers); where environmental justice concerns have been raised; and which a lead or responsible agency has specifically requested South Coast AQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "South Coast AQMD Letter" under the Project Description. In addition, if staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period February 1, 2020 and February 29, 2020, the South Coast AQMD received 49 CEQA documents. Attachment B lists documents that are ongoing active projects. Of the 55 documents listed in Attachments A and B:

- 9 comment letters were sent;
- 24 documents were reviewed, but no comments were made;
- 14 documents are currently under review;
- 0 document did not require comments (e.g., public notices);
- 0 document were not reviewed; and
- 8 documents were screened without additional review.

(The above statistics are from February 1, 2020 and February 29, 2020, and may not include the most recent “Comment Status” updates in Attachments A and B.)

Copies of all comment letters sent to lead agencies can be found on the South Coast AQMD’s CEQA webpage at the following internet address:  
<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

**South Coast AQMD Lead Agency Projects (Attachment C)** – Pursuant to CEQA, the South Coast AQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal for action is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the South Coast AQMD, as lead agency, finds substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the South Coast AQMD determines that the project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachments C to this report summarizes the active projects for which the South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, the South Coast AQMD continued working on the CEQA documents for two active projects during February.

#### **Attachments**

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which South Coast AQMD Has or Will Conduct a CEQA Review
- C. Active South Coast AQMD Lead Agency Projects

**ATTACHMENT A\***  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-INNUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b>Warehouse &amp; Distribution Centers</b> <b>LAC200211-04</b> Prologis Vermont and Redondo Project	The proposed project consists of construction of a 340,298-square-foot warehouse on 16 acres. The project is located on the northwest corner of South Vermont Avenue and West Redondo Beach Boulevard in the community of Harbor Gateway.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/LAC200211-04.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/LAC200211-04.pdf</a>  Comment Period: 2/7/2020 - 3/9/2020 Public Hearing: 2/19/2020	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 3/3/2020
<b>Warehouse &amp; Distribution Centers</b> <b>LAC200220-03</b> Spring Street Business Park Project	The proposed project consists of construction of 160,673 square feet of warehouses on 7.8 acres. The project is located on the southwest corner of Spring Street and Orange Avenue.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200220-03.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200220-03.pdf</a>  Comment Period: 1/6/2020 - 2/20/2020 Public Hearing: N/A	Draft Environmental Impact Report	City of Long Beach	South Coast AQMD staff commented on 2/20/2020
<b>Warehouse &amp; Distribution Centers</b> <b>RVC200204-07</b> MA20012	The proposed project consists of construction of an 88,898-square-foot storage facility on 4.73 acres. The project is located on the northwest corner of Van Buren Boulevard and Clay Street.  Comment Period: 1/30/2020 - 2/13/2020 Public Hearing: N/A	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent for this document received
<b>Warehouse &amp; Distribution Centers</b> <b>RVC200211-01</b> Horizon Business Park	Staff provided comments on the Mitigated Negative Declaration for the proposed project, which can be accessed at: <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/January/RVC191227-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/January/RVC191227-02.pdf</a> . The proposed project consists of construction of a 310,406-square-foot warehouse on 13.9 acres. The project is located on the northwest corner of Etiwanda Avenue and Cantu Galleano Ranch Road. Reference RVC191227-02  Comment Period: N/A Public Hearing: 2/26/2020	Response to Comments	City of Jurupa Valley	Document reviewed - No comments sent for this document received

\*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.

# - Project has potential environmental justice concerns due to the nature and/or location of the project.

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT
PROJECT TITLE				STATUS
<b>Warehouse &amp; Distribution Centers</b> <b>RVC200225-01</b> Harvill Distribution Center (Plot Plan No. 190005)	The proposed project consists of construction of a 333,553-square-foot warehouse on 16.86 acres. The project is located near the southeast corner of Harvill Avenue and Orange Avenue in the community of Mead Valley. Reference RVC190821-05  Comment Period: 2/13/2020 - 3/3/2020 Public Hearing: 3/4/2020	Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent for this document received
<b>Warehouse &amp; Distribution Centers</b> <b>SBC200204-11</b> Bridge Point Upland	Staff provided comments on the Mitigated Negative Declaration for the proposed project, which can be accessed at: <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/January/SBC191220-07.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/January/SBC191220-07.pdf</a> . The proposed project consists of construction of a 201,096-square-foot warehouse on 50.25 acres. The project is located on the northeast corner of Central Avenue and Foothill Boulevard. Reference SBC191220-07  Comment Period: N/A Public Hearing: 3/23/2020	Response to Comments	City of Upland	Document reviewed - No comments sent for this document received
<b>Warehouse &amp; Distribution Centers</b> <b>SBC200218-03</b> Barton Road Logistics Center	The proposed project consists of demolition of 659,432 square feet of existing buildings and construction of two warehouses totaling 960,040 square feet on 43.85 acres. The project is located on the southeast corner of Walnut Avenue and Terrace Avenue.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/SBC200218-03.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/SBC200218-03.pdf</a> Comment Period: 2/14/2020 - 3/17/2020 Public Hearing: 2/26/2020	Notice of Preparation	City of Colton	South Coast AQMD staff commented on 3/10/2020
<b>Warehouse &amp; Distribution Centers</b> <b>SBC200218-05</b> Ontario Ranch Business Park Specific Plan	The proposed project consists of construction of eight warehouses totaling 1,905,027 square feet on 85.6 acres. The project is located on the northeast corner of Merrill Avenue and Euclid Avenue. Reference SBC190528-06  Comment Period: 2/13/2020 - 3/30/2020 Public Hearing: N/A	Draft Environmental Impact Report	City of Ontario	Under review, may submit written comments

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b><i>Warehouse &amp; Distribution Centers</i></b> <b>SBC200218-06</b> Palmetto Avenue Warehouse Project	The proposed project consists of construction of a 92,620-square-foot warehouse on 4.25 acres. The project is located on the northeast corner of West Baseline Road and Palmetto Avenue.  Comment Period: 2/14/2020 - 3/4/2020 Public Hearing: N/A	Mitigated Negative Declaration	City of Rialto	Document reviewed - No comments sent for this document received
<b><i>Industrial and Commercial</i></b> <b>RVC200204-02</b> Gilman Springs Mine	The proposed project consists of expansion of mining boundary from 150.4 acres to 204.8 acres and increase in mining reserves from 14 million tons to 44 million tons. The project is located on the northeast corner of Gilman Springs Road and Bridge Street in the City of Moreno Valley. Reference RVC180517-01 <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/RVC200204-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/RVC200204-02.pdf</a> Comment Period: 1/27/2020 - 3/12/2020 Public Hearing: N/A	Draft Environmental Impact Report	County of Riverside	South Coast AQMD staff commented on 3/12/2020
<b><i>Waste and Water-related</i></b> <b>LAC200204-05</b> Los Angeles River Estuary Maintenance Dredging Project	The proposed project consists of dredging and disposal of 370,000 cubic yards of sediment to maintain navigational depth. The project is located in the Long Beach outer harbor within the Pacific Ocean. Reference LAC140708-05 Comment Period: 1/24/2020 - 2/24/2020 Public Hearing: N/A	Draft Environmental Assessment	United States Department of the Army, Army Corps of Engineers	Document reviewed - No comments sent for this document received
<b><i>Waste and Water-related</i></b> <b>LAC200204-13</b> U.S. Ecology Vernon, Inc.	The proposed project consists of modification to an existing hazardous waste facility permit to change emergency response contact information. The project is located at 5375 South Boyle Avenue on the northwest corner of East 54th Street and South Boyle Avenue in the City of Vernon. Comment Period: N/A Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Waste and Water-related</i>	Staff provided comments on the Mitigated Negative Declaration for the proposed project, which can be accessed at: <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200110-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200110-02.pdf</a> . The proposed project consists of construction of a green waste composting facility with a receiving capacity of 204 tons per day of green wastes diverted from landfills on an 18.6-acre portion of 1,530 acres. The project is located at 32250 Avenida La Plata on the southeast corner of Avenida La Plata and Prima Deshecha in the City of San Juan Capistrano. Reference ORC200110-02	Response to Comments	Orange County Department of Waste and Recycling	Document reviewed - No comments sent for this document received
<b>ORC200213-01</b> Capistrano Greenery Composting Operation at the Prima Deshecha Landfill				
	Comment Period: N/A Public Hearing: N/A			
<i>Waste and Water-related</i>	The proposed project consists of vegetation management and maintenance activities on a 500-foot segment of an existing creek channel. The project is located near the northwest corner of Santa Ana River Trail and Tequesquite Avenue.	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Riverside	Document reviewed - No comments sent for this document received
<b>RVC200205-01</b> Tequesquite Creek Maintenance Project				
	Comment Period: 2/5/2020 - 3/5/2020 Public Hearing: N/A			
<i>Waste and Water-related</i>	The proposed project consists of construction of a groundwater well with a capacity from 1,000 acre-feet per year (AFY) to 3,000 AFY. The project is located at 115 East Nance Street on the southeast corner of East Nance Street and Fair Court in the City of Perris.	Mitigated Negative Declaration	Eastern Municipal Water District	Document reviewed - No comments sent for this document received
<b>RVC200207-02</b> Well 204 Portable Groundwater Production Project				
	Comment Period: 2/5/2020 - 3/6/2020 Public Hearing: N/A			

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Waste and Water-related</i>	The proposed project consists of development of policies and programs to guide water management, monitoring, reporting, and treatment with a planning horizon of 2050. The project encompasses 235 square miles within the Upper Santa Ana River Watershed and is bounded by the San Gabriel Mountains to the north, Interstate 15 to the west, Santa Ana River to the south, and the community of Puente Hills and City of Chino Hills to the east.	Notice of Preparation	Inland Empire Utilities Agency	Document reviewed - No comments sent for this document received
<b>RVC200213-02</b> Chino Basin Watermaster Optimum Basin Management Program Update				
	Comment Period: 2/10/2020 - 3/10/2020 Public Hearing: 2/27/2020			
<i>Waste and Water-related</i>	The proposed project consists of repairs and restoration of existing levees to reduce erosion and flood risk. The project is located along the Santa Ana River between Market Street and Mission Inn Boulevard in Riverside County.	Draft Environmental Assessment	United States Department of the Army, Army Corps of Engineers	Document reviewed - No comments sent for this document received
<b>RVC200218-02</b> Riverside Levees Repair Project				
	Comment Period: 2/17/2020 - 3/17/2020 Public Hearing: N/A			
<i>Waste and Water-related</i>	This document includes additional mitigation measures for biological resources for the proposed project. The proposed project consists of construction of a water well with a capacity of 550 gallons per minute. The project is located on the northeast corner of Palomino Drive and Shay Road in the City of Big Bear. Reference SBC161006-01	Addendum to a Mitigated Negative Declaration	Big Bear City Community Services District	Document reviewed - No comments sent for this document received
<b>SBC200204-10</b> Well 8A Development Project				
	Comment Period: N/A Public Hearing: N/A			
<i>Institutional (schools, government, etc.)</i>	The proposed project consists of construction of four buildings totaling 45,500 square feet, a 3,500-square-foot fuel canopy, and a 12,000-gallon aboveground fuel storage tank with two dispensers on six acres. The project is located on the northwest corner of South Circle and Bloomfield Avenue within the City of Norwalk. Reference LAC190313-06	Draft Environmental Impact Report	California Highway Patrol	Document reviewed - No comments sent for this document received
<b>LAC200226-03</b> California Highway Patrol Santa Fe Springs Area Office Replacement Project				
	Comment Period: 2/21/2020 - 4/6/2020 Public Hearing: 3/17/2020			

