



South Coast Air Quality Management District

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

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP MEETING

Advisory Group Members

Council Member Ben Benoit, LGSBA Chairman (Board Member)
Supervisor V. Manuel Perez (Board Member)
Supervisor Janice Rutherford (Board Member)
Felipe Aguirre
Mayor Pro Tempore Rachele Arizmendi, City of Sierra Madre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation Districts

Friday, September 11, 2020 ♦ 11:30 a.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the South Coast AQMD Local Government & Small Business Advisory Group 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 AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting – from PC or Laptop

<https://scagmd.zoom.us/j/92459924491>

Zoom Webinar ID: 924 5992 4491 (applies to all)

Teleconference Dial In

+1 669 900 6833

One tap mobile

+16699006833, 92459924491#

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

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). Please provide a Request to Address the Committee card to the Committee Secretary if you wish to address the Committee on an agenda item. If no cards are available, please notify South Coast AQMD staff or a Board Member of your desire to speak. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

ACTION ITEMS (Items 1 through 3):

1. Call to Order/Opening Remarks
(No Motion Required)
*Council Member Ben Benoit
Committee Chair*
2. Approval of August 14, 2020 Meeting Minutes
(Motion Required)
[Attachment 1]
*Council Member Ben Benoit
Committee Chair*
3. Review of Follow-Up/Action Items
(No Motion Required)
Staff will review the follow-up/action items identified in the previous meeting.
*Derrick J. Alatorre
Deputy Executive Officer
Legislative, Public Affairs &
Media*

DISCUSSION ITEMS (Items 4 through 6):

4. Budget and Economic Outlook Update
Staff will provide an update on economic information, revenue and expenditures, permitting activity, and Fee Review requests.
(No Motion Required)
[Attachment 2]
*Jill Whynot
Chief Operating Officer
Executive Office*
5. Getting to Know the Hearing Board
The Hearing Board Chair will provide an overview of the South Coast AQMD's Hearing Board.
(No Motion Required)
[Attachment 3]
*Julie Prussack
Hearing Board Chair
Hearing Board*
6. Overview of Amended Rule 1407: Control of Emissions of Arsenic, Cadmium and Nickel from Non-Chromium Metal Melting Operations
Staff will provide an overview on the amended Rule 1407 revision of emissions standards, which applies to non-chromium metal melting operations.
(No Motion Required)
[Attachment 4]
*Uyen-Uyen Vo
Program Supervisor
Planning, Rule Development &
Area Sources*

WRITTEN REPORT:

7. Monthly Report on Small Business Assistance Activities
Summary of assistance and outreach activities conducted by South Coast AQMD's Small Business Assistance Office for August 2020.
(No Motion Required)
[Attachment 5]

All

OTHER MATTERS:

8. Other Business
Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)
9. Public Comment Period
At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Local Government and Small Business Assistance Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.
10. **Next Meeting Date** - Friday, October 9, 2020 at 11:30 a.m.

ADJOURNMENT

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Elaine Hills at (909) 396-2945 or send the request to ehills@aqmd.gov.

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Local Government and Small Business Assistance Advisory Group 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 Elaine Hills at (909) 396-2945 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to ehills@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment. If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Participants”** button on the bottom of the screen.
- A list of participants will appear on the right side of the screen. At the bottom of the list, please click on the grey **“Raise Hand”** button.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Participants”** button on the bottom of your screen.
- A new screen will pop up with the list of participants. Look for the **“Raise Hand”** button on the screen and click the button.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment



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DRAFT

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, AUGUST 14, 2020 MEETING MINUTES

MEMBERS PRESENT:

Council Member Ben Benoit, LGSBA Chairman (Board Member)
Supervisor V. Manuel Perez (Board Member)
Supervisor Janice Rutherford (Board Member)
Felipe Aguirre
Mayor Pro Tempore Rachele Arizmendi, City of Sierra Madre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

OTHERS PRESENT:

Mark Ambrowitz
Dan McGirney, SoCal Gas
Andy Silva, San Bernardino County
Mark Taylor, Board Member Consultant (*Rutherford*)
Ben Wong
Jose Luis Zavola

SOUTH COAST AQMD STAFF:

Derrick Alatorre, Deputy Executive Officer
Philip Fine, Deputy Executive Officer
Terrence Mann, Deputy Executive Officer
Fabian Wesson, Assistant Deputy Executive Officer
Teresa Barrera, Senior Deputy District Counsel
Lisa Tanaka O'Malley, Senior Public Affairs Manager
Victor Yip, Senior Enforcement Manager
Scott Epstein, Program Supervisor

Anthony Tang, Information Technology Supervisor
Ricardo Rivera, Senior Staff Specialist
Van Doan, Air Quality Specialist
Elaine-Joy Hills, Air Quality Specialist
Alicia Rodriguez, Senior Public Information Specialist
Jeanette Short, Senior Public Information Specialist
Paul Wright, Senior Information Technology Specialist
Danietra Brown, Career Development Intern

Agenda Item #1 - Call to Order/Opening Remarks

Ms. Lisa Tanaka O'Malley called the meeting to order at 11:30 a.m. and provided guidelines and general instructions for participation in the remote meeting for the Local Government & Small Business Assistance Advisory Group (LGSBA) meeting via Zoom webinar and teleconference.

Agenda Item #2 – Approval of June Meeting Minutes/Review of Follow-Up/Action Items

Supervisor Janice Rutherford called for approval of the June 12, 2020 meeting minutes. The minutes were approved unanimously.

Agenda Item #3 – Review of Follow Up/Action Items

Supervisor Rutherford stated that there were no follow-up or action items, which was confirmed by Ms. Tanaka O'Malley.

Agenda Item #4 – Emissions Reductions and Air Quality Impacts from COVID-19 Pandemic Response

Dr. Scott Epstein provided information on data using various indicators to estimate the changes in emissions and the impacts on regional air quality.

