

BOARD MEETING DATE: April 3, 2026

AGENDA NO. 6

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 community air monitoring systems. 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). Additionally, refineries pay the annual operating and maintenance fees for the community air monitoring systems. In October 2025, the Board recognized revenue of \$593,151 into the General Fund for the increase of annual fees. These actions are to appropriate up to \$1,003,000 from the General Fund Undesignated (Unassigned) Fund Balance to the Monitoring and Analysis FY 2025-26 and/or FY 2026-27 Budgets, appropriate up to \$593,151 from the General Fund Undesignated (Unassigned) Fund Balance to the Monitoring and Analysis FY 2025-26 and/or FY 2026-27 Budgets, transfer and appropriate up to \$180,000 from the Rule 1180 Special Revenue Fund (78) to the Monitoring and Analysis FY 2025-26 and/or FY 2026-27 Budgets, issue a solicitation and purchase orders for air monitoring equipment, services, and vehicles to meet the needs of the community air monitoring systems.

COMMITTEE: Administrative, March 13, 2026; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate up to \$1,003,000 from the General Fund Undesignated (Unassigned) Fund Balance for Rule 1180 community air monitoring activities to the Monitoring and Analysis (MAD) FY 2025-26 and/or 2026-27 Budget (Org 42), Capital Outlays Major Object up to \$713,000 and Services and Supplies up to \$290,000, as indicated in Tables 1 and 2;
2. Appropriate up to \$593,151 from the General Fund Undesignated (Unassigned)

Fund Balance for Rule 1180 community air monitoring activities to MAD's FY 2025-26 and/or 2026-27 Budget (Org 42), Services and Supplies, as indicated in Table 2;

3. Transfer and appropriate up to \$180,000 from the Rule 1180 Special Revenue Fund (78) to MAD's FY 2025-26 and/or 2026-27 Budget (Org 42), Capital Outlays Major Object, as indicated in Table 1;
4. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue purchase orders based on solicitation or cooperative agreement, for Linux Server upgrade and up to three vehicles, as listed in Table 1; 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 and services listed in Tables 1 and 2.

Wayne Nastri
Executive Officer

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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 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 refineries to fund the installation, operation, and maintenance of community air monitoring stations that are operated by South Coast AQMD, and 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 one-time 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 that were added in recent amendments to Rules 1180 and 1180.1. 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 were received in two installments (the first installment totaling \$1,131,359, and the second installment totaling \$2,639,842 in January 2025 and January 2026, respectively).

The facilities subject to Rules 1180 and 1180.1 also fund ongoing operation and maintenance (O&M) of community air monitoring through Rule 301 – Fees. In October 2025, the Board recognized revenue of \$593,151 into the FY 2025-26 General Fund for the increase of Rule 1180 fees that were not included in the FY 2025-26 adopted Budget.

Proposal

These actions are to appropriate up to \$1,003,000 from the General Fund Undesignated (Unassigned) Fund Balance and up to \$593,151 from the General Fund Undesignated (Unassigned) Fund Balance, and transfer and appropriate up to \$180,000 from the Rule 1180 Special Revenue Fund (78) to MAD’s FY 2025-26 and/or FY 2026-27 Budgets. 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

Linux Server Upgrade

The advanced optical multi-pollutant analyzers deployed at Rule 1180 community monitoring sites collect large amounts of raw spectroscopic data in addition to reporting final air pollutant concentrations. This raw data is used for further analysis and for data quality assurance/quality control purposes. The existing Linux server provides additional data storage, processing, and analytical capabilities but is nearing capacity limits for both disk space and processing performance. This action is to execute contracts or purchase orders with vendor(s) selected from the South Coast AQMD's List of Prequalified Vendors for a Linux server upgrade and associated support hardware in an amount not to exceed \$20,000, as listed in Table 1.

Proposed Purchase Through Cooperative Agreement

Vehicles

Vehicles are required to transport staff to perform installation, calibration, maintenance, and repair of air monitoring equipment at new community air monitoring stations. These vehicles will be purchased through a cooperative purchasing agreement. Low and zero-emission vehicles are available from vendors through cooperative purchasing under the State of California, Department of General Services, Procurement Division, and Alternative Fueled Vehicles Contract 1-22-23-23 A through I. Preference would be given to hybrid or zero-emission models based on availability of suitable vehicles. The cost of up to three vehicles will not exceed \$180,000, as listed in Table 1.

Proposed Purchase Through Sole Source

Air monitoring and supporting equipment at the ten existing Rule 1180 community air monitoring stations have been in operation since 2019, and key instruments and components are expected to require replacement within the next three years. A replacement plan will be implemented to replace two to three units each year, ensuring uninterrupted measurements and community notifications. Listed below are the air monitoring equipment and instrument components needed to supply the replacement plan.

Spectrometers for Optical Multi-Pollutant Analyzers

Optical multi-pollutant analyzers are used for continuous real-time monitoring of a suite of VOCs and air toxics required by Rules 1180 and 1180.1. Spectrometers are the key components of these analyzers. This purchase of up to two spectrometers from FluxSense, the manufacturer of the analyzers, will not exceed \$300,000, as listed in Table 1.

H2S Analyzers

H2S analyzer replacements will be used for continuous real-time monitoring of H2S. This data is also used to issue community air quality notifications. This purchase of up to two H2S analyzers from Teledyne will not exceed \$40,000, as listed in Table 1.

Aethalometer

The aethalometer replacement will be used for continuous real-time monitoring of black carbon. This purchase of one aethalometer from Sonoma Technology, Inc. (STI) will not exceed \$35,000, as listed in Table 1.