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b><i>Institutional (schools, government, etc.)</i></b> <b>RVC200218-01</b> Arlington High School Modernization and New Construction	The proposed project consists of demolition of seven existing structures, expansion of a sports field from 1,250 seats to 2,250 seats, and construction of 21,017 square feet of school facilities on 45 acres. The project is located at 2951 Jackson Street on the northwest corner of Jackson Street and Lincoln Avenue in the City of Riverside.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/RVC200218-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/RVC200218-01.pdf</a>  Comment Period: 2/17/2020 - 3/18/2020 Public Hearing: N/A	Notice of Preparation	Riverside Unified School District	South Coast AQMD staff commented on 3/17/2020
<b><i>Medical Facility</i></b> <b>ORC200204-08</b> UCI Center of Child Health/Medical Office Building	The proposed project consists of demolition of 30,400 square feet of existing buildings and construction of a 168,000-square-foot medical office on 5.5 acres. The project is located near the southeast corner of Campus Drive and Jamboree Road in the City of Irvine.  Comment Period: 1/29/2020 - 2/27/2020 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	Regents of the University of California	Document reviewed - No comments sent for this document received
<b><i>Retail</i></b> <b>RVC200204-03</b> Citrus Plaza II	The proposed project consists of construction of 75,000 square feet of retail and restaurant uses, a hotel with 150 rooms, and a gasoline service station with 18 pumps on 9.19 acres. The project is located on the northeast corner of Jefferson Street and Avenue 50.  Comment Period: 12/18/2019 - 1/7/2020 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration (received after close of comments)	City of Indio	Document reviewed - No comments sent for this document received
<b><i>General Land Use (residential, etc.)</i></b> <b>LAC200204-01</b> Century Villages at Cabrillo Specific Plan	The proposed project consists of demolition of 215 residential units and 27,480 square feet of existing buildings, and construction of 750 residential units, 77,000 square feet of public amenities, 15,000 square feet of educational uses, 17,000 square feet of commercial uses, and 48,000 square feet of office uses on 27 acres. The project is located near the northeast corner of State Route 103 and State Route 1.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200204-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200204-01.pdf</a>  Comment Period: 1/28/2020 - 2/26/2020 Public Hearing: 2/5/2020	Notice of Preparation	City of Long Beach	South Coast AQMD staff commented on 2/11/2020

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b>General Land Use (residential, etc.)</b> <b>LAC200204-09</b> 2800 Casitas Avenue Project	The proposed project consists of demolition of a 117,000-square-foot building and construction of 419 residential units and commercial uses totaling 487,872 square feet on 5.7 acres. The project is located on the southeast corner of Casitas Avenue and West Calaveras Street in the community of Northeast Los Angeles. Reference LAC170221-02  Comment Period: 1/30/2020 - 3/30/2020 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>LAC200206-01</b> ENV-2016-3693: 3440-3470 W. Wilshire Blvd.	The proposed project consists of demolition of existing structures and construction of two buildings totaling 712,053 square feet with 640 residential units and subterranean parking on 7.3 acres. The project is located on the southeast corner of Wilshire Boulevard and Irolo Street in the community of Wilshire.  Comment Period: 2/6/2020 - 3/9/2020 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>LAC200214-02</b> KB Home Orchard Street and Cypress Avenue Project	The proposed project consists of demolition of 159,100 square of existing structures and construction of 110 residential units totaling 191,664 square feet on 5.69 acres. The project is located near the southeast corner of Cypress Avenue and Orchard Street.  Comment Period: 2/11/2020 - 3/2/2020 Public Hearing: 2/26/2020	Notice of Intent to Adopt a Mitigated Negative Declaration	City of El Monte	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b>General Land Use (residential, etc.)</b> <b>LAC200219-01</b> Hassen Development Project (Site A)	The proposed project consists of demolition of existing structures, and construction of 161 residential units and 16,800 square feet of commercial uses on 5.3 acres. The project is located on the northwest corner of North Citrus Avenue and West San Bernardino Road.  Comment Period: 11/18/2019 - 12/18/2019      Public Hearing: 2/25/2020	Notice of Intent to Adopt a Mitigated Negative Declaration (received after close of comments)	City of Covina	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>LAC200220-01</b> Cypress Village Mixed Use Development Project	The proposed project consists of demolition of 81,333 square feet of existing buildings, and construction of 61 residential units and 14,000 square feet of retail uses on 7.99 acres. The project is located on the northeast corner of North Azusa Avenue and West Cypress Street.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200220-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200220-01.pdf</a>  Comment Period: 12/6/2019 - 1/16/2020      Public Hearing: N/A	Notice of Preparation (received after close of comments)	City of Covina	South Coast AQMD staff commented on 2/26/2020
<b>General Land Use (residential, etc.)</b> <b>LAC200220-02</b> Covina Bowl Specific Plan	The proposed project consists of construction of 132 residential units and 12,000 square feet of commercial uses on 7.5 acres. The project is located on the southwest corner of North Rimsdale Avenue and West San Bernardino Road.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200220-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200220-02.pdf</a>  Comment Period: 1/24/2020 - 2/24/2020      Public Hearing: 2/3/2020	Notice of Preparation	City of Covina	South Coast AQMD staff commented on 2/20/2020
<b>General Land Use (residential, etc.)</b> <b>ORC200206-03</b> Volara Townhomes	The proposed project consists of construction of 58 residential units on 2.92 acres. The project is located on the southeast corner of Electric Avenue and Euclid Street.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/ORC200205-03.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/ORC200205-03.pdf</a>  Comment Period: 1/24/2020 - 3/9/2020      Public Hearing: N/A	Draft Environmental Impact Report	City of La Habra	South Coast AQMD staff commented on 3/5/2020

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b>General Land Use (residential, etc.)</b> <b>ORC200207-01</b> One Metro West Project	The proposed project consists of demolition of existing structures, and construction of 1,057 residential units, 25,000 square feet of commercial uses, 6,000 square feet of retail uses, and 1.5 acres of open space on 15.23 acres. The project is located at 1683 Sunflower Avenue on the southeast corner of Sunflower Avenue and Cadillac Avenue. Reference ORC190604-04 <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/ORC200207-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/ORC200207-01.pdf</a>  Comment Period: 2/7/2020 - 3/23/2020 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Costa Mesa	South Coast AQMD staff commented on 3/19/2020
<b>General Land Use (residential, etc.)</b> <b>ORC200211-05</b> Cypress City Center	The proposed project consists of construction of a 43,200-square-foot theater with 840 seats, a hotel with 120 rooms, 20,800 square feet of commercial uses, and 251 residential units on 13 acres. The project is located on the northeast corner of Katella Avenue and Siboney Street. Reference ORC191126-05  Comment Period: 2/11/2020 - 3/27/2020 Public Hearing: N/A	Draft Environmental Impact Report	City of Cypress	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>ORC200221-01</b> Lincoln at Euclid	The proposed project consists of demolition of 32,100 square feet of existing structures and construction of a 197,988-square-foot building with 115 residential units on 7.17 acres. The project is located on the northeast corner of North Euclid Way and West Lincoln Avenue.  Comment Period: 2/21/2020 - 3/23/2020 Public Hearing: 3/30/2020	Mitigated Negative Declaration	City of Anaheim	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>RVC200204-12</b> Harveston General Plan Amendment and Specific Plan Amendment - Planning Area 12	The proposed project consists of construction of 1,000 residential units on 87.54 acres. The project is located on the southwest corner of Ynez Road and Temecula Center Drive. Reference RVC190725-02  Comment Period: 1/31/2020 - 3/16/2020 Public Hearing: N/A	Notice of Availability of a Draft Subsequent Environmental Impact Report	City of Temecula	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.



**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b>General Land Use (residential, etc.)</b> <b>RVC200204-14</b> Tentative Tract Map No. 37400	The proposed project consists of construction of 174 residential units on 46.9 acres. The project is located on the southwest corner of McLaughlin Road and Sun City Boulevard. Reference RVC180316-03  Comment Period: 1/31/2020 - 2/19/2020 Public Hearing: 2/26/2020	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>RVC200211-02</b> Canterwood: Change of Zone No. 1800007, Tentative Tract Map 37439, Plot Plan No. 180024	The proposed project consists of construction of 574 residential units and an 8.94-acre park on 158.18 acres. The project is located near the southwest corner of Eucalyptus Avenue and Ano Crest Road in the community of Winchester. Reference: RVC181009-12  Comment Period: 2/7/2020 - 3/23/2020 Public Hearing: N/A	Draft Environmental Impact Report	County of Riverside	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> <b>RVC200211-06</b> Specific Plan No. 260A2, Substantial Conformance No. 1, Change of Zone No. 7870, Tentative Tract Map No. 31500	The proposed project consists of construction of 173 residential units on 72 acres. The project is located on the northwest corner of Florida Avenue and Lincoln Avenue in the community of Winchester. Reference RVC160105-04  Comment Period: N/A Public Hearing: 2/19/2020	Notice of Availability to Adopt an Addendum to an Environmental Impact Report	County of Riverside	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A**  
**INCOMING CEQA DOCUMENTS LOG**  
**February 1, 2020 to February 29, 2020**

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Plans and Regulations</i> <b>ORC200220-04</b> Rancho Santa Margarita General Plan Update	Staff provided comments on the Draft Environmental Impact Report for the proposed project, which can be accessed at: <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/june/ORC190501-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/june/ORC190501-02.pdf</a> . The proposed project consists of updates to the City's General Plan conservation and open space, economic development, land use, noise, and safety elements with a planning horizon year of 2040. The project encompasses 8,607 acres and is bounded by Trabuco Canyon to the north and east, the community of Ladera Ranch to the south, and City of Mission Viejo to the west in Orange County. Reference ORC190501-02 and ORC180501-02  Comment Period: N/A Public Hearing: 3/11/2020	Response to Comments	City of Rancho Santa Margarita	Document reviewed - No comments sent for this document received
<i>Plans and Regulations</i> <b>RVC200204-04</b> Cannabis Ordinance Project	The proposed project consists of development of a citywide ordinance to regulate cannabis cultivation, manufacturing, distribution, and testing. The project encompasses 23.69 square miles and is bounded by City of Lake Elsinore to the north, Interstate 215 to the east, City of Murrieta to the south, and unincorporated areas of Riverside County to the east.  Comment Period: 1/30/2020 - 2/28/2020 Public Hearing: N/A	Negative Declaration	City of Wildomar	Document reviewed - No comments sent for this document received
<i>Plans and Regulations</i> <b>RVC200218-04</b> City of Desert Hot Springs General Plan Update	The proposed project consists of updates to the City's General Plan to develop design guidelines, policies, and programs to guide future development with a planning horizon of 2040. The project encompasses 59.3 square miles and is bounded by San Bernardino County to the north, Big Morongo Canyon Preserve to the east, Interstate 10 to the south, and the community of Bonnie Bell to the west in Riverside County. Reference RVC190807-02  Comment Period: 2/14/2020 - 4/1/2020 Public Hearing: N/A	Draft Environmental Impact Report	City of Desert Hot Springs	Under review, may submit written comments
<i>Plans and Regulations</i> <b>RVC200226-02</b> Sun Lakes Village North Specific Plan Amendment No. 6	The proposed project consists of updates to existing land use designations, design guidelines, and zoning requirements for future construction of office, commercial, retail, and medical uses on a 47-acre portion of 963 acres. The project is located near the southeast corner of Interstate 10 and Highland Springs Avenue. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/RVC200226-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/March/RVC200226-02.pdf</a>  Comment Period: 2/21/2020 - 3/21/2020 Public Hearing: 3/2/2020	Notice of Preparation	City of Banning	South Coast AQMD staff commented on 3/17/2020

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT B\***  
**ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS**  
**OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

<u>SOUTH COAST AQMD LOG-INNUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<b><i>Warehouse &amp; Distribution Centers</i></b> <b>RVC200121-01</b> Latitude Business Park	The proposed project consists of construction of 1,074,771 square feet of industrial and warehouse uses on 75 acres. The project is located on the northwest corner of Tom Barns Street and Temescal Canyon Road.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/RVC200121-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/RVC200121-01.pdf</a>  Comment Period: 1/8/2020 - 2/8/2020 Public Hearing: 4/1/2020	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Corona	South Coast AQMD staff commented on 2/7/2020
<b><i>Waste and Water-related</i></b> <b>ORC200110-02</b> Capistrano Greenery Composting Operation at the Prima Deshecha Landfill	The proposed project consists of construction of a green waste composting facility with a receiving capacity of 204 tons per day of green wastes diverted from landfills on an 18.6-acre portion of 1,530 acres. The project is located at 32250 Avenida La Plata on the southeast corner of Avenida La Plata and Prima Deshecha in the City of San Juan Capistrano.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200110-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200110-02.pdf</a>  Comment Period: 1/10/2020 - 2/10/2020 Public Hearing: 5/5/2020	Mitigated Negative Declaration	Orange County Department of Waste and Recycling	South Coast AQMD staff commented on 2/6/2020
<b><i>Transportation</i></b> <b>ORC200107-02</b> State Route 133 Operational Improvements Project	The proposed project consists of construction of a one-mile auxiliary lane on State Route 133 (SR-133) between the intersection of SR-133 and Interstate 405 (Post Mile (PM) 8.3) and the intersection of SR-133 and Irvine Center Drive (PM 9.3) in the City of Irvine.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200107-02.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200107-02.pdf</a>  Comment Period: 1/7/2020 - 2/6/2020 Public Hearing: N/A	Mitigated Negative Declaration	California Department of Transportation	South Coast AQMD staff commented on 2/4/2020
<b><i>Institutional (schools, government, etc.)</i></b> <b>LAC200114-01</b> California Highway Patrol Baldwin Park Area Office Replacement Project	The proposed project consists of demolition of an existing office building, and construction of a 36,740-square-foot office building, a 6,925-square-foot automobile service facility, a 148-foot steel communications tower, a fueling service station with two pumps, and a 3,300-square-foot fueling canopy on a six-acre portion of 237 acres. The project is located on the northwest corner of East Campus Drive and South Campus Drive within the California Polytechnic State University, Pomona in Los Angeles County.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200114-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/LAC200114-01.pdf</a>  Comment Period: 1/10/2020 - 2/10/2020 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	California Highway Patrol	South Coast AQMD staff commented on 2/4/2020

\*Sorted by Comment Status, followed by Land Use, then County, then date received.