Supervisor Rutherford referenced slide #4 and asked how naturally-occurring air quality challenges influence air quality. Dr. Epstein replied that naturally-occurring volatile organic compounds (VOC), such as emissions from vegetation, react in the atmosphere in the same way as VOC's emitted by humans and affect ozone and particulate matter (PM_{2.5}) concentrations. Although those VOC's cannot be reduced, attainment goals could be met by reducing human emissions. Supervisor Rutherford stated that due to the South Coast Air Basin's (SCAB) geography, poor air quality is present even without emission sources presented on the slide. Dr. Epstein replied that several factors contribute to air pollution, including warm temperature, sunlight, geography, and high emissions. There are 17 million people living in the SCAB contributing to the high level of emissions, particularly from fossil fuel combustion for transportation of people and goods. Furthermore, the SCAB is surrounded by mountains and prevailing wind from the coast pushes emissions inland and traps them there.

Ms. Rita Loof referenced slide #7 and asked for clarification on the last purple line on the timeline. Dr. Epstein replied that it represented very unhealthy air quality.

Supervisor Rutherford referenced slide #13 and inquired about the average nitrogen oxide (NO_x) and ozone levels used in graphs versus the maximum PM_{2.5} levels. Dr. Epstein indicated that NO_x levels shown in the graph are used as a surrogate for emissions because its concentrations are not high enough to pose a health problem; therefore, not driving the air quality index. The graph for NO_x shows how the

levels have trended. On the other hand, PM_{2.5} and ozone are more relevant since they drive the air quality index, so the maximum levels were used.

Mr. David Rothbart commented that based on the models, the NO_x levels decreased while the ozone levels didn't and asked if the increase in VOC levels complicated the chemistry, resulting in the increased ozone levels. Dr. Epstein replied that the results were consistent with the expectations; however, more VOC data is needed. Mr. Rothbart stated that attainment is difficult to achieve, and this was a great way to validate the models. Dr. Epstein indicated that these experiments are valuable for validating models like these and the regional modeling group is working with California Air Resources Board (CARB) on a coronavirus disease (COVID) emissions inventory and models. Mr. Rothbart suggested to consider the VOC emissions from hand sanitizer. Dr. Epstein replied that hand sanitizer may not be a dominant emission source, but could be an example of how certain categories have increased significantly.

Ms. Loof summarized that media showed air quality was good due to the stay-at-home order. It appeared to be valid in the first few weeks; however, air quality issues are still present. Dr. Epstein stated that the media was not wrong in stating that there was good air quality at the beginning. There were some articles showing empty freeways and very clean air, and it was easy to draw that connection. Realistically, the connection is more complicated and was likely due to meteorology. In the early days, there were increased rainfall and frequent wind events that improved the air quality and when those events subsided, the poor air quality returned.

Mr. John DeWitt asked if there are any cost and emissions reductions analyses. Dr. Philip Fine replied that when a rule or plan is in development, the cost-effectiveness and benefits are carefully assessed to determine the costs incurred by industry. It is also included in the rule making process for CARB and Environmental Protection Agency (EPA). After the rules have passed, many have tried to obtain compliance cost data from industry, but were unsuccessful. However, the overall cost and benefits are analyzed for various regulatory measures and are included in the Air Quality Management Plan (AQMP).

Action item: Provide links for past cost-effectiveness analyses.

Agenda Item #5 – Environmental Justice Updates

Ms. Fabian Wesson and Ms. Alicia Rodriguez presented on Environmental Justice outreach efforts, including updates on the Environmental Justice Community Partnership.

Ms. Loof asked why the Inter-Agency Task Force staff directory is confidential. Ms. Wesson replied that the staff directory may include private cellular phone numbers, intended for internal use only.

Action item: Provide a link to register for the 6th Annual Environmental Justice Conference.

Supervisor V. Manuel Perez stated that in working with the Assembly Bill (AB) 617 environmental justice groups in the Coachella Valley and with staff, struggles regarding governance and the process were found. Supervisor Perez stated that it is important to provide updates and allow for others to make recommendations. They are interested in having a governance structure, which follows the Brown Act. He further stated that he might not agree with it, but believed that it is important to provide the facts, listen and understand why they would like to move in that direction. They could decide for themselves

and present it to the Governing Board (GB). Ms. Wesson replied that there have been three charter working group meetings regarding the Brown Act. At the last meeting, the charter working group voted to not include the Brown Act and will present its recommendation to the Community Steering Committee (CSC) at the next meeting on August 26, 2020. There has been an open and transparent process, which allowed for the groups to provide input and recommendations.

Ms. Rodriguez stated that there is an Environmental Justice Community Partnership Advisory Council that advises staff on Environmental Justice Conference, Clean Air Program for Elementary Students (C.A.P.E.S), and other community programs. The members of the advisory council are from all four counties and new members are invited to participate.

Ms. Loof expressed support for Supervisor Perez's comments and indicated that the LGSBA advisory group previously faced a similar issue and needed clarification on the process to provide recommendations as a group. Ms. Loof asked if the charter working groups are considered an advisory committee and if they would fall under the Brown Act. Ms. Wesson replied that a committee must be appointed by the GB to fall under the Brown Act. Ms. Teresa Barrera stated that the Brown Act does not apply at this time.

Agenda Item #6 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

None.

Agenda Item #8- Public Comment

None.

Agenda Item #9 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, September 11, 2020 at 11:30 a.m.

Adjournment

The meeting adjourned at 12:44 p.m.

