

BOARD MEETING DATE: November 7, 2025

AGENDA NO. 5

PROPOSAL: Transfer and Appropriate Funds and Issue Solicitation and Purchase Orders for Community Air Monitoring Near Refineries and Related Facilities

SYNOPSIS: In January 2024, the Board amended Rule 1180 and adopted Rule 1180.1, which requires petroleum refineries, other refineries, and related facilities to fund the installation and operation of fence-line and community air monitoring systems. For this purpose, in October 2024, the Board recognized revenue of up to \$5,227,692 and up to \$2,309,469 for Rules 1180 and 1180.1, respectively, into the Rule 1180 Special Revenue Fund (78). These actions are to transfer and appropriate up to \$2,900,800, subject to the availability of funds, from the Rule 1180 Special Revenue Fund (78) and appropriate up to \$471,000 from the General Fund Undesignated (Unassigned) to the Monitoring and Analysis FY 2025-26 and/or FY 2026-27 Budgets, and also to issue a solicitation and purchase orders for air monitoring equipment to meet the operational needs of the community air monitoring systems.

COMMITTEE: Administrative, October 10, 2025; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer and appropriate up to \$1,500,000 from the Rule 1180 Special Revenue Fund (78) to the Monitoring and Analysis (MAD) FY 2025-26 and/or 2026-27 Budgets (Org 42), Capital Outlays Major Object, as shown in Table 1;
2. Upon receipt of funds, transfer and appropriate up to \$1,400,800 from the Rule 1180 Special Revenue Fund (78) to the Monitoring and Analysis (MAD) FY 2025-26 and/or 2026-27 Budgets (Org 42), Capital Outlays (up to \$945,000) and Services & Supplies (up to \$455,800) Major Object, as shown in Tables 1 and 2;
3. Appropriate up to \$471,000 from the General Fund Undesignated (Unassigned) fund balance for Rule 1180 activities to MAD's FY 2025-26 and/or 2026-27 Budgets (Org 42), Capital Outlays Major Object (up to \$300,000) and Services and Supplies (up to \$171,000), as indicated in Tables 1 and 2;

4. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a solicitation, and based on the results of this solicitation, execute a purchase order for the development and installation of full station power back-up systems in an amount not to exceed \$300,000, as listed in Table 1 and as described in this Board letter; and
5. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders for the equipment listed in Tables 1 and 2 in this Board letter.

Wayne Nastri
Executive Officer

JCL:AP:OP:ld:ir:kdl

Background

Rule 1180 - Refinery Fenceline and Community Air Monitoring was adopted by the Board in December 2017 and requires all seven major petroleum refineries in the South Coast Air Basin (Basin) to measure the ambient levels of various air pollutants at their fenceline and notify the public if the concentration of any measured pollutant is above predetermined threshold levels. Rule 1180 also establishes a fee schedule for these refineries to fund the installation, operation, and maintenance of community air monitoring stations that are operated by South Coast AQMD, to provide air quality information and notifications to the public. The requirements of Rule 1180 apply to the following seven refineries:

- Tesoro Refining & Marketing Company, LLC, Carson;
- Tesoro Refining & Marketing Company, LLC, Wilmington;
- Torrance Refining Company, LLC, Torrance;
- Chevron Products Company, El Segundo;
- Phillips 66 Company, Los Angeles Refinery, Carson;
- Phillips 66 Company, Los Angeles Refinery, Wilmington; and
- Valero Wilmington Refinery (permitted as Ultramar, Inc.), Wilmington.

The Rule 1180 refinery fenceline and community air monitoring network has been in operation since January 2020. Novel optical remote sensing (ORS), automated gas chromatography, and traditional analyzers have been installed at multiple fenceline and community air monitoring sites, making this network the first of its kind in terms of complexity and technology deployed.

In January 2024, the Board approved amendments to Rule 1180, which includes additional air monitoring requirements for air toxic metals and particulate matter at the fenceline of the original seven Rule 1180 facilities. The amended rule also requires the

development and installation of new fenceline air monitoring systems at the following refinery-related facilities (related facilities):

- Air Products and Chemicals, Inc., Carson;
- Air Products and Chemicals, Inc., Wilmington;
- Tesoro Refining and Marketing Co., LLC (Sulfur Recovery Plant);
- Kinder Morgan Liquids Terminals, LLC; and
- Tesoro Logistics, Carson Crude Terminal.

Also, in January 2024, the Board adopted Rule 1180.1, which requires fenceline air monitoring for three other refineries in the Basin, namely:

- AltAir Paramount, LLC;
- LTR dba World Oil Refining; and
- Valero Wilmington Asphalt Plant.