# - Project has potential environmental justice concerns due to the nature and/or location of the project.

**ATTACHMENT B**  
**ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS**  
**OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

<u>SOUTH COAST AQMD LOG-INNUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>General Land Use (residential, etc.)</i>	The proposed project consists of demolition of 212,121 square feet of industrial uses, and construction of 1,150 residential units and 80,000 square feet of commercial, retail, and restaurant uses on 14.58 acres. The project is located on the northwest corner of Red Hill Avenue and East Warner Avenue. Reference ORC190808-03 and ORC190801-16 <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200109-01.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2020/February/ORC200109-01.pdf</a> Comment Period: 1/3/2020 - 2/18/2020 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Santa Ana	South Coast AQMD staff commented on 2/13/2020
<b>ORC200109-01</b> The Bowery Mixed-Use Project				

# - Project has potential environmental justice concerns due to the nature and/or location of the project.

**ATTACHMENT C**  
**ACTIVE SOUTH COAST AQMD LEAD AGENCY PROJECTS**  
**THROUGH FEBRUARY 29, 2020**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal, state and South Coast AQMD requirements to limit the sulfur content of diesel fuels. Litigation regarding the CEQA document was filed. Ultimately, the California Supreme Court concluded that the South Coast AQMD had used an inappropriate baseline and directed the South Coast AQMD to prepare an EIR, even though the project has been built and has been in operation since 2006. The purpose of this CEQA document is to comply with the Supreme Court's direction to prepare an EIR.	Phillips 66 (formerly ConocoPhillips), Los Angeles Refinery	Environmental Impact Report (EIR)	The Notice of Preparation/Initial Study (NOP/IS) was circulated for a 30-day public comment period on March 26, 2012 to April 26, 2012. The consultant submitted the administrative Draft EIR to South Coast AQMD in late July 2013. The Draft EIR was circulated for a 45-day public review and comment period from September 30, 2014 to November 13, 2014 and two comment letters were received. South Coast AQMD staff edits on the draft responses to comments were incorporated into a draft Final EIR which is undergoing review.	Environmental Audit, Inc.
Quemetco is proposing to modify existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke, and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.	Quemetco	Environmental Impact Report (EIR)	A Notice of Preparation/Initial Study (NOP/IS) was released for a 56-day public review and comment period from August 31, 2018 to October 25, 2018, and 154 comment letters were received. Two CEQA scoping meetings were held on September 13, 2018 and October 11, 2018 in the community. South Coast AQMD staff received a preliminary Draft EIR on December 20, 2019 which is undergoing review.	Trinity Consultants

 [Back to Agenda](#)

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 23

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2020.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Wayne Natri  
Executive Officer

PMF:SN:SR:AK:ZS

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## **2020 MASTER CALENDAR**

The 2020 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for the 2016 AQMP, Toxics, AB 617 BARCT, or Other. Rulemaking efforts that are noted for implementation of the 2016 AQMP, Toxics, and AB617 BARCT are either statutorily required and/or are needed to address a public health concern. Projected emission reductions will be determined during rulemaking.

Public participation is an integral part of the rulemaking process. The South Coast AQMD staff recognizes the challenges businesses and other stakeholders are experiencing with COVID-19. In the coming months, staff will revise the Rule and Control Measure Forecast as necessary to reflect the changing situation with COVID-19 and to ensure that stakeholders can fully participate in the rulemaking process. To ensure staff is ready when stakeholders can fully participate in the rulemaking process, staff will continue working on rules. This will also help to minimize delays in meeting statutory requirements. In addition, staff will also be assessing if rules should be added to the Rule and Control Measure Forecast as a result of COVID-19.

\* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

# Part of the transition of RECLAIM to a command-and-control regulatory structure

The following symbols next to the rule number indicate if the rulemaking will be a potentially significant hearing, will reduce criteria pollutants, or is part of the RECLAIM transition. Symbols have been added to indicate the following:

- \* *This rulemaking is a potentially significant hearing.*
- + *This rulemaking will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*
- # *This rulemaking is part of the transition of RECLAIM to a command-and-control regulatory structure.*

The following table summarizes changes to the schedule since last month's Rule and Control Measure Forecast Report. Staff will continue to work with all stakeholders as these projects move forward.

212	<b>Standards for Approving Permits and Issuing Public Notice</b>
Rule 212 will be moved from May to August 2020 so the public notice can be included with a similar distribution list to minimize the cost for postage.	
Reg. III 1480	<b>Fees Toxics Monitoring</b>
Staff recently proposed six minor amendments (including two that would raise fees) to Regulation III and Rule 1480. However, given the recent circumstances stemming from the COVID-19 pandemic, staff is no longer proposing any amendments to Regulation III or Rule 1480 this year. In addition, staff is proposing to credit back this year's automatic 2.8% CPI increase as a budget action so that facilities will not experience any new fee increases for this upcoming fiscal year (FY 2020-2021).	

## 2020 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
<b>May</b>		
445*	<b>Wood Burning Devices (PM 2.5 Contingency)</b> Proposed Amended Rule 445 will include contingency provisions in the event the region fails to attain the PM2.5 federal ambient air quality standards or to meet any reasonable further progress requirements. <i>Tracy Goss 909.396.3106; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
<b>June</b>		
1117 <sup>+</sup> #	<b>Emissions of Oxides of Nitrogen from Glass Melting and Sodium Silicate Furnaces (Formerly Emissions of Oxides of Nitrogen from Glass Melting Furnaces)</b> Proposed Amended Rule 1117 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for glass melting furnaces and will apply to RECLAIM and non-RECLAIM facilities. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
<b>August</b>		
212	<b>Standards for Approving Permits and Issuing Public Notice</b> Staff will be providing notices that Rule 212 will be submitted to U.S. EPA for SIP approval, with no proposed amendments. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
442.1 1107 1124 1136 1145 1171	<b>Usage of Solvent</b> <b>Coating of Metal Parts and Products</b> <b>Aerospace Assembly and Component Manufacturing Operations</b> <b>Wood Products Coatings</b> <b>Plastic, Rubber, Leather, and Glass Coatings</b> <b>Solvent Cleaning Operations</b> Proposed Rule 442.1 will prohibit the sale, distribution, and application of materials that do not meet the VOC limits specified in Regulation XI rules. Proposed amendments may also be needed to prohibit circumvention of VOC limits in Rules 1107, 1124, 1136, 1145, and 1171. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other



## 2020 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
September		
1109*+ 1109.1*+ #	<p><b>Emissions of Oxides of Nitrogen from Boilers and Process Heaters in Petroleum Refineries</b></p> <p><b>Reduction of Emissions of Oxides of Nitrogen from Refinery Equipment</b></p> <p>Proposed Rule 1109.1 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for NOx emitting equipment at petroleum refineries and related operations, and include monitoring, reporting, and recordkeeping requirements. Rule 1109 is proposed to be rescinded.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT/ AB 617 CERP
1147*+          1100#	<p><b>NOx Reductions from Miscellaneous Sources</b></p> <p>Proposed Amended Rule 1147 will revise NOx emission limits to reflect Best Available Retrofit Control Technology for miscellaneous combustion sources and that will apply to RECLAIM and non-RECLAIM facilities.</p> <p><b>Implementation Schedule for NOx Facilities</b></p> <p>Proposed Amended Rule 1100 will establish the implementation schedule for Rule 1147 equipment at NOx RECLAIM and former NOx RECLAIM facilities.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
2305*+ #	<p><b>Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program</b></p> <p>Proposed Rule 2305 will both reduce emissions and facilitate local and regional emission reductions associated with warehouses and the mobile sources attracted to warehouses.</p> <p><i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 CERP

## 2020 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
<b>October</b>		
218*# 218.1 218.2 (Added) 218.3 (Added)	<p><b>Continuous Emission Monitoring</b></p> <p><b>Continuous Emission Monitoring Performance Specifications</b></p> <p><b>Enhanced Requirements for Continuous Emission Monitoring System</b></p> <p><b>Enhanced Requirements for Continuous Emission Monitoring System Performance Specifications</b></p> <p>Proposed Amended Rules 218 and 218.1 will include existing provisions for continuous emissions monitoring systems for non-RECLAIM facilities with minor revisions. The revised provisions that enhance requirements for Continuous Emissions Monitoring Systems (CEMS) will be included in separate rules, Proposed Rules 218.2 and 218.3, to streamline implementation. As a result, Proposed Rules 218.2 and 218.3 will incorporate the revised provisions for CEMS for non-RECLAIM and former RECLAIM facilities.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
1179.1*+	<p><b>NOx Emission Reductions from Combustion Equipment at Publicly Owned Treatment Work Facilities</b></p> <p>Proposed Rule 1179.1 will establish NOx emission limits for combustion equipment burning biofuels to reflect Best Available Retrofit Control Technology and include monitoring, reporting, and recordkeeping requirements at publicly owned treatment works.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1450*	<p><b>Control of Methylene Chloride Emissions</b></p> <p>Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; and Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1469.1*	<p><b>Spraying Operations Using Coatings Containing Chromium</b></p> <p>Proposed Amended Rule 1469.1 will establish additional requirements to address hexavalent chromium emissions from spraying operations using chromium primers or coatings.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics/ AB 617 CERP

## 2020 MASTER CALENDAR (Continued)

<b>Month</b>	<b>Title and Description</b>	<b>Type of Rulemaking</b>
<b>November</b>		
1147 <sup>*+##</sup> 1147.2 <sup>*+##</sup>	<p><b>NOx Reductions from Miscellaneous Sources</b></p> <p><b>NOx Reductions from Metal Melting and Heating Furnaces</b></p> <p>Proposed Rule 1147.2 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for metal melting and heating furnaces and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.2.</p>	AQMP/ AB 617 BARCT
1100 <sup>*#</sup>	<p><b>Implementation Schedule for NOx Facilities</b></p> <p>Proposed Amended Rule 1100 will establish the implementation schedule for Rule 1147 and 1147.2 equipment at NOx RECLAIM facilities that are transitioning to command-and-control.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	
1407.1 <sup>*</sup>	<p><b>Control of Toxic Air Contaminant Emissions from Chromium Alloy Melting Operations</b></p> <p>Proposed Rule 1407.1 will establish requirements to reduce point source and fugitive toxic air contaminant emissions from chromium alloy metal melting operations.</p> <p><i>Michael Morris 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics/ AB 617 CERP
1435 <sup>*</sup>	<p><b>Control of Emissions from Metal Heat Treating Processes</b></p> <p>Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics/ AB 617 CERP