Budget and Economic Outlook Update

Local Government & Small Business Assistance Advisory Group Meeting

September 11, 2020



1

1

Presentation Topics

- Economic Indicators
- South Coast AQMD Metrics and Economic Implications

2

2

Summary of Metrics – Monthly

Metric			
State Economic Indicators	July 2019	July 2020	Notes
<i>Statewide Refinery Activity (Million Barrels Crude Oil Input)</i>	48	42	
<i>Port TEU Throughput (Million TEUs)</i>	1.5	1.6	LB – highest month ever LA – 2 nd highest July ever
<i>Statewide Unemployment %</i>	4.0 %	13.3 %	
South Coast AQMD	August 2019	August 2020	
<i>Revenue</i>	\$7.1 million	\$8.0 million	
<i>Expenditures</i>	\$12.3 million	\$11.8 million	
<i>Vacancy Rate</i>	17.3%	16.2 %	
<i>Permit Applications Received</i>	471	332	Aug. 2020 preliminary data
<i>Expired Permits</i>	125	390 (worst case)	Have 1 year to reinstate
<i>Fee Review Requests</i>	6	8	
<i>CEQA Activity</i>	84	43	

3

3

Summary of Metrics – Year to Date

Metric	Jan. - July 2019	Jan. - July 2020	Notes
U.S. GDP (2nd Quarter, \$ trillions)	21.3	19.4	GDP as of 7-30-20
State Economic Indicators			
<i>Refinery Activity (Million Barrels Crude Oil Input)</i>	343	293	
<i>Port TEU Throughput (Million TEUs)</i>	9.8	8.8	Both Ports coming off successive years of record- breaking growth
South Coast AQMD	Jan. - August 2019	Jan. - August 2020	
<i>Revenue</i>	\$127.3 million	\$143.9 million	
<i>Expenditures</i>	\$118.6 million	\$123.0 million	Timing of pay periods
<i>Vacancy Rate, end August</i>	17.3 %	16.2 %	
<i>Permit Applications Received</i>	5,175	4,418	Aug. 2020 preliminary data
<i>Expired Permits</i>	794	1,842	Have 1 year to reinstate
<i>Fee Review Requests</i>	28	100	
<i>CEQA Activity</i>	475	320	

4

4

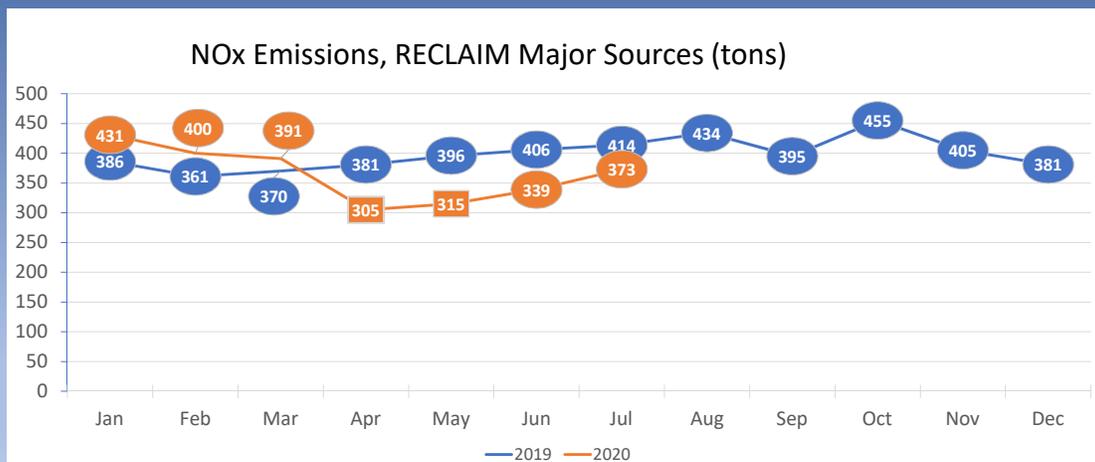
Staffing Levels as of 9/4/20

- 945 budgeted FTEs
- 153 vacant positions
- 792 filled positions
- 16.2 % vacancy rate