Rules 1180 and 1180.1 establish fee schedules to fund the addition of air toxic metals and particulate matter monitoring at community sites near the original seven Rule 1180 refineries, and the planning and implementation of community air monitoring stations near new facilities. Rule 1180 payments totaling \$3,765,960 from the seven major petroleum refineries for the implementation of metals and particulate matter monitoring were received in January 2025. Rule 1180 and 1180.1 payments totaling \$1,461,732 and \$2,309,469, respectively, from related facilities and other refineries for the planning and implementation of additional community air monitoring stations are to be received in two installments (the first installment totaling \$1,131,359 was received in January 2025, and the second installment totaling \$2,639,842 will be received by January 31, 2026). The facilities subject to Rules 1180 and 1180.1 will also fund ongoing operation and maintenance of community air monitoring through future amendments to Rule 301 – Fees.

Proposal

These actions are to transfer and appropriate up to \$2,900,800 in aggregate from the Rule 1180 Special Revenue Fund (78) for Rule 1180 and 1180.1, subject to the availability of funds, and appropriate up to \$471,000 from the General Fund Undesignated (Unassigned) fund balance for Rule 1180 to MAD's FY 2025-26 and/or FY 2026-27 Budgets (Org 42) Capital Outlays and Services & Supplies Major Object, as shown in Tables 1 and 2. These actions are also to authorize the Procurement Manager to issue a solicitation and purchase orders as described below and listed in Tables 1 and 2.

Proposed Purchase Through Solicitation

Battery Back-up Systems

The Rule 1180 community air monitoring stations are equipped with advanced air monitoring equipment for monitoring over 20 air pollutants in near real-time and for

issuing community air quality notifications. These stations are also air-conditioned to maintain optimal operating temperatures for air monitoring equipment and to protect each equipment from excessive heat. Comprehensive full station battery power back-up systems will ensure continued operation of these community air monitoring stations in case of prolonged power outages and will protect each instrumentation from possible damage due to extreme heat or sudden loss of power. Additionally, a large area-wide power outage could potentially impact fenceline air monitoring systems and also refinery operations, resulting in unplanned emissions. Battery back-up systems will allow continued air quality measurements during these crucial times. The battery back-up system will also allow the stations to shift electrical usage from peak hours to off-peak hours which can create savings of up to \$5,000 per year on electricity costs across the Rule 1180 community air monitoring network. This action is to issue a solicitation for the development and installation of up to 10 full station battery power back-up systems for the existing Rule 1180 community air monitoring stations. This action is also to execute a purchase order in an amount not to exceed \$300,000, based on the results of the solicitation, as listed in Table 1

Proposed Purchase Through Sole Source

New air monitoring equipment listed below is needed to conduct community air monitoring at up to five new community air monitoring stations, as required by Rules 1180 and 1180.1. The equipment technical specifications are consistent with those already in operation within the existing South Coast AQMD community network for Rule 1180 monitoring.

Optical Multi-Pollutant Analyzers

Optical multi-pollutant analyzers will be used for continuous real-time monitoring of a suite of VOCs and air toxics required by Rules 1180 and 1180.1. This data will also be used to issue community air quality notifications. This purchase of up to five optical multi-pollutant analyzers from FluxSense will not exceed \$1,500,000, as listed in Table 1.

Auto-GCs

Auto-GCs will be used to measure hourly concentrations of VOCs and air toxics to track community air quality trends. This purchase of up to five Auto-GCs from Tricornitech will not exceed \$500,000, as listed in Table 1.

H2S Analyzers

H2S analyzers will be used for continuous real-time monitoring of H2S. Data will also be used to issue community air quality notifications. This purchase of up to five H2S analyzers from Teledyne will not exceed \$120,000, as listed in Table 1.

PM Monitors

PM monitors will be used for continuous real-time monitoring of PM_{2.5} and PM₁₀, and issuance of community air quality notifications at Rule 1180.1 community air monitoring stations. This purchase of up to three PM monitors from Teledyne will not exceed \$105,000, as listed in Table 1.

Zero Air Generators

Zero air generators will be used to supply clean air to the analyzers installed at the new Rules 1180 and 1180.1 community air monitoring stations. This purchase of up to five zero air generators from Teledyne will not exceed \$60,000, as listed in Table 1.

Gas Dilution Systems

Gas dilution systems will be used for automated quality control of the analyzers installed at the new Rules 1180 and 1180.1 community air monitoring stations. This purchase of up to five gas dilution systems from Teledyne will not exceed \$85,000, as listed in Table 1.

Data Loggers

Specialized data loggers will be used to store and transmit data at air monitoring stations. This purchase of up to five data loggers from Agilaire will not exceed \$75,000, as listed in Table 1.