## 2020 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
<b>December</b>		
1147*+ 1147.1*+ (Formerly 1147.3)	<p><b>NOx Reductions from Miscellaneous Sources</b></p> <p><b>NOx Reductions for Equipment at Aggregate Facilities</b></p> <p>Proposed Rule 1147.1 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for NOx equipment at aggregate facilities and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.1.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1150.3*+	<p><b>NOx Emission Reductions from Combustion Equipment at Landfills</b></p> <p>Proposed Rule 1150.3 will establish NOx emission limits for combustion equipment burning biofuels to reflect Best Available Retrofit Control Technology and include monitoring, reporting, and recordkeeping requirements at landfills.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1426*	<p><b>Reduction of Toxic Air Contaminants from Metal Finishing Operations</b></p> <p>Proposed amendments to Rule 1426 will establish requirements to reduce nickel, cadmium, hexavalent chromium, and other air toxics from plating and related operations. Proposed Amended Rule 1426 will establish requirements to control point source and fugitive toxic air contaminant emissions.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics/ AB 617 CERP
2202*	<p><b>On-Road Motor Vehicle Mitigation Options</b></p> <p>Proposed Amended Rule 2202 will streamline implementation for regulated entities, as well as reduce review and administration time for South Coast AQMD staff. Concepts may include program components to facilitate achieving average vehicle ridership (AVR) targets.</p> <p><i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
Reg. XXIII*+	<p><b>Facility-Based Mobile Sources</b></p> <p>Proposed rules within Regulation XXIII would reduce emissions from indirect sources (e.g., mobile sources that visit facilities). The rule or set of rules that would be brought for Board consideration would reduce emissions from railyards.</p> <p><i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176 Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ Toxics/ AB 617 CERP

## 2020 To-Be-Determined

2020	Title and Description	Type of Rulemaking
209	<b>Transfer and Voiding of Permits</b> Staff may propose amendments to clarify requirements for change of ownership and permits and the assessment of associated fees. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
219	<b>Equipment Not Requiring a Written Permit Pursuant to Regulation II</b> Proposed Amended Rule 219 will add or revise equipment not requiring a written permit. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
222	<b>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II</b> Proposed Amended Rule 222 will add or revise equipment subject to filing requirements. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
223	<b>Emission Reduction Permits for Large Confined Animal Facilities</b> Proposed Amended Rule 223 will seek additional ammonia emission reductions from large confined animal facilities by lowering the applicability threshold. Proposed amendments will implement BCM-04 in the 2016 AQMP. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
407 <sup>#</sup>	<b>Liquid and Gaseous Air Contaminants</b> Proposed Amended Rule 407 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT
425	<b>Odors from Cannabis Processing</b> Proposed Rule 425 will establish requirements for control of odors from cannabis processing. <i>Tracy Goss 909.396.3106; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
431.1 <sup>#</sup>	<b>Sulfur Content of Gaseous Fuels</b> Proposed Amended Rule 431.1 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT/ AB 617 CERP

## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
431.2 <sup>#</sup>	<b>Sulfur Content of Liquid Fuels</b> Proposed Amended Rule 431.2 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT/ AB 617 CERP
431.3 <sup>#</sup>	<b>Sulfur Content of Fossil Fuels</b> Proposed Amended Rule 431.3 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT/ AB 617 CERP
461	<b>Gasoline Transfer and Dispensing</b> Proposed Amended Rule 461 will reflect information from CARB, corrections, revisions, and additions to improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ Toxics
462	<b>Organic Liquid Loading</b> Proposed Amended Rule 462 will incorporate the use of advanced techniques to detect fugitive emissions and Facility Vapor Leak. Other amendments may be needed to streamline implementation and add clarity. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
463	<b>Organic Liquid Storage</b> Proposed Amended Rule 463 will address the current test method and improve the effectiveness, enforceability, and clarity of the rule. Proposed amendments may also be needed to ensure consistency with Rule 1178. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
468 <sup>#</sup>	<b>Sulfur Recovery Units</b> Proposed Amended Rule 468 will update SO <sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT
469 <sup>#</sup>	<b>Sulfuric Acid Units</b> Proposed Amended Rule 469 will update SO <sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT

## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
1101 <sup>#</sup>	<b>Secondary Lead Smelters/Sulfur Oxides</b> Proposed Amended Rule 1101 will update SO <sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT
1105 <sup>#</sup>	<b>Fluid Catalytic Cracking Units SO<sub>x</sub></b> Proposed Amended Rule 1105 will update SO <sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT/ AB 617 CERP
1110.2* <sup>++</sup>	<b>Emissions from Gaseous - and Liquid-Fueled Engines</b> Proposed amendments may be needed for Rule 1110.2 to incorporate possible comments by U.S. EPA for approval in the SIP and/or to address use of emergency standby engines for Public Safety Power Shutoff programs. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1111	<b>Reduction of NO<sub>x</sub> Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces</b> Proposed amendments may be needed for Rule 1111 to address furnaces used in high altitude areas and/or weatherized furnaces. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1113	<b>Architectural Coatings</b> Amendments may be needed to clarify applicability of the rule with respect to distribution. <i>Dave DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1118 <sup>*</sup>	<b>Control of Emissions from Refinery Flares</b> Proposed Amended Rule 1118 will revise provisions to further reduce flaring. The AB 617 Community Emission Reduction Plan has an emission reduction target to reduce flaring by 50 percent if feasible. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 CERP
1119 <sup>#</sup>	<b>Petroleum Coke Calcining Operations – Oxides of Sulfur</b> Proposed Amended Rule 1119 will update SO <sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AB 617 BARCT/ AB 617 CERP

## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
1121*	<b>Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters</b> Proposed amendments may be needed further reduce NOx emissions from water heaters. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1133.3	<b>Emission Reductions from Greenwaste Composting Operations</b> Proposed Amended Rule 1133.3 will seek additional VOCs and ammonia emission reductions from greenwaste and foodwaste composting. Proposed amendments will implement BCM-10 in the 2016 AQMP. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1134	<b>Emissions of Oxides of Nitrogen from Stationary Gas Turbines</b> Proposed Amended Rule 1134 will revise monitoring, reporting, and recordkeeping provisions to reflect amendments to Proposed Amended Rules 218 and 218.1 and possibly other amendments to address comments from U.S. EPA and to streamline implementation. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1135	<b>Emissions of Oxides of Nitrogen from Electricity Generating Facilities</b> Proposed Amended Rule 1135 will revise monitoring, reporting, and recordkeeping provisions to reflect amendments to Proposed Amended Rules 218 and 218.1 and possibly other amendments to address comments from U.S. EPA. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1138	<b>Control of Emissions from Restaurant Operations</b> Proposed Amended Rule 1138 will further reduce emissions from char boilers. <i>Tracy Goss 909.396.3106; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1142	<b>Marine Tank Vessel Operations</b> Proposed Amended Rule 1142 will address VOC and hydrogen sulfide emissions from marine tank vessel operations and provide clarifications. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1146 <sup>#</sup>	<b>Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</b> Proposed amendments to Rule 1146 may be needed to clarify provisions for industry-specific categories and to incorporate comments from U.S. EPA. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other



## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
1146.1 <sup>#</sup>	<b>Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</b> Proposed amendments to Rule 1146.1 may be needed to clarify provisions for industry-specific categories and to incorporate comments from U.S. EPA. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1146.2 <sup>#</sup>	<b>Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters</b> Proposed Amended Rule 1146.2 will be revised to lower the NO <sub>x</sub> emission limit to reflect Best Available Retrofit Control Technology. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1148.1 <sup>*</sup>	<b>Oil and Gas Production Wells</b> Proposed Amended Rule 1148.1 will evaluate exemptions under Rule 463 to harmonize implementation for low producers. Other proposed amendments may be needed to further reduce emissions from operations, implement early leak detection, odor minimization plans, and enhanced emissions and chemical reporting from oil and drilling sites consistent with the AB 617 Community Emission Reduction Plan. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other/ AB 617 CERP
1148.2	<b>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</b> Proposed amendments to Rule 1148.2 may be needed to improve notifications of well working activities to the community. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other/ AB 617 CERP
1166	<b>Volatile Organic Compound Emissions from Decontamination of Soil</b> Proposed Amended Rule 1166 will update requirements, specifically concerning notifications and usage of mitigation plans (site specific versus various locations). <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other

## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
1173	<p><b>Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants</b></p> <p>Proposed revisions to Rule 1173 are being considered based on recent U.S. EPA regulations and CARB oil and gas regulations and revisions to improve the effectiveness, enforceability, and clarity of the rule. Other proposed amendments may be needed to further reduce emissions from operations, implement early leak detection, odor minimization plans, and enhanced emissions and chemical reporting from oil and drilling sites consistent with the AB 617 Community Emission Reduction Plan.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other/ AB 617 CERP
1176	<p><b>VOC Emissions from Wastewater Systems</b></p> <p>Proposed Amended Rule 1176 will clarify the applicability of the rule to include bulk terminals under definition of "Industrial Facilities," and streamline and clarify provisions.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other/ AB 617 CERP
1178	<p><b>Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities</b></p> <p>Proposed Amended Rule 1178 will incorporate the use of more advanced detection methods for earlier leak detection and improve leak detection and repair programs for storage tanks to further reduce VOC emissions. Proposed amendments will implement one of the actions in the AB 617 Community Emission Reduction Plan.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AB 617 CERP
1180	<p><b>Refinery Fenceline and Community Air Monitoring</b></p> <p>Revisions to Rule 1180 could be considered to clarify applicability including modification or removal of the threshold exemption for petroleum refineries from the requirements of the rule.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1403*	<p><b>Asbestos Emissions from Demolition/Renovation Activities</b></p> <p>Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics

## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
1415 1415.1	<p><b>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems</b></p> <p>Proposed Amended Rules 1415 and 1415.1 will align requirements with the proposed CARB Refrigerant Management Program and U.S. EPA's Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons.</p> <p><i>David De Boer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1420	<p><b>Emissions Standard for Lead</b></p> <p>Proposed Amended Rule 1420 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1420.2	<p><b>Emission Standards for Lead from Metal Melting Facilities</b></p> <p>Proposed Amended Rule 1420.2 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1445	<p><b>Control of Toxic Emissions from Laser Arc Cutting</b></p> <p>Proposed Rule 1445 will establish requirements to reduce toxic metal particulate emissions from laser arc cutting.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1469*	<p><b>Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations</b></p> <p>Proposed amendments to Rule 1469 may be needed to address use of chemical fume suppressants or other implementation issues.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1470	<p><b>Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines</b></p> <p>Proposed Amended Rule 1470 will establish additional provisions to reduce the exposure to diesel particulate from new and existing small (<math>\leq 50</math> brake horsepower) diesel engines located near sensitive receptors. Proposed amendments may be needed to address use of engines during Public Safety Power Shutoffs.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics

## 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
1472	<b>Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines</b> Proposed Amended Rule 1472 will remove provisions that are no longer applicable, update and streamline provisions, and assess the need for a Compliance Plans. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1480	<b>Toxics Monitoring</b> Proposed amendments to Rule 1480 may be needed to remove fee provisions if they are incorporated in Regulation III. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i>	Toxics/ AB 617 CERP
Reg. III	<b>Fees</b> Staff recently proposed six minor amendments (including two that would raise fees) to Regulation III and Rule 1480. However, given the recent circumstances stemming from the COVID-19 pandemic, staff is no longer proposing the amendments to Regulation III or Rule 1480 this year. In addition, staff is proposing to credit back this year's automatic 2.8% CPI increase as a budget action so that facilities will not experience any new fee increases for this upcoming fiscal year (FY 2020-2021). <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
Reg. XIII <sup>*#</sup>	<b>New Source Review</b> Proposed Amended Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to a command-and-control regulatory structure. Staff may be proposing a new rule within Regulation XIII to address offsets for facilities that transition out of RECLAIM. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
Reg. XX <sup>*#</sup>	<b>RECLAIM</b> Proposed Amended Regulation XX will address the transition of RECLAIM facilities to a command and control regulatory structure <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP

### 2020 To-Be-Determined (Continued)

2020	Title and Description	Type of Rulemaking
Reg. II, IV, XIV, XI, XIX, XXIII, XXIV, XXX and XXXV	Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA's 2015 revised risk assessment guidance, changes from OEHHA to new or revised toxic air contaminants or their risk values, address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or additional reductions to meet SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing, or new rules to implement the 2012 or 2016 AQMP measures. This includes measures in the 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption or amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, or U.S. EPA's National Emission Standards for Hazardous Air Pollutants. Rule adoption or amendments may be needed to implement AB 617 including but not limited to BARCT rules, Community Emission Reduction Plans prepared pursuant to AB 617, or new or amended rules to abate a public health issue identified through ambient monitoring.	Other/ AQMP/ Toxics/ AB 617 BARCT/ AB 617 CERP

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 24

PROPOSAL: Report of RFPs Scheduled for Release in April

SYNOPSIS: This report summarizes the RFPs for budgeted services over \$100,000 scheduled to be released for advertisement for the month of April.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Approve the release of RFPs for the month of April.