5

5

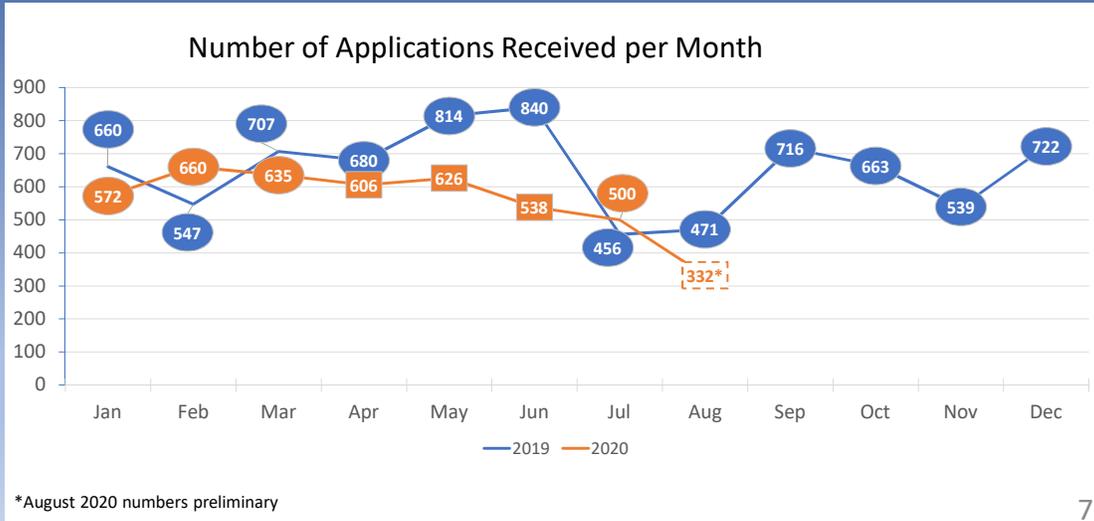
Emission Trends



6

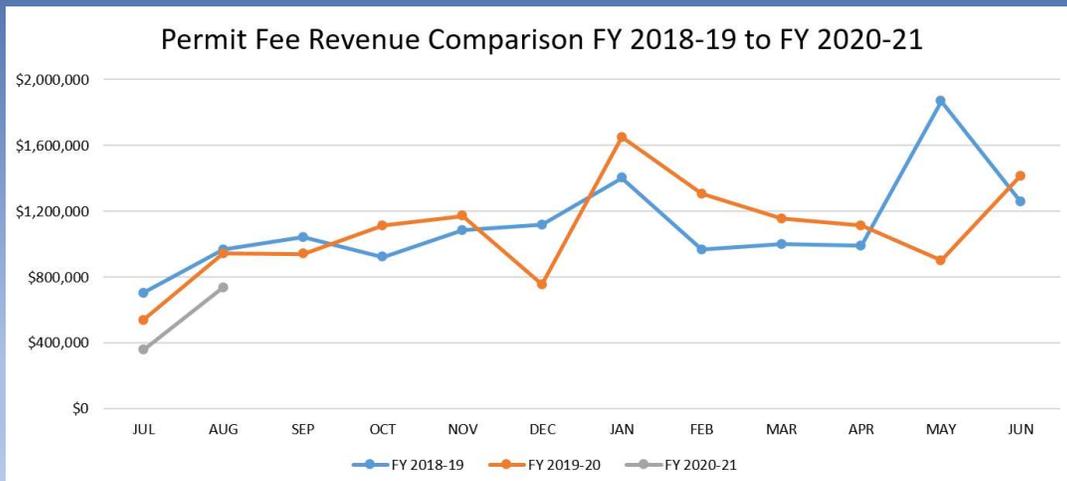
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Permit Activity



7

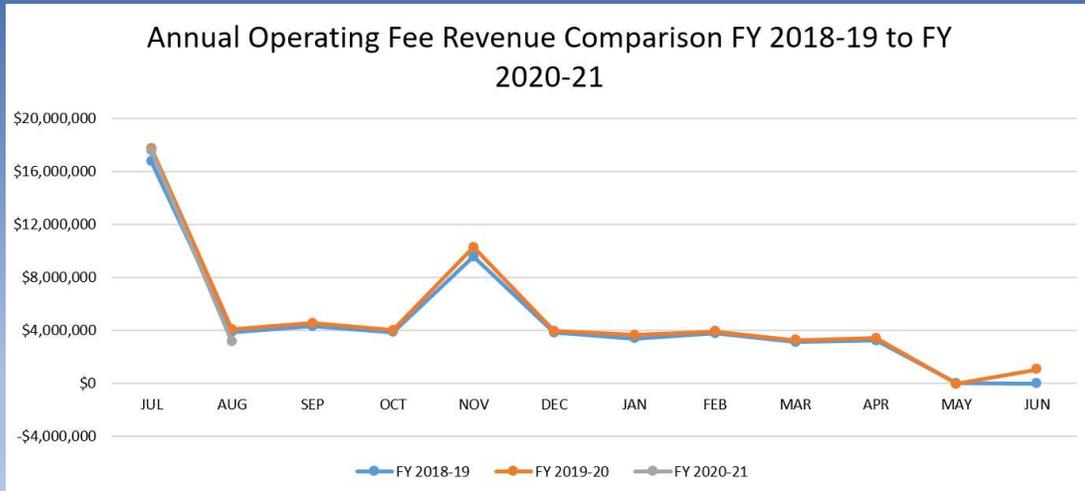
Permit Revenue



8

8

Annual Operating Fee Revenue

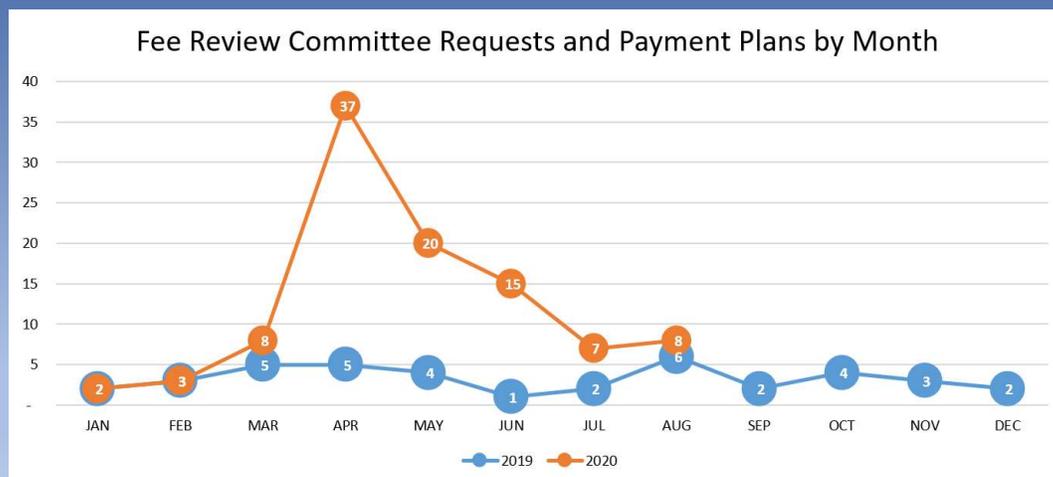


Annual operating fees are billed 60 days in advance. Invoices generated in May & June are recognized as revenue in July
Annual RECLAIM fee invoices are sent in November of each fiscal year