Services and Supplies

These funds will be used for costs associated with Services and Supplies needed to establish five new community air monitoring stations, as required by Rules 1180 and 1180.1. These costs include leases, permits, power installation, communication setup for these new sites, and also includes other costs for services such as acceptance testing, installation and commissioning of air monitoring equipment, and also staff training. The cost of these services and supplies will not exceed \$455,800, as listed in Table 2.

Annual Consumable Supplies, Quality Assurance Service, and Software License

Optical multi-pollutant analyzers manufactured by FluxSense are deployed at all Rule 1180 community air monitoring sites for measuring a comprehensive array of VOCs and other air toxics, and also for providing real-time community air quality notifications. The consumables, consisting of specialized light sources, are required to ensure routine uninterrupted performance of the optical multi-pollutant analyzers. Quality assurance services and software licenses are also required to ensure timely review and verification of real-time data and community air quality notifications provided to the communities near the refineries and facilities subject to Rules 1180 and 1180.1. FluxSense is the sole source provider of these items due to the use of proprietary technology and their unique qualifications. The cost of annual consumable supplies, including installation, quality assurance services, and software license

purchased from FluxSense will not exceed \$49,000, \$70,000, and \$52,000 respectively, as shown in Table 2.

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 sole source purchases from FluxSense, TricornTech, Teledyne, and Agilaire are made under Sections VIII.B.2.c (1): The unique experience and capabilities of the proposed contractor; 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. There are no other vendors who can provide the equipment, supplies, software, and services that fully meet all required specifications to satisfy Rule 1180 air monitoring requirements, and that are compatible with existing specialized equipment already in operation.

Benefits to South Coast AQMD

The expansion of community air monitoring stations will allow South Coast AQMD to fulfill the new requirements in the amended Rule 1180 and newly adopted Rule 1180.1. This will result in benefits to the communities and people working and residing in the Basin near refineries and related facilities. California Health and Safety Code § 42705.6 requires petroleum refineries to fund the costs of refinery-related community air monitoring.

Resource Impacts

Initial and final payments are required from petroleum and other refineries, and related facilities under Rule 1180 and Rule 1180.1 to provide sufficient funding for additional community air monitoring in properly implementing these rules. Amendments to Rule 301 will provide resources for ongoing community air monitoring operation and maintenance near facilities subject to Rule 1180 and 1180.1. The most recent Rule 301 amendment has been presented to the Board for approval in October 2025.

Attachments

- Table 1: Proposed Capital Outlays Expenditures for Rules 1180 and 1180.1 for FY 2025-26 and/or FY 2026-27
- Table 2: Proposed Services & Supplies Expenditures for Rules 1180 and 1180.1 for FY 2025-26 and/or 2026-27

Table 1
Proposed Capital Outlays Expenditures for Rules 1180 and 1180.1
for FY 2025-26 and/or 2026-27

Description	Qty	Appropriation from Rule 1180 Special Revenue Fund (78) First Installment	Appropriation from Rule 1180 Special Revenue Fund (78) Second Installment	Appropriation from Prior Years Budget Savings	Rule	Procurement Method
Battery Back-up Systems*	10			\$300,000	1180: refineries	Solicitation
Optical Multi-Pollutant Analyzer*	2	\$600,000			1180: related facilities	Sole Source
	3	900,000			1180.1	
Auto-GC	2		\$200,000		1180: related facilities	Sole Source
	3		300,000		1180.1	
H2S Analyzer	2		48,000		1180: related facilities	Sole Source
	3		72,000		1180.1	
PM Monitors	3		105,000		1180.1	Sole Source
Zero Air Generator	2		24,000		1180: related facilities	Sole Source
	3		36,000		1180.1	
Gas Dilution System	2		34,000		1180: related facilities	Sole Source
	3		51,000		1180.1	
Data Logger	2		30,000		1180: related facilities	Sole Source
	3		45,000		1180.1	
Total		Up to \$1,500,000	Up to \$945,000	Up to \$300,000		

*Expenditures may be appropriated to Services & Supplies or Capital Outlays Major Object, as warranted.

Table 2
Proposed Services & Supplies Expenditures for Rules 1180 and 1180.1
for FY 2025-26 and/or 2026-27

Description	Appropriation from Rule 1180 Special Revenue Fund (78) Second Installment	Appropriation from Prior Years Budget Savings	Rule
Various Services & Supplies Categories*	\$182,320		1180: related facilities
	273,480		1180.1
Annual Consumables for Optical Multi-Pollutant Analyzers**		\$49,000	1180: refineries
Annual Quality Assurance Services for Optical Multi-Pollutant Analyzers**		70,000	1180: refineries
Annual Software License Renewal for Optical Multi-Pollutant Analyzers**		52,000	1180: refineries
Total	Up to \$455,800	Up to \$171,000	

*Expenditures may be appropriated to Services & Supplies or Capital Outlays Major Object, as warranted.

**Sole Source Procurement.