Wayne Nastri  
Executive Officer

SJ:tm

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### **Background**

At the January 10, 2020 meeting, the Board approved a revised Procurement Policy and Procedure. Under the revised policy, RFPs for budgeted items over \$100,000, which follow the Procurement Policy and Procedure, no longer require individual Board approval. However, a monthly report of all RFPs over \$100,000 is included as part of the Board agenda package and the Board may, if desired, take individual action on any item. The report provides the title and synopsis of the RFP, the budgeted funds available, and the name of the Deputy Executive Officer/Asst. Deputy Executive Officer responsible for that item. Further detail including closing dates, contact information, and detailed proposal criteria will be available online at <http://www.aqmd.gov/grants-bids> following Board approval on April 3, 2020.

### **Outreach**

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFPs and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's

Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFPs will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

### **Proposal Evaluation**

Proposals received will be evaluated by applicable diverse panels of technically qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector or academic community expertise.

### **Attachment**

Report of RFPs Scheduled for Release in April 2020

**April 3, 2020 Board Meeting  
Report on RFPs Scheduled for Release on April 3, 2020**

(For detailed information visit South Coast AQMD's website at  
<http://www.aqmd.gov/nav/grants-bids> following Board approval on April 3, 2020)

**RESEARCH AND DEVELOPMENT OR SPECIAL TECHNICAL EXPERTISE**

RFP#P2020-10	Issue Request for Proposal to Hire Outside Counsel	GILCHRIST/3459
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From time to time the South Coast AQMD requires the assistance of outside litigation counsel having expertise and experience in areas including, but not limited to, the California Environmental Quality Act, air quality laws, administrative law, the Brown Act, representation of government agencies, constitutional issues, Clean Air Act issues, and complex environmental litigation. A prequalified list was approved by the Governing Board in 2017. In addition, the Hearing Board occasionally requires the assistance of outside counsel for advice on these and related issues such as quasi-judicial hearings, the California Administrative Procedures Act, the California Fair Political Practices Act and constitutional issues related to air pollution law and jurisdiction of local agency hearing boards and for representation when its decisions are challenged in court proceedings. This RFP has two purposes: to solicit qualified law firms or sole practitioners in order to establish a prequalified list to last up to three years that General Counsel may use to represent the South Coast AQMD in ongoing and possible future litigation where outside counsel is required; and, to solicit qualified firms or sole practitioners to advise and represent the Hearing Board. General Counsel and the Hearing Board will use different firms to avoid conflicts of interest. The list will be valid for a three-year period.



BOARD MEETING DATE: April 3, 2020

AGENDA NO. 25

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

RMM:MAH:XC:agg

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### **Background**

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

### **Summary of Report**

The attached report identifies each of the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

### **Attachment**

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

**ATTACHMENT**  
**April 3, 2020 Board Meeting**  
**Status Report on Major Ongoing and Upcoming Projects for Information Management**

<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
Office 365 Implementation	Acquire and implement Office 365 for South Coast AQMD staff	\$350,000	<ul style="list-style-type: none"> <li>• Pre-assessment evaluation and planning completed</li> <li>• Board approved funding on October 5, 2018</li> <li>• Developed implementation and migration plan</li> <li>• Acquired Office 365 licenses</li> <li>• Implemented Office 365 email (Exchange) and migrated all users</li> <li>• Trained staff in Office 365 Pro Plus desktop software</li> <li>• Implemented Office 365 Pro Plus, Office Web, and OneDrive for Business</li> </ul>	<ul style="list-style-type: none"> <li>• Implement Office 365 internal website (SharePoint) and migrate existing content</li> </ul>
Permitting System Automation Phase 1	New Web application to automate the filing of permit applications with immediate processing and issuance of permits for specific application types: Dry Cleaners, Gas Stations, and Automotive Spray Booths	\$694,705	<ul style="list-style-type: none"> <li>• Automated 400A form filing, application processing, and online permit generation for Dry Cleaner, Automotive Spray Booth, and Gas Station Modules deployed to production</li> <li>• Enhanced processing of school locations with associated parcels</li> <li>• Deployed upgraded GIS Map integration and enhanced sensitive receptor identification and distance measurement work</li> </ul>	<ul style="list-style-type: none"> <li>• Continue Phase 1.1 project outreach support</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for internal South Coast AQMD users	\$525,000	<ul style="list-style-type: none"> <li>• Board approved initial Phase 2 funding December 2017</li> <li>• Phase 2 project startup and detail planning completed May 2018</li> <li>• Business process model approved</li> <li>• Board approved remaining Phase 2 funding October 5, 2018</li> <li>• Permitting Automation Workflow/Engineer shadowing/interviewing completed</li> <li>• Report outlining recommendations for automation of Permitting Workflow completed</li> <li>• Developed application submittals and form filing of the first nine of 32 400-E forms</li> <li>• Application submittals and form filing for 23 types of equipment under Rule 222 ready for User Testing</li> <li>• Deployed to production top three most frequently used R222 forms: Negative Air Machines, Small Boilers, and Charbroilers</li> </ul>	<ul style="list-style-type: none"> <li>• Complete User Testing for first nine 400-E forms</li> <li>• Complete User Acceptance Testing (UAT) and Deployment of remaining twenty-three R222 forms to production</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Document Conversion Services	Document Conversion Services to convert paper documents stored at South Coast AQMD facilities to electronic storage in OnBase	\$83,000	<ul style="list-style-type: none"> <li>Released RFQ October 5, 2018</li> <li>Approved qualified vendors January 4, 2019</li> <li>Executed purchase orders for scanning services</li> <li>Converted over 1,207,500 rule administrative record documents</li> </ul>	<ul style="list-style-type: none"> <li>Convert over 2,000,000 contract documents</li> </ul>
Replace Your Ride (RYP)	New Web application to allow residents to apply for incentives to purchase newer, less polluting vehicles	\$301,820	<ul style="list-style-type: none"> <li>Phase 2 Fund Allocation, Administration and Management Reporting modules deployed and in production</li> <li>Final Phase 2 user requested enhancements: VIN Number, Case Manager, Auto e-mail and document library updates deployed to production</li> <li>Phase 3 moved to production</li> <li>Implemented Electric Vehicle Service Equipment and other requested modifications</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of RYP and PeopleSoft Financial integration module</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
South Coast AQMD Mobile Application Enhancements	Enhancement of Mobile application with addition of advance notification, alternative fuel station search, media integration, infrastructure for hourly migration, and performance improvements	\$100,000	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated and awarded</li> <li>• Code development of Phase 1, alternative fuel, media integration, and performance improvements completed</li> <li>• User Acceptance Testing of Phase 1 completed</li> <li>• Completed deployment to both Apple and Google App stores</li> </ul>	<ul style="list-style-type: none"> <li>• Production support and outreach</li> <li>• Develop vision and scope for next phase of enhancements</li> <li>•</li> </ul>
Legal Division New System Development	Develop new web-based case management system for Legal Division to replace existing system	\$500,000	<ul style="list-style-type: none"> <li>• Task order issued, evaluated and awarded</li> <li>• Project charter finalized</li> <li>• Business Process Model completed</li> <li>• Sprint 1, 2 and 3 functional and system design completed</li> <li>• Testing of Sprints 1–3: NOVs, MSPAP, settlements, civil and small claims completed</li> <li>• Sprint 4 functional and design requirements: criminal, bankruptcy, non-NOV cases and check registers completed</li> <li>• Sprint 5 functional and design requirements–investigative assignments completed</li> <li>• Deployed IM servers and User Testing for Sprints 1-5 modules</li> <li>• OnBase and finance integrated</li> <li>• User Acceptance Testing completed</li> </ul>	<ul style="list-style-type: none"> <li>• Sprint 6 development, reports, and data migration</li> <li>• Parallel testing before final production</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Flare Event Notification – Rule 1118	Develop new web-based application to comply with Rule 1118 to improve current flare notifications to the public and staff	\$100,000	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated and awarded</li> <li>• Requirement gathering and design for Sprint 1, 2, and 3 completed</li> <li>• Sprint 4 and Public Portal implementation completed</li> <li>• Major incident notification deployed</li> <li>• Refinery user training completed</li> <li>• Application demo completed</li> <li>• Deployed to production on December 12, 2019 including major incident reporting on public portal</li> </ul>	<ul style="list-style-type: none"> <li>• Phase II (administrative and reporting pages) development</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
AQ-SPEC Cloud Platform	Develop a cloud-based platform to manage and visualize data collected by low-cost sensors	\$385,500	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated, and awarded</li> <li>• Business requirements gathering completed</li> <li>• System architecture, data storage, and design data ingestion completed</li> <li>• Data transformations, calculations, and averaging completed</li> <li>• Dashboards, microsites, and data migration completed</li> <li>• Release 2 User Acceptance Testing completed</li> </ul>	<ul style="list-style-type: none"> <li>• Deployment to production</li> </ul>
PeopleSoft Electronic Requisition	South Coast AQMD is implementing an electronic requisition for PeopleSoft Financials. This will allow submittal of requisitions online, tracking multiple levels of approval, electronic archival, pre-encumbrance of budget, and streamlined workflow	\$75,800	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated, and awarded</li> <li>• Requirement gathering and system design completed</li> <li>• System setup and code development and user testing for Information Management completed</li> <li>• System setup and code development and User Acceptance Testing completed for AHR (Administrative and Human Resources)</li> </ul>	<ul style="list-style-type: none"> <li>• Deployment to IM and AHR divisions</li> <li>• Integrated User Testing for other divisions</li> </ul>

<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
Rule 1403 Enhancements	The Rule 1403 web application automates the Rule 1403 notification process. Enhancements to the system are now required to streamline the process and meet the new rule requirements	\$68,575	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated and awarded</li> <li>• Business requirements gathering completed</li> <li>• Development of Phase 1 completed</li> <li>• Development of Phase 2 completed</li> </ul>	<ul style="list-style-type: none"> <li>• Complete System Integration Testing and User Acceptance Testing</li> <li>• System deployment to production</li> </ul>
Renewal of HP Server Maintenance & Support	Purchase of maintenance and support services for servers and storage devices	\$120,000		<ul style="list-style-type: none"> <li>• Board Letter for HP server maintenance and support approved April 3, 2020</li> <li>• Execute contract April 30, 2020</li> </ul>
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year	\$140,000		<ul style="list-style-type: none"> <li>• Request Board approval May 1, 2020</li> <li>• Execute contract July 15, 2020</li> </ul>
Phone System Upgrade	Upgrade the SCAQMD Cisco Unified Communications Phone System	\$375,000		<ul style="list-style-type: none"> <li>• Release RFQ May 1, 2020</li> <li>• Request Board approval of vendor selection September 4, 2020</li> <li>• Execute purchase October 2, 2020</li> <li>• Complete phone system upgrades April 30, 2021</li> </ul>



<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
Oracle PeopleSoft Software Support	Authorize sole source purchase of Oracle PeopleSoft software support and maintenance for the integrated Finance/HR system	\$375,000		<ul style="list-style-type: none"> <li>• Request Board approval June 5, 2020</li> <li>• Execute contract July 15,2020</li> </ul>
Cybersecurity Assessment	Perform a cybersecurity risk assessment, maturity assessment, and penetration testing	\$100,000		<ul style="list-style-type: none"> <li>• Release RFP July 3, 2020</li> <li>• Award Contract September 4, 2020</li> <li>• Complete Cybersecurity assessment January 29,2021</li> </ul>

Projects that have been completed within the last 12 months are shown below.