9

9

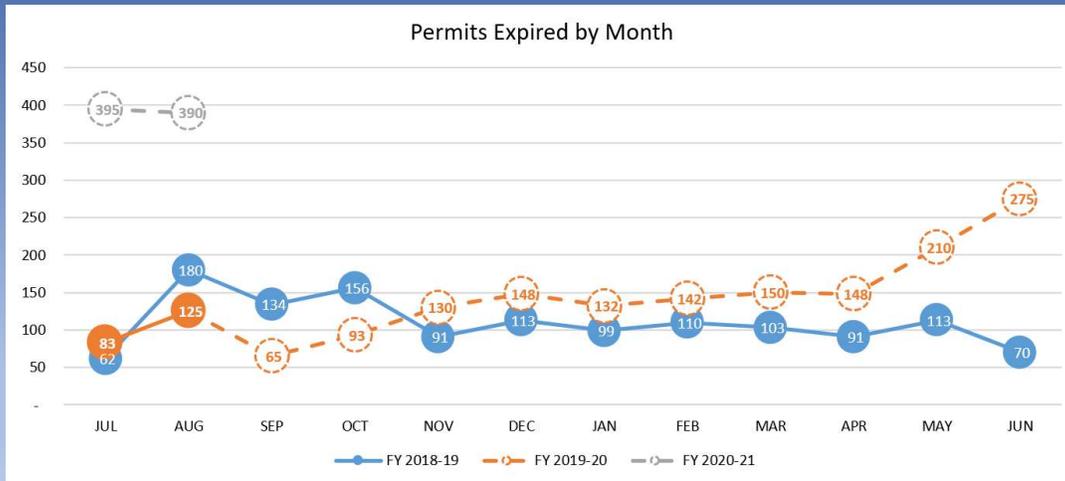
Fee Review Committee Requests



10

10

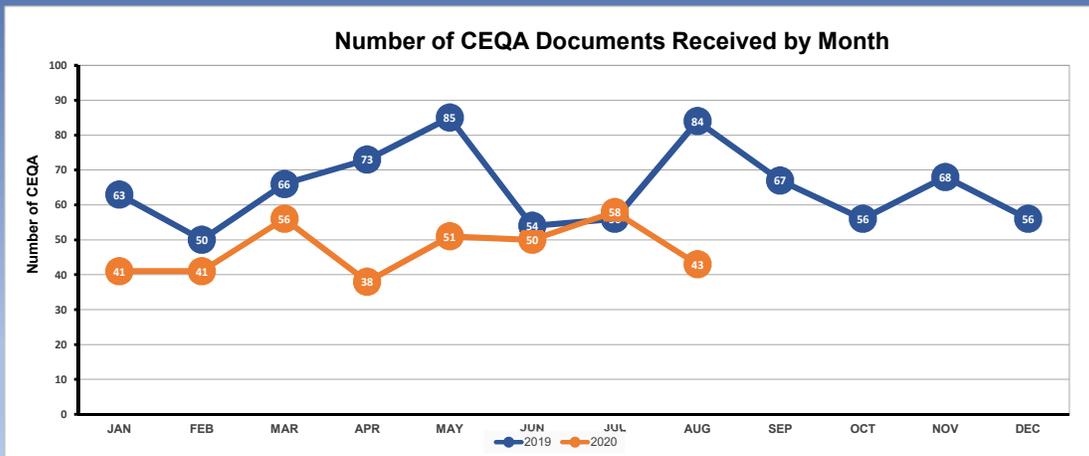
Expired Permits



Dotted lines represent permits that have time to be reinstated

11

CEQA Activity



12

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13

13

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14

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HEARING BOARD PROCESS



1

HEARING BOARD and the SOUTH COAST AQMD



Governing Board:
Adopts policy, rules, budget (legislative)



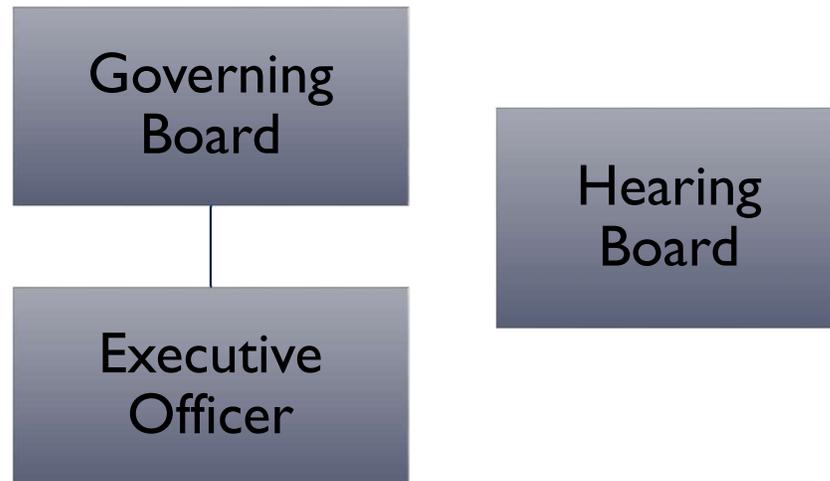
Staff, headed by the Executive Officer:
Enforce & Develop Rules (executive)



Hearing Board:
Quasi-judicial

2

HEARING BOARD is INDEPENDENT



3

3

THE HEARING BOARD...WHO ARE WE?

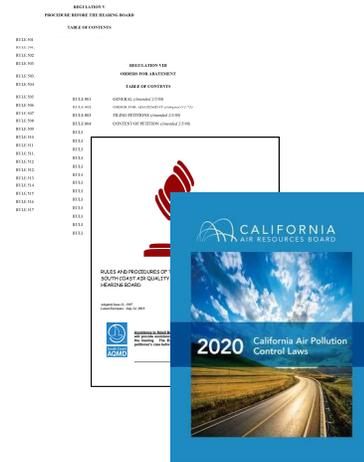
- **5 Members appointed by Governing Board (*H&S Code 40501*)**
- **Required Members: Attorney, Engineer, Medical, & 2 “Public”**
- **Quasi-judicial Function**
 - **Members considered Administrative Law Judges, and make binding decisions.**
 - **Members also act as fact-finders, like a jury, and can ask questions.**



4

RULES APPLICABLE TO HEARING BOARD PROCESS

- **California Health and Safety Code (Gives us jurisdiction)**
- **District Regs V (variance/appeal) & VIII (O/A) Procedural Rules**
- **Rules and Procedures of the HB**
- **Brown Act for Public Notice and Hearing Requirements**



5

HEARING BOARD AUTHORIZED TO:

- ✓ **Issue Variances (HSC 42350 et seq.)**
- ✓ **Issue Abatement Orders (HSC 42451) and, beginning January 2018, Emergency O/As**
- ✓ **Resolve Permit Disputes through Appeal Process (HSC 42302, 42302.1, 42306, 42307, and 40709)**

6

HEARING BOARD NOT AUTHORIZED TO:

-  Modify rules (*effect of decision is what matters*)
-  Exempt a business from a rule
-  Impose penalties
-  Review or overrule Notices of Violation
-  **Bottom Line: Cannot Hear ANYTHING Not Specifically Authorized in the Health & Safety Code**

7

HEARINGS RESEMBLE A COURTROOM:

But somewhat different...