Automated Gas Chromatography (Auto-GC) Systems

Auto-GC replacements will be used to measure hourly concentrations of VOCs and air toxics to track community air quality trends. This purchase of up to two Auto-GCs from TricornTech will not exceed \$200,000, as listed in Table 1.

Zero Air Generator

The replacement zero air generator will be used to supply clean air to the analyzers installed at a Rule 1180 community air monitoring station. The purchase of one air generator from Teledyne will not exceed \$18,000, as listed in Table 1.

Gas Dilution System

The replacement gas dilution system will be used for automated quality control of the analyzers installed at a Rule 1180 community air monitoring station. The purchase of one gas dilution system from Teledyne will not exceed \$30,000, as listed in Table 1.

Data Loggers

Specialized data logger replacements will be used to store and transmit data at air monitoring stations. This purchase of up to two data loggers from Agilair will not exceed \$40,000, as listed in Table 1.

Air Conditioning Systems

The air conditioning system replacement will ensure stable temperature conditions inside the Rule 1180 community air monitoring stations in case one of the existing air conditioning units experience failure. KLM HVAC & Refrigeration (KLM HVAC) is a local business in Long Beach that has extensive expertise in the installation, service, and repair of air conditioning systems in South Coast AQMD air monitoring stations. KLM HVAC has an in-depth understanding of controlled-environment requirements to operate air monitoring instrumentation and is uniquely qualified to select and install the appropriate air conditioning equipment. The cost to purchase and install up to two air conditioning systems will not exceed \$30,000 as listed in Table 1.

Annual Consumable Supplies and Annual Quality Assurance Services

The Auto-GC systems manufactured by Tricorntech are deployed at all Rule 1180 community air monitoring sites for measuring a comprehensive list of VOCs and other air toxics. The consumables and the routine maintenance components are required to ensure routine uninterrupted performance of all Auto-GCs currently in operation. Additionally, data quality assurance service is required to ensure the validity and accuracy of the data generated by the Auto-GCs. Tricorntech is the only provider of all these items due to the use of proprietary technology and the vendor's unique expertise. The cost of annual consumable supplies and annual data quality assurance services from Tricorntech will not exceed \$150,000 and \$90,000, respectively, as listed in Table 2.

Microsoft Azure Cloud Services

The Rule 1180 community air monitoring network generates large volumes of real-time air monitoring data by measuring over 20 air pollutants at ten stations every five minutes. Microsoft Azure's high availability, security, and scalability features make it an ideal platform to provide data storage, processing, and hosting the Data Management System (DMS) supporting this network. The cost of Microsoft Azure cloud services will not exceed \$50,000, as listed in Table 2, and will utilize existing Microsoft Enterprise Agreement authorized for purchase by the Board on September 5, 2025.

Other Proposed Purchases

Services and Supplies

These funds will be used for costs associated with Services and Supplies needed for the O&M of new air monitoring needed for additional pollutants, namely PM10, PM2.5, air toxic metals, and PAH, at ten existing community air monitoring stations, as required by the Rule 1180 amendment. These costs include annual consumable supplies, specialized services, communication and data transmission, staff training, and other costs. The cost of these services and supplies will not exceed \$593,151, as listed 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, STI, Tricorntech, Teledyne, Agilaire, and KLM HVAC 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

Maintaining and updating air monitoring equipment will allow for uninterrupted, continuous operation of the Rule 1180 community air monitoring network and ensure that reliable and timely air monitoring data is provided to communities near refineries. 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 O&M near facilities subject to Rules 1180 and 1180.1. The most recent Rule 301 amendment for O&M fees was approved by the Board in October 2025.

Attachments

- Table 1: Proposed Capital Outlays Expenditures for Rules 1180 and 1180.1 for FY 2025-26 and/or 2026-27.
- Table 2: Proposed Services & Supplies Expenditures for Rule 1180 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) Second Installment	Appropriation from General Fund Undesignated (Unassigned) Fund Balance for Rule 1180*	Rule	Procurement Method
Linux Server Upgrade**	1		\$20,000	1180: refineries	Solicitation to Prequalified Vendors followed by Purchase Order
Vehicles	1	\$60,000		1180: related facilities	Cooperative Agreement
	2	\$120,000		1180.1	
Spectrometer for Optical Multi-Pollutant Analyzers	2		\$300,000	1180: refineries	Sole Source
H2S Analyzer	2		\$40,000	1180: refineries	Sole Source
Aethalometer	1		\$35,000	1180: refineries	Sole Source
Auto-GC	2		\$200,000	1180: refineries	Sole Source
Zero Air Generator	1		\$18,000	1180: refineries	Sole Source
Gas Dilution System	1		\$30,000	1180: refineries	Sole Source
Data Loggers	2		\$40,000	1180: refineries	Sole Source
Air Conditioning Systems	2		\$30,000	1180: refineries	Sole Source
Total		Up to \$180,000	Up to \$713,000		

*Savings from prior Fiscal Years

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

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

Description	Appropriation from Rule 1180*	Appropriation from General Fund Undesignated (Unassigned) Fund Balance for Rule 1180**
Consumable Supplies for Automated Gas Chromatography Systems^		\$150,000
Quality Assurance Services for Automated Gas Chromatography^		\$90,000
Microsoft Azure Cloud Services^^		\$50,000
Services & Supplies, Various Categories	\$593,151	
Total	Up to \$593,151	Up to \$290,000

*From annual O&M fees increase not included in FY 2025-26 adopted budget

**Savings from prior Fiscal Years

^ Sole Source Procurement.

^^ Utilize existing Microsoft Enterprise Agreement.