<b>Completed Projects</b>	
Project	Date Completed
Data Cable Infrastructure Installation	February 31, 2020
Prequalify Vendor List for PCs, Network Hardware, etc.	February 7, 2020
Mobile Application enhancements including Spanish language	January 23, 2020
Annual Emissions Reporting System	December 31, 2019
Rule 1180 Fence Line Monitoring web site	December 31, 2019
Online filing of Rule 222 – Negative Air Machines, Small Boilers, and Charbroilers modules	December 13, 2019
Flare Notification System	December 12, 2019
Volkswagen Environmental Mitigation Application Filing Portal	December 7, 2019
CLASS Database Software Licensing and Support	November 30, 2019
Office 365 Suite Implementation of File Storage (OneDrive for Business)	November 22, 2019
Ingres Database Migration to Version 11	August 23, 2019
Renewal of OnBase Software Support	July 15, 2019
Telecommunications Service	July 15, 2019
AB 617 – Community Monitoring Data Display Web Application	July 9, 2019
Online filing of Rule 1415 – Reduction of Refrigerant Emissions System	June 5, 2019
South Coast AQMD Mobile Application for Android devices	May 30, 2019
Renewal of HP Server Maintenance & Support	April 30, 2019
Implementation of Enterprise Geographic Information System (EGIS) Phase II	March 11, 2019
FIND (Facility INformation Detail) upgrade	February 21, 2019

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 27

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, March 20, 2020. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben Benoit, Chair  
Stationary Source Committee

AD:cr

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### **Committee Members**

Present: Council Member Ben Benoit (Chair)  
Council Member Judith Mitchell  
Senator Vanessa Delgado (Ret)  
Board Member Gideon Kracov  
Supervisor V. Manuel Perez  
Supervisor Janice Rutherford

### **Call to Order**

Chair Benoit called the meeting to order at 10:30 a.m.

### **INFORMATIONAL ITEMS:**

#### **1. Summary of Proposed Amendments to Rule 445 – Wood Burning Devices**

Tracy Goss, Planning and Rules Manager, provided a summary of the proposed rule amendment to add contingency measures that would be triggered by Federal Clean Air Act (CAA) provisions in the event of failure to meet a milestone or target date for attainment. The proposal would increase the number of no-burn days upon a final determination by EPA that the Basin has failed to meet specific CAA milestones.

Council Member Mitchell inquired about whether the rule itself required averaging. Dr. Philip Fine, Deputy Executive Officer, responded that the CAA requires averaging for attainment demonstration. In addition, he clarified that the intent of the rule amendment is to satisfy EPA requirements regarding contingency measures.

Council Member Mitchell also asked about the pending USEPA determination of attainment of the 24-hour PM<sub>2.5</sub> standard (December 31, 2019). Dr. Fine and Barbara Baird, Chief Deputy Counsel, stated that data would be certified within the month and that USEPA has 180 days to make a determination, which should be made soon.

Council Member Mitchell inquired about the Basin-wide forecast for no-burn days. Dr. Fine noted the current sub-regional forecast leading to a localized no-burn day was confusing to the public and implementing it Basin-wide would generate a small amount of additional emission reductions.

In addition, under public comment, one person commented that their neighbor was burning wood frequently and at various night and day hours resulting in adverse health effects. Staff committed to following up with the person to work and resolve the issue.

## **2. RECLAIM Quarterly Report – 7<sup>th</sup> Update**

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development, and Area Sources, provided the quarterly update regarding transitioning the NO<sub>x</sub> RECLAM program to a command-and-control regulatory structure.

Council Member Mitchell asked for clarification on how RECLAIM Trading Credits (RTCs), Emission Reduction Credits (ERCs), the Internal Bank, and New Source Review (NSR) relate to each other. She further asked about where ERCs come from, what the concerns are for NSR, what is in the Internal Bank, and what supplies the internal bank.

Ms. Nakamura responded by providing and discussing additional information on the RECLAIM program, the differences between new source review requirements in RECLAIM and Regulation XIII – New Source Review, highlighting the difference between an allocation under RECLAIM and Emission Reduction Credits under Regulation XIII. Recognizing the complexity of New Source Review, Ms. Nakamura recommended that staff come back to the Stationary Source Committee with a presentation to clarify NSR. The Committee members agreed with her recommendation.

Mr. David Rothbart, Southern California Alliance of Publicly Owned Treatment Works (SCAP), expressed his concerns about the availability of NO<sub>x</sub> offsets in the Internal Bank for essential public services and suggested that the BARCT rules being developed should only be those that affect the RECLAIM facilities.

Ms. Nakamura replied that staff is cognizant of the need for sufficient offsets to be available for essential public services. Ms. Nakamura explained that there are two BARCT rules in development that affect essential public services, 1179.1 and

1150.3, and BARCT needs to be updated periodically and staff will continue with those rulemakings, as well as with other non-RECLAIM rulemakings.

### **WRITTEN REPORTS:**

#### **3. Notice of Violation Penalty Summary**

The report was acknowledged by the Committee.

### **OTHER MATTERS:**

#### **4. Other Business**

Council Member Benoit mentioned there have been a lot of comments on social media about pollution in general going down and asked staff if our sensors have shown this. Dr. Fine replied that we are looking at this very closely. He stated due to the recent rainy weather conditions we expect cleaner air quality. He explained it's hard to carve out what portion of the ambient concentrations are due to our weather conditions and what part is due to reduced emissions from this slow down. He stated we won't know until we can do an analysis of our daily forecasts. We will be comparing our forecasts, if we see discrepancies between what we expect and what actually occurs, then that would be an indication that we are seeing an improvement in air quality because of less traffic.

#### **5. Public Comment Period**

Ricardo Martinez, Del Real Testing, stated he is the owner of a company that services gasoline dispensing facilities following the requirements of Rule 461. He explained under the requirements of Rule 461 testing can only be done between the hours of 7:00 a.m. and 8:00 a.m. He asked the Board Committee to consider amending this requirement and allow for the testing to be done at night. Mr. Martinez expressed concern for service technicians and the public stating during this time there would be less people and less chance of being exposed to the virus. Mr. Nastri responded that there are a number of issues that are related to impacts associated with COVID-19 and staff is currently working on possible solutions to address these issues including Mr. Martinez's concern. He also noted that Mr. Martinez submitted an email to the Board under the header, No MHF, which talks about Rule 461 requirements.

#### **6. Next Meeting Date**

The next regular Stationary Source Committee meeting is scheduled for Friday, April 17, 2020.

### **Adjournment**

The meeting was adjourned at 11:24 a.m.

### **Attachments**

1. Attendance Record
2. Draft Notice of Violation Penalty Summary

# ATTACHMENT 1

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE**

**Attendance – March 20, 2020**

**All participants attended the meeting remotely**

Council Member Ben Benoit .....	South Coast AQMD Governing Board
Senator Vanessa Delgado (Ret.) .....	South Coast AQMD Governing Board
Board Member Gideon Kracov .....	South Coast AQMD Governing Board
Council Member Judith Mitchell .....	South Coast AQMD Governing Board
Supervisor V. Manuel Perez .....	South Coast AQMD Governing Board
Supervisor Janice Rutherford .....	South Coast AQMD Governing Board
Teresa Acosta .....	(Board Consultant) Delgado
Thomas Gross .....	(Board Consultant) Benoit
Fred Minassian .....	(Board Consultant) Mitchell
Andy Silva.....	(Board Consultant) Rutherford
Howard Berman .....	E4 Strategic Solutions
Curt Coleman .....	Southern California Air Quality Alliance
Bill LeMar .....	California Small Business Alliance
David Rothbart .....	SCAP
Susan Stark.....	Marathon Petroleum
Peter Wittingham .....	Whittingham Public Affairs Advisors
Tammy Yamasaki .....	Southern California Edison
Additional telephone attendee.....	unidentified
Derrick Alatorre .....	South Coast AQMD staff
Jason Aspell .....	South Coast AQMD staff
Barbara Baird .....	South Coast AQMD staff
Amir Dejbakhsh .....	South Coast AQMD staff
Marian Coleman.....	South Coast AQMD staff
Philip Fine .....	South Coast AQMD staff
Bayron Gilchrist.....	South Coast AQMD staff
Tracy Goss .....	South Coast AQMD staff
Mark Henninger .....	South Coast AQMD staff
Michael Krause .....	South Coast AQMD staff
Michael Morris.....	South Coast AQMD staff
Ron Moskowitz .....	South Coast AQMD staff
Susan Nakamura .....	South Coast AQMD staff
Wayne Nastri.....	South Coast AQMD staff
Sarah Rees.....	South Coast AQMD staff
Nicholas Sanchez .....	South Coast AQMD staff
Jill Whynot.....	South Coast AQMD staff
William Wong.....	South Coast AQMD staff

## SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

General Counsel's Office

DRAFT

## February 2020 Settlement Penalty Report

**Total Penalties**

Civil Settlements:	\$195,335.00
MSPAP Settlements:	\$2,153.00
Hearing Board Settlements:	\$49,175.00

<b>Total Cash Settlements:</b>	<b>\$246,663.00</b>
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<b>Total SEP Value:</b>	<b>\$0.00</b>
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<b>Fiscal Year through 2 / 2020 Cash Total:</b>	<b>\$11,600,255.36</b>
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<b>Fiscal Year through 2 / 2020 SEP Value Only Total:</b>	<b>\$0.00</b>
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Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Civil Settlements</b>						
107653	CALMAT CO	2004	2/28/2020	VKT	P64141	\$4,000.00
137421	CORONA OIL CO, CORONA SHELL	461 H&S 41960	2/14/2020	NAS	P64669	\$1,000.00
123774	HERAEUS PRECIOUS METALS NO. AMERICA, LLC	2012	2/12/2020	BT	P69367	\$1,200.00
78137	JUANITA'S FOODS	203 1146	2/14/2020	NAS	P64022	\$3,000.00
2812	LA CO.,DEPT OF PUBLIC WRKS,EL MONTE AIRP	203(b) 461	2/19/2020	WBW	P60544 P67560	\$16,135.00
137767	MADISON MATERIALS INC	403	2/14/2020	DH	P63164 P63165	\$6,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
59618	PACIFIC CONTINENTAL TEXTILES, INC.	2004	2/4/2020	KER	P66915 P66918 P66923	\$5,500.00
800183	PARAMOUNT PETR CORP	3002(c)(1)	2/11/2020	NSF	P60368 P64029 P64034 P64037 P67801 P67802	\$151,500.00
52517	REXAM BEVERAGE CAN COMPANY	2004	2/27/2020	SH	P67370	\$2,000.00
182752	TORRANCE LOGISTICS COMPANY LLC	109 1146 1178 3002(c)(1)	2/28/2020	VKT	P65317 P65327	\$2,500.00

Total Civil Settlements: \$195,335.00



Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
180501	AMERICAN PACIFIC ENTERPRISES GROUP INC.	461 H&S 41960.2	2/7/2020	GC	P67213	\$330.00
98727	ANAHEIM CITY	1415	2/7/2020	GC	P68504	\$552.50
5981	ANAHEIM CITY, POLICE DEPT	461 1415	2/7/2020	GC	P68502	\$718.00
6638	ANAHEIM CITY, PUBLIC UTILITIES DEPT	1415	2/7/2020	GC	P68501	\$552.50
Total MSPAP Settlements: \$2,153.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
191012	CLIMATE INDUSTRIES, INC. dba HOWARD INDUSTRIES	1111	2/11/2020	MJR	6153-2	\$49,175.00
Total Hearing Board Settlements: \$49,175.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR FEBRUARY 2020 PENALTY REPORT**

**REGULATION I - GENERAL PROVISIONS**

Rule 109            Recordkeeping for Volatile Organic Compound Emissions

**REGULATION II - PERMITS**

Rule 203            Permit to Operate

**REGULATION IV - PROHIBITIONS**

Rule 403            Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities

Rule 461            Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1111           NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Rule 1146           Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1178           Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

**REGULATION XIV - TOXICS**

Rule 1415           Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems

**REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004           RECLAIM Program Requirements

Rule 2012           Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

**REGULATION XXX - TITLE V PERMITS**

Rule 3002           Requirements for Title V Permits

**CALIFORNIA HEALTH AND SAFETY CODE**

41960              Certification of Gasoline Vapor Recovery System

41960.2            Gasoline Vapor Recovery

AGENDA NO. 28

# Status Update on Railyard Indirect Source Rule

Board Meeting  
April 3, 2020

# Background on South Coast AQMD - Rail Activities

## 2005

- Board adopted Regulation XXXV - Railroad Operations
  - Challenged in court by railroads and rules can not be enforced