-  Facilities are often represented by attorneys, but they are NOT required to be. The EO is represented by District Counsel.
-  Witnesses are sworn in and examined. HB Members may ask questions.
-  Evidence is offered and received (although we are not required to follow the rules of evidence).
-  HB deliberates and votes publicly; No closed session

8

HEARING BOARD MATTERS

VARIANCES

9

WHAT IS A VARIANCE?



Temporary relief from requirements of a District rule/regulation or permit condition(s), if the Board can make certain findings

“Get Out of Jail Free” Card: Allows facilities *without fault* to continue operating out of compliance without penalty under prescribed conditions

May require payment of excess emissions fee

10

EXAMPLES: WHEN VARIANCE MAY BE NEEDED

- Breakdown of well-maintained equipment
- Unexpected delay in meeting rule deadline because of technology forcing rule
- Emergency conditions, such as fire



11

GETTING TO THE HEARING BOARD

Variations are initiated by a facility

File signed petition: sets out Petitioner's case and answers questions to assist Board in making findings

Pay filing fee, hearing set, and notice period begins

12

SMALL BUSINESS FEE REDUCTION CONSIDERATIONS

26. SMALL BUSINESS and TABLE III SCHEDULE A FEES: To be eligible for reduced fees for small businesses, individuals, or entities meeting small business gross receipts criterion (see District Rule 303(h)), you must complete the following:

Declaration Re Reduced Fee Eligibility

1. The petitioner is
a) an individual, or
b) an officer, partner or owner of the petitioner herein, or a duly authorized agent of the petitioner authorized to make the representations set forth herein.

If you selected 1a, above, skip item 2.

2. The petitioner is
a) a business that meets the following definition of Small Business as set forth in District Rule 102:
SMALL BUSINESS means a business which is independently owned and operated and meets the following criteria, or if affiliated with another concern, the combined activities of both concerns shall meet these criteria:
(a) the number of employees is 10 or less; AND
(b) the total gross annual receipts are \$500,000 or less or
(ii) the facility is a not-for-profit training center.

-OR-

- b) an entity with total gross annual receipts of \$500,000 or less.

3. Therefore, I believe the petitioner qualifies for reduced fees for purpose of filing fees and excess emission fee calculations, in accordance with Rule 303(h).

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, at _____, California

Signature _____ Print Name _____

Title _____

Qualifying small businesses can request a reduction in filing fees on the variance petition.

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TYPES OF VARIANCES*

- Emergency (30 day max. No public notice)
- Interim (90 day max. No public notice)
- Short (90 day max. 10-day posted)
- Regular (>90 days. 30-day published)
- Group
- Product

*All but product variance require six (6) findings

14

EMERGENCY/ INTERIM VARIANCE

- Unanticipated breakdown/event – Not enough time for public notice
- May be granted “ex parte” (handled by the Chair. No Hearing.)
- Bifurcated hearing: Must first show “good cause” as set forth in Hearing Board rules/guidelines
- *30 Day/ 90 Day maximum, respectively*



15

SIX (6) FINDINGS FOR VARIANCE

1. Facility is or will be in violation of rule or regulation

16

SIX (6) FINDINGS FOR VARIANCE (continued)

2a. Circumstances leading to the violation were beyond facility's reasonable control

2b. Requiring compliance would result in a taking or practical closing of business

17

BEYOND REASONABLE CONTROL

Examples

- **Facility performed regular maintenance, but accidental explosion occurred**
- **Facility installed new state-of-the-art equipment, but not consistently meeting emissions limits due to manufacturer error**

18

NOT BEYOND REASONABLE CONTROL

Examples

- Facility did not make reasonable effort to comply or tried not to get caught
- Facility never read permit or otherwise didn't know of a rule or requirement
- Facility has not done proper maintenance
- Employee, consultant or contractor error

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SPECIAL ADDITIONAL CONSIDERATIONS ESSENTIAL PUBLIC SERVICE

Where the petitioner is a PUBLIC AGENCY, we ask: would requiring immediate compliance impose an unreasonable burden upon an ESSENTIAL PUBLIC SERVICE.

These include: publicly-owned prison, detention facility, police or firefighting facility, school, health care facility, landfill gas control or processing facility, sewage treatment works, or water delivery operation

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SPECIAL ADDITIONAL CONSIDERATION SMALL BUSINESSES

For qualifying small businesses (≤ 10 Ees & \leq \$500k gross revenues & ≤ 10 tons/yr air pollutants), we consider:

- (1) the reasons for any claimed ignorance of the rule or other requirement from which a variance is sought.
- (2) the petitioner's financial and other capabilities to comply.
- (3) the impact on the petitioner's business vs. the benefit to the environment which would result if the petitioner is required to immediately comply.

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SIX (6) FINDINGS FOR VARIANCE (continued)

- 3. Is the taking without a corresponding benefit in reducing air contaminants**
- 4. Curtailment was considered in lieu of a variance**

22

SIX (6) FINDINGS FOR VARIANCE (continued)

- 5. Excess emissions reduced to max extent possible**
- 6. Facility will monitor or otherwise quantify emission levels**

23

HEARING BOARD MATTERS

Orders for Abatement

24

ORDER FOR ABATEMENT (O/A)

- **Company will not or cannot comply with rules, but cannot qualify for variance (usually BRC) – The “flip side” of a variance**
- **District is the Petitioner (Burden of Proof)**
- **O/A Orders a facility to either:**
 - **Shut down or**
 - **Comply with prescribed conditions designed to reach rule compliance**

25

ORDER FOR ABATEMENT (O/A)

- **An O/A has the same effect as any enforceable rule or regulation. Can issue an NOV.**
- **An O/A is NOT a variance. The source not exempt from continuing penalties**

26

Two Types of O/A

Contested O/A

- Facility denies violation
- Board must find “good cause” & craft Order
- 3 Addt'l Findings must be made for contested:
 - The Source is in violation
 - Closing is not in violation of due process
 - Closing is not without a corresponding benefit in reducing air contaminants

Stipulated O/A

- Facility and District agree to the factual findings and conditions of the order
- Facility does not admit violation; no violation needs to be found
- Hearing Board needs only find ‘Good Cause’

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APPEALS

- From permit conditions
- Denial or grant (3rd party) of permit
- Refusal of ERCs
- Standard of review is deferential to the Executive Officer. Did he/she act “properly” in making the decision.

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ANY QUESTIONS?





Rule 1407 Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Chromium Metal Melting Operations

LGSBA Advisory Group
September 11, 2020

1

Background

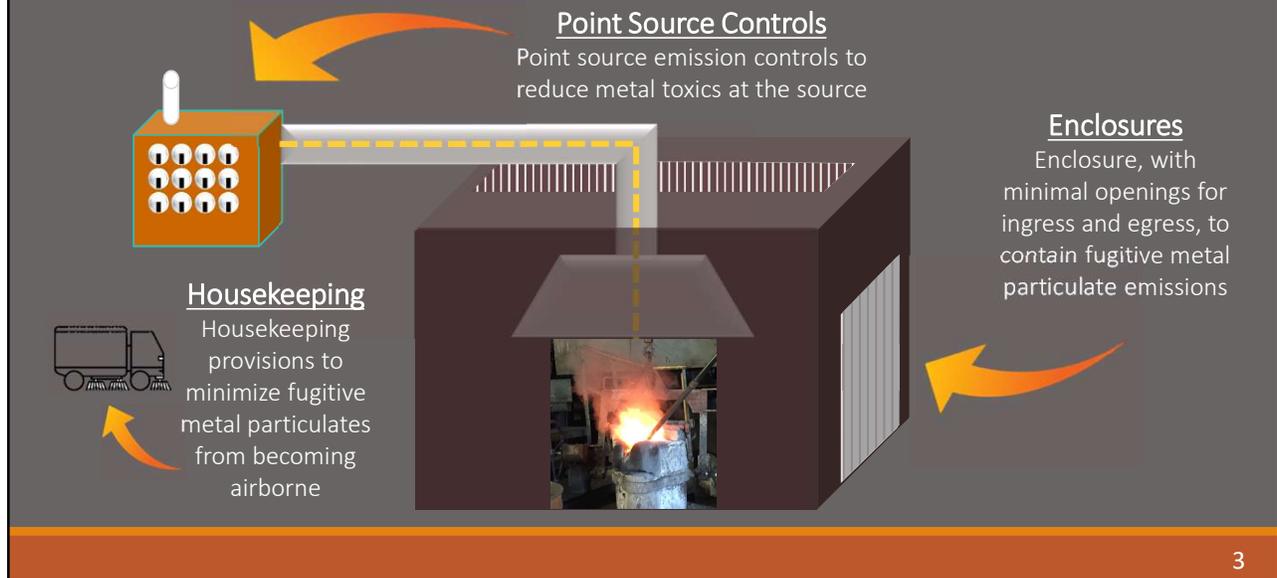
- South Coast AQMD Air Toxics Control Program
 - Composed of three air toxics umbrella rules and over 20 source-specific toxic rules regulating specific equipment or industry categories
- Rule 1407
 - An industry toxic rule adopted in 1994 and amended in 2019
 - Implements the state Airborne Toxic Control Measure (ATCM) for Emissions of Toxic Metals from Non-Ferrous Metal Melting
 - Objective is to reduce arsenic, cadmium, and nickel emissions from non-chromium metal melting operations
 - Arsenic, cadmium, and nickel are carcinogenic or likely to be carcinogenic to humans



2

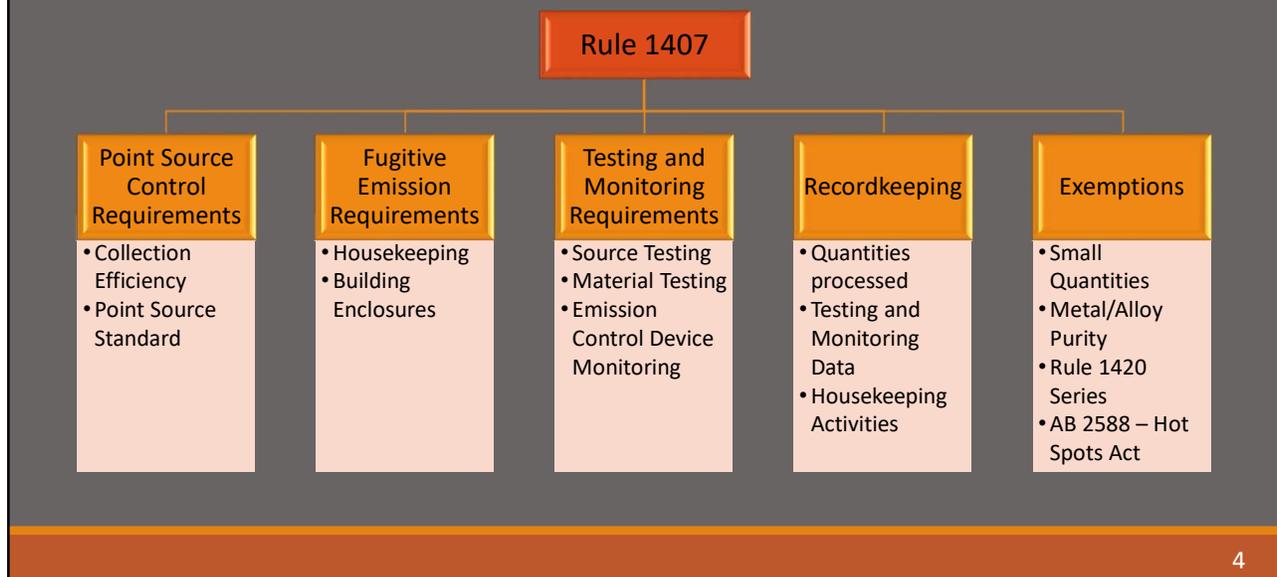
2

General Approach to Address Metal Toxics



3

General Overview of Rule 1407



4

Point Source Control Requirements

- For each toxic air contaminant individually:
 - Meet a control efficiency per furnace; or
 - Meet aggregate mass emission limit
- Having alternative limits allows facilities to best allocate resources based on their unique operations