## 2017

- Board directed staff to develop a draft Indirect Source regulation on railyards, and also explore voluntary approaches

## 2018/2019

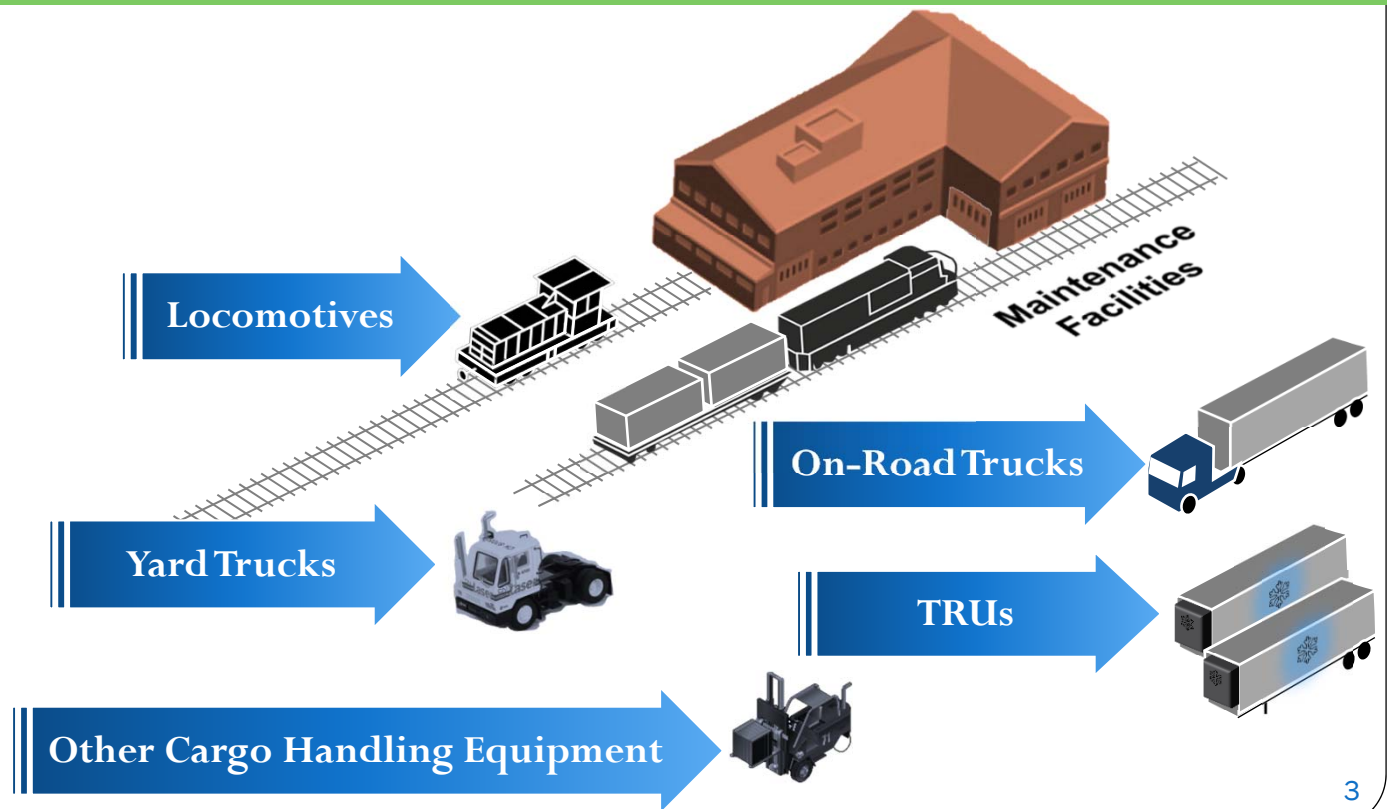
- Staff collected emission inventory information from UP/ BNSF

## 2019

- All three year-1 AB617 communities identified railyards as a top priority



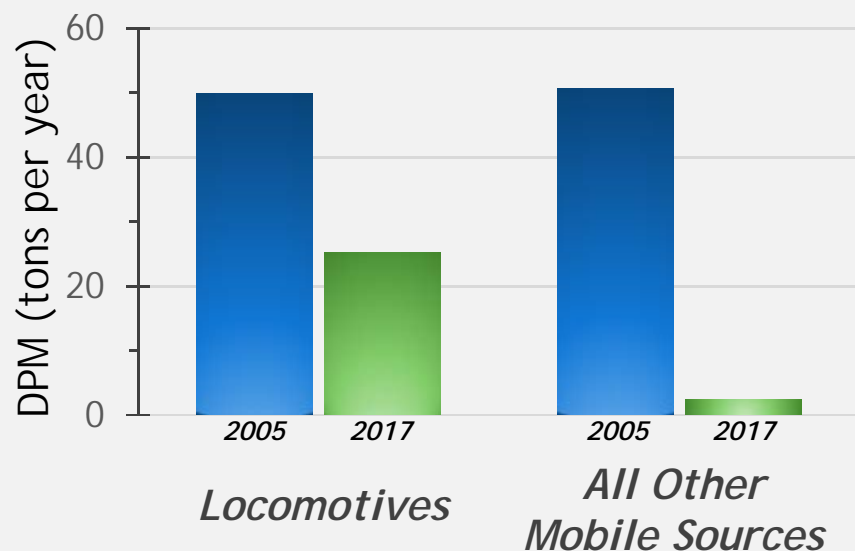
# Railyard Emissions Sources



# Onsite Rail Yard Emission Inventories (Reported by Railroads)

- Inventories provided for 7 of the largest railyards in South Coast AQMD

## Diesel Particulate Matter



## NO<sub>x</sub> (2017)

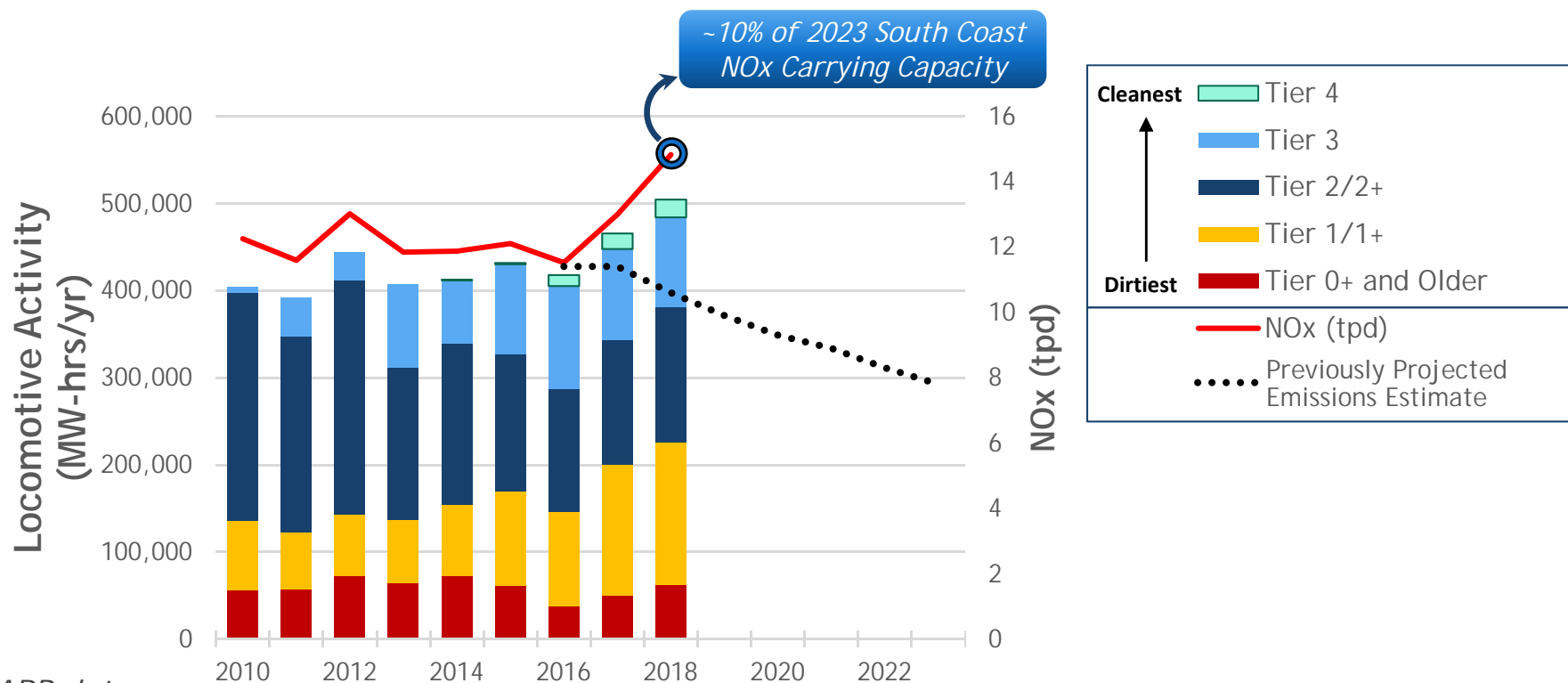
Railyard Emissions  
All Onsite Sources

~3 tpd

Locomotive Emissions  
Total in Air Basin

~13 tpd

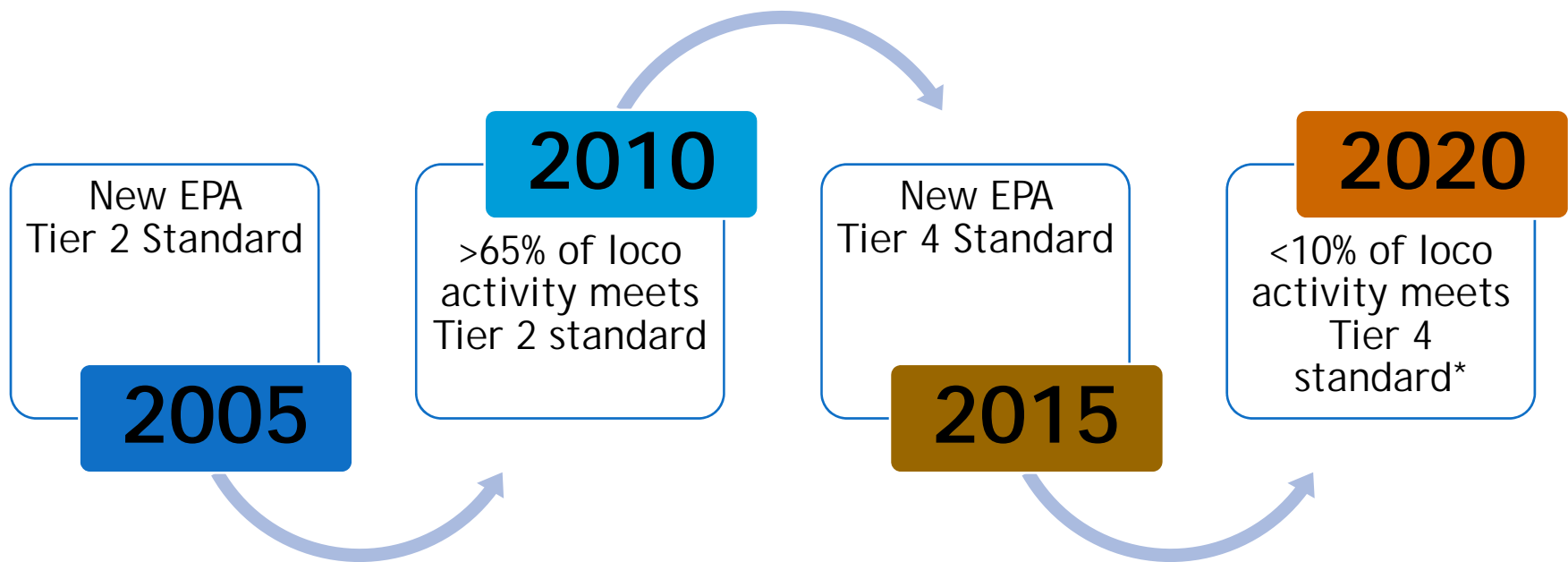
# BNSF & UP Locomotive NOx Emissions in the South Coast\*