Emission Limits

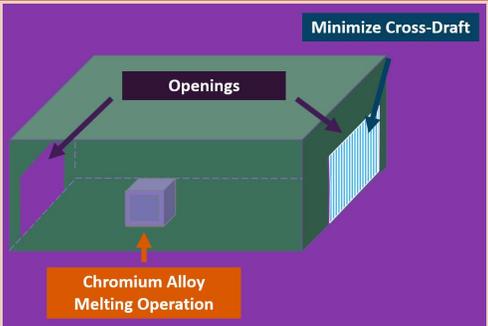
<div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> Arsenic </div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> 99% reduction (per furnace) </div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> OR </div> <div style="border: 1px solid orange; padding: 5px;"> 0.000066 lbs/hour (aggregate) </div>	AND	<div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> Cadmium </div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> 99% reduction (per furnace) </div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> OR </div> <div style="border: 1px solid orange; padding: 5px;"> 0.000514 lbs/hour (aggregate) </div>	AND	<div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> Nickel </div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> 99% reduction (per furnace) </div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> OR </div> <div style="border: 1px solid orange; padding: 5px;"> 0.00848 lbs/hour (aggregate) </div>
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Exemption from emission control requirements for facilities with:

- A Health Risk Assessment with a maximum individual cancer risk 10×10^{-6}
- Air Toxics Inventory Report with a Facility Priority Score 10

Addressing Fugitive Emissions

- Two-pronged approach to address fugitive emissions
 - Building enclosure requirements to contain fugitive emissions
 - Housekeeping measures to remove emissions before they can become fugitive

Building Enclosure Requirements	Housekeeping Measures
<div style="border: 1px solid orange; border-radius: 10px; padding: 10px; background-color: #e0e0e0;">  <p style="text-align: center; font-weight: bold;">Chromium Alloy Melting Operation</p> </div>	<p style="text-align: center;">Store material in an enclosed storage and periodic cleaning using approved methods</p> <div style="text-align: center;">  </div>

Key Elements of Testing and Monitoring Requirements



Source Testing

Used to demonstrate collection efficiency and point source standards



Parameter Monitoring

Ensures proper operation of specific parameters of the emission control equipment



Material Testing

Used to determine the composition of elements in materials

7

7

Exemptions

Clean Aluminum Scrap Exemption - REMOVED

- PAR 1407 phases out clean aluminum scrap exemption
- Current Rule 1407 does not include concentration limits for arsenic, cadmium, or nickel when using clean aluminum scrap exemption
 - Clean aluminum scrap is free of contaminants (oil, paint, grease, etc.), but still may contain arsenic, cadmium, and nickel, which may result in emissions

Metal or Alloy Purity Exemption - IMPROVED

- Facilities that melt < 8,400 tons per year and who demonstrate the metals melted contain less than 0.002% arsenic and 0.004% cadmium are not required to meet point source requirements
 - Low concentrations of contaminants in metals melted leads to lower levels emitted into air
 - Facilities can request contaminant-free or “pure” ingots to avoid costly point source controls

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Comments/Questions



Uyen-Uyen Vo
Program Supervisor
Toxics and VOC Rules



Small Business Assistance Report on August 2020 Activities for LG&SBA Advisory Group Meeting of 9/11/2020

1

Services Offered – August

■ Permit Application Assistance	216
■ Fee Review Committee Request	2
■ 1 Granted (Extend Deadline)	
■ 1 Denied (Waive Higher Fee)	
■ Air Quality Permit Checklist Processed	57

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August 2020 Report

2

Permit Assistance – August

- 216 Activities Providing Help with Permit Applications. Examples include:
 - 39 *General Contractors/Consultants/Architects*
 - 29 *Warehouses (Storage/Distribution)*
 - 24 *Dry Cleaners/Garment Cleaners*
 - 17 *Retail Stores*
 - 14 *Manufacturing Facilities*
 - 14 *Restaurants*
 - 5 *Auto Body and Repair Shops*
 - 5 *Fuel Dispensing Facilities*

9/11/2020

August 2020 Report

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Activities – August

- No on-site consultations conducted
- Event(s) Attended
 - No Events Attended

9/11/2020

August 2020 Report

4

Dry Cleaner Grants Issued (as of 8/2020)

- Professional Wet Cleaning 160

- CO₂ Machines 4

- Hydrocarbon (funds expended) 488

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August 2020 Report

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Small Business Activity August 2019 – August 2020

ACTIVITY	Permit Assistance	On-Site Consultations	Variance Assistance	Fee Review Requests	Air Quality Permit Checklists
Aug-2019	254	10	0	6	55
Sep-2019	177	0	1	2	49
Oct-2019	243	7	0	4	72
Nov-2019	159	3	0	3	61
Dec-2019	162	2	0	2	81
Jan-2020	216	3	0	2	68
Feb-2020	194	6	0	3	63
Mar-2020	258	7	0	3	47
Apr-2020	223	0	0	3	49
May-2020	249	0	0	3	65
Jun-2020	220	0	0	1	51
Jul-2020	345	0	2	3	110
Aug-2020	216	0	0	2	57
TOTAL	2916	38	3	37	828

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August 2020 Report

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Small Business Activity August 2019 – August 2020



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August 2020 Report