\*CARB data



# Turnover of Locomotive Fleet in South Coast



*\*Projected based on 2018 CARB data and Annual Reports on locomotive purchases from Surface Transportation Board*

# Background on Previous CARB Rail Actions

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## **1998 CARB Agreement for South Coast (sunset 2030)**

- Average Tier 2 NOx emissions standard
- Railroads report activity
- Credits provided for early technology adoption

## **2005 CARB Statewide Railyard Agreement (sunset 2015)**

- Idle reduction, repair and reporting effort
- Use of cleaner diesel fuel
- 17 railyard health risk assessments

## **2017 CARB Petition to EPA for Locomotive Standards**

- Tier 5 standard for new engines
- Tier 4 standard for remanufactured engines

# CARB Statewide Concepts

**1**

**Establish a Locomotive Emissions Reduction Spending Account**

**2**

**In-Use Locomotive Remanufacture Limit**

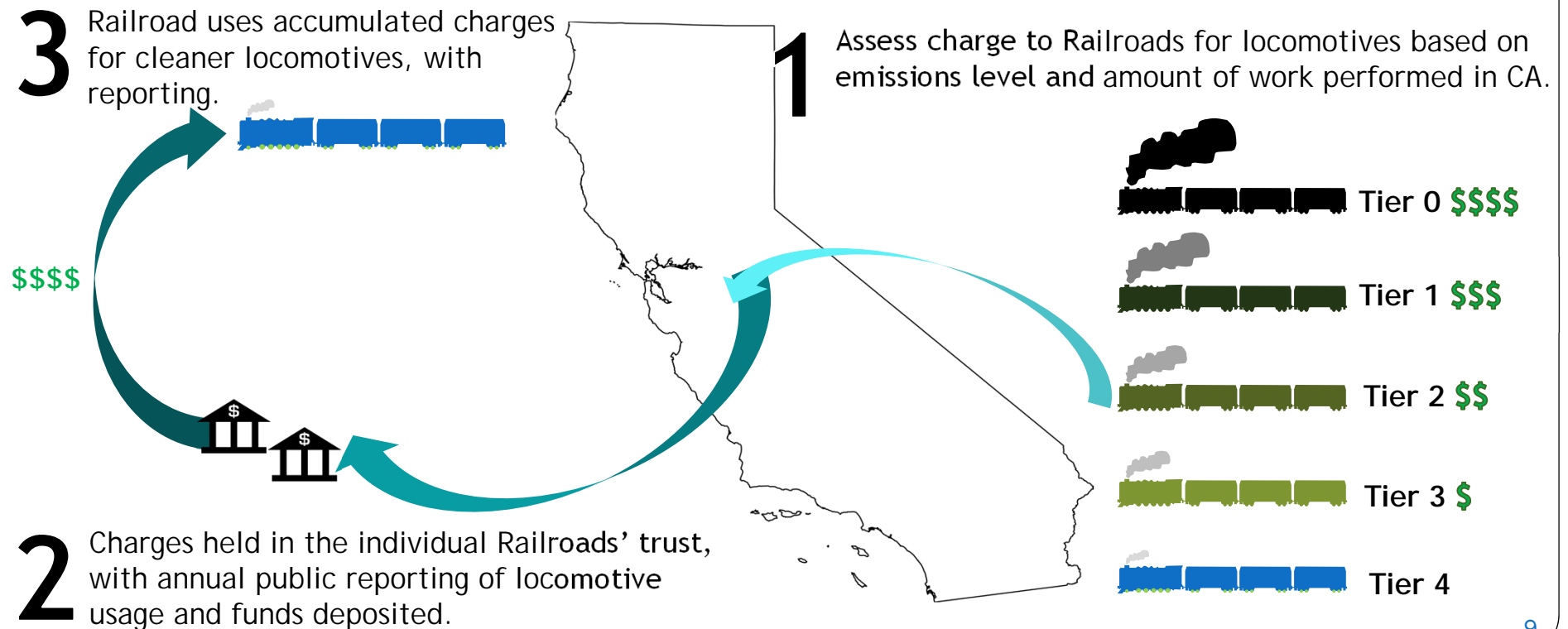
**3**

**Adopt U.S. EPA 30 Minute Idling Limit**

**4**

**Genset Repurposing**

# 1. Establish a Locomotive Emissions Reduction Spending Account



## 2. In-Use Locomotive Remanufacture Limit



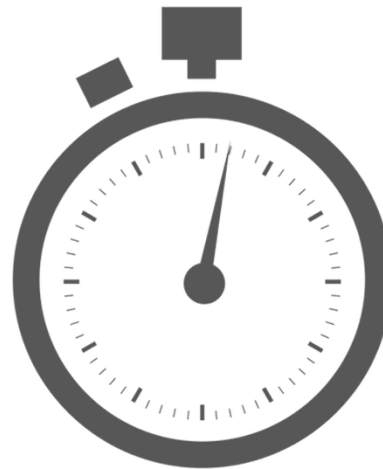
- Railroads currently are not limited in how many times they can remanufacture
  - Remanufactured engines do not need to meet new engine standards
- When implemented, any locomotive already remanufactured more than once would be banned from California
  - Alternative: remanufacture to Tier 4 and continue CA operation



[www.assemblymag.com](http://www.assemblymag.com)

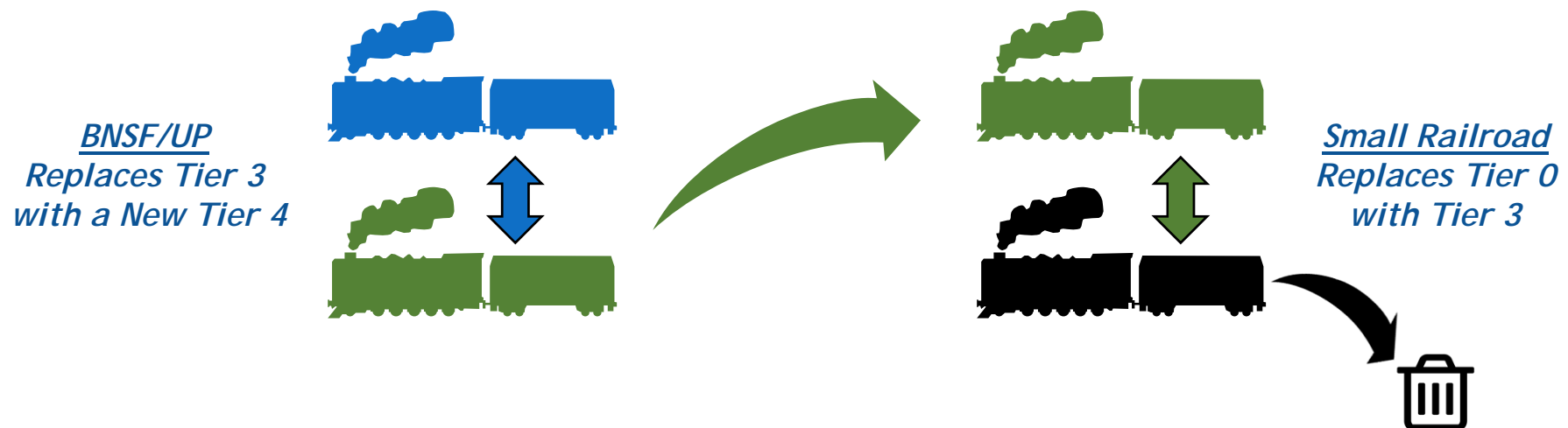
### 3. Adopt U.S. EPA 30 Minute Idling Limit

- Incorporates Federal requirements in California SIP
- Makes the rule CARB enforceable
- Enforcement by Air Districts possible through enforcement MOU



## 4. Repurpose Some Switcher Locomotives

- Some Tier 3 switchers owned by BNSF/UP Tier 3 not suitable for their use
  - These switchers called generator sets or 'gensets'
- Gensets potentially useful for smaller railroads
  - They often operate very old locomotives
- Trade down concept



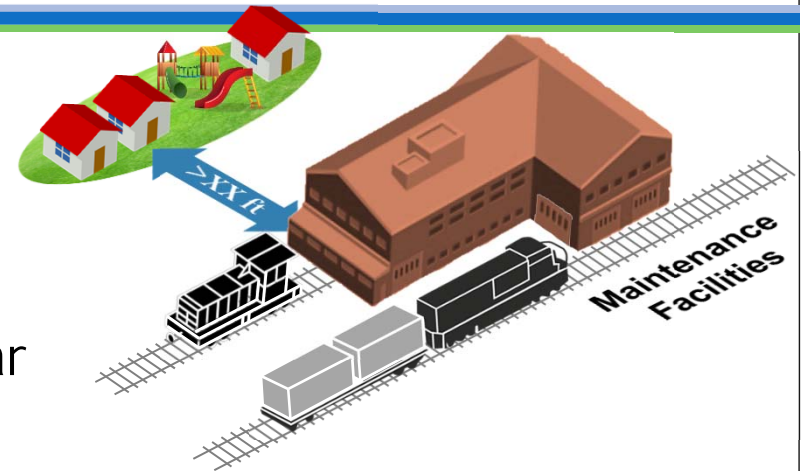
# South Coast AQMD Concepts

- 1** Indirect Source Rule (ISR) to Reduce Exposures from Locomotive Maintenance Emissions
- 2** ISR to Require Engineering Plans for Zero Emissions Operations
- 3** New Incentive Program Focused on Cleanest Locomotive Use
- 4** Evaluate New Monitoring Approaches for In-Use Locomotives



# 1. Reduce Exposures from Locomotive Maintenance Emissions

- Community has placed high priority on reducing exposure from locomotive maintenance
- In the past, the railroads have stated that >10,000 maintenance events per year have occurred at some railyards
  - Load testing and idling can have high emissions

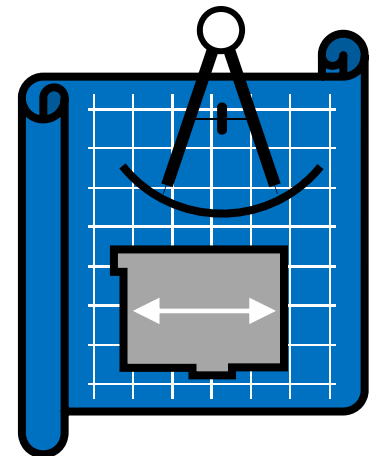


## Proposed ISR Requirements

- Minimum distances to sensitive receptors (buffer)
- Install/Use emission control equipment
- Schedule maintenance activities to reduce impacts

## 2. Engineering Plans for Zero Emissions Operations

- Community priority on zero emission on-site equipment
- For transition to zero emissions operations, significant infrastructure upgrades are needed
  - Land, electrical equipment, site-specific engineering, etc.
- Coordination with local utilities is critical



Proposed ISR Requirements

- Railroads prepare site-specific Zero Emissions Plans
- South Coast AQMD and CARB would evaluate plans to identify next steps (regulations, incentives, etc.)

### 3. New Incentive Program Focused on Cleanest Locomotive Use

- Current incentive programs have limited effectiveness in accelerating the widespread use of the cleanest locomotives (Tier 4)
  - Programs require in-state use and replacement
- Railroads have shown that preferential routing is possible with 1998 MOU Tier 2 requirement
- Attract cleanest existing locomotives now
  - Faster possible emission reductions than regulations
- Potentially funded by Railroads through proposed CARB spending account

*South Coast AQMD  
funded **19** freight  
locomotives since 2016  
(~\$37 million total)*

Potential  
Approach

- Develop new local program that provides incentives tied to clean locomotive use, not replacement
- Increased incentives in disadvantaged communities

## 4. Evaluate New Monitoring Approaches for In-Use Locomotives

- South Coast AQMD continues to receive air quality complaints about smoking locomotives
- EPA sets emissions standards, but only requires in-use testing for up to five locomotives per railroad per year
- Better data on local air quality impacts of smoking locomotives can lead to follow-up actions/ priorities



Potential  
Approach

- Evaluate new monitoring technologies to document air quality impacts
- Use data to support follow-up regulatory or enforcement actions to reduce emissions

# Next Steps

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- Continue to reach out to stakeholders to develop concepts
  - Additional analysis needed
- Continue South Coast AQMD partnership with CARB as they develop their concepts
- Report back to Mobile Source Committee on progress
  - Board consideration of South Coast AQMD actions likely in 2021