

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP MEETING

Advisory Group Members

Mayor Pro Tempore Carlos Rodriguez, LGSBA Chairman (Board Member)
Supervisor Janice Rutherford (Board Member)
Felipe Aguirre
Mayor Rachelle 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, June 11, 2021 ♦ 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://scaqmd.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)). 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*)

Mayor Pro Tem. Carlos Rodriguez Committee Chair

2. Approval of May 14, 2021 Meeting Minutes (Motion Required)
[Attachment 1]

Mayor Pro Tem. Carlos Rodriguez 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 5):

4. Budget and Economic Outlook
Staff will provide an update on South Coast AQMD's budget
and economic outlook.
(No Motion Required)
[Attachment 2]

Jill Whynot Chief Operating Officer

5. Update on the Cap-and-Trade Program
Staff will provide an update on California's Cap-and-Trade
Program to reduce Greenhouse Gas (GHG) emissions.
(No Motion Required)
[Attachment 3]

Sarah Rees Deputy Executive Officer Planning, Rule Development & Area Sources

WRITTEN REPORT:

6. Monthly Report on Small Business Assistance Activities
Summary of assistance and outreach activities conducted by
South Coast AQMD's Small Business Assistance Office for May
2021.

(No Motion Required)
[Attachment 4]

OTHER MATTERS:

7. 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. (Gov't. Code Section 54954.2)

8. 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.

9. Next Meeting Date - Friday, August 13, 2021 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 Van Doan at (909) 396-3117 or send the request to kdoan@aqmd.gov.

-3-

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 Van Doan at (909) 396-3117 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to kdoan@aqmd.gov.

All

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 Chair 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

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, MAY 14, 2021 MEETING MINUTES

MEMBERS PRESENT:

Mayor Pro Tempore Ben Benoit, LGSBA Chairman (Board Member)
Mayor Rachelle Arizmendi, City of Sierra Madre
Paul Avila, P.B.A. & Associates
LaVaughn Daniel, DancoEN
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation Districts

MEMBERS ABSENT:

Supervisor Janice Rutherford (Board Member)
Felipe Aguirre
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
John DeWitt, JE DeWitt, Inc.

OTHERS PRESENT:

Mark Abramowitz
Ramine Cromartie
Moses Huerta
Dan McGivney, SoCal Gas
Mathew Watson
Janet Whittick

SOUTH COAST AQMD STAFF:

Jill Whynot, Chief Operating Officer
Lisa Tanaka O'Malley, Assistant Deputy Executive Officer
Daphne Hsu, Senior Deputy District Counsel
Jo Kay Ghosh, Ph.D., Director of Community Air Programs/Health Effects Officer
Kathryn Higgins, Public Affairs Manager
Kalam Cheung, Program Supervisor Eugene Kang, Program Supervisor
Olga Pikelnaya, Program Supervisor
Anthony Tang, Information Technology Supervisor
Paul Wright, Senior Information Technology Specialist
Ricardo Rivera, Senior Staff Specialist

Debra Ashby, Senior Public Information Specialist
Van Doan, Air Quality Specialist
Stacy Day, Legislative Assistant
Lindsay McElwain, Senior Administrative Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Ms. Lisa Tanaka O'Malley called the meeting to order at 11:31 a.m.

Agenda Item #2 – Approval of April 9, 2021 Meeting Minutes

Ms. Tanaka O'Malley called for approval of the April 9, 2021 meeting minutes. The minutes were approved unanimously.

Agenda Item #3 – Approval of Letter of Appreciation to Dr. William Burke

Ms. Tanaka O'Malley called for approval of the letter of appreciation to Dr. William Burke. The letter was approved unanimously.

Agenda Item #4 – Review of Follow-Up/Action Items

Ms. Tanaka O'Malley reviewed the action item from the previous meeting, which was addressed in agenda item #3.

Agenda Item #5 – Results of the Multiple Air Toxics Exposure Study V (MATES V)

Dr. Jo Kay Ghosh presented a summary of the results of MATES V.

Mr. David Rothbart asked if the change in OEHHA's methodologies to calculate risk affected how MATES V data is compared to previous MATES studies. Dr. Ghosh responded that the same methodology has been applied to the data since MATES II. The graphs and charts in the presentation show updated methods applied to the data that was collected during previous MATES studies. Mr. Rothbart asked how the expansion or variations in CARB and OEHHA toxics lists would be addressed if there is no previous data. Dr. Ghosh indicated that a methodology has been developed to address year-to-year differences in toxics being measured, but these compounds are not the primary drivers for carcinogenic risk so there is minimal impact.

Mr. Paul Avila asked if there is new technology to collect data and for clarification of the non-cancer risk variable. Dr. Ghosh responded that the MATES program does not utilize sensors as they may not be available for the air toxics being measured and are not as accurate as traditional air monitoring technologies. The chronic non-cancer risk is assessed for some air toxics programs, such as the Air Toxics "Hot Spots" Program (AB 2588). Carcinogenic impacts are assessed differently from how other types of non-carcinogenic risks are assessed. Among the non-carcinogenic risk types, there are acute and chronic non-cancer risks. MATES is not set up to assess acute risks but does assess chronic non-cancer risks.

Mr. Bill LaMarr asked about the age of the monitoring data and age of the comparative data. Dr. Ghosh confirmed that data sets are current. Mr. LaMarr then asked if sensor data was incorporated in the MATES V report and AB 617. Dr. Ghosh replied that the AB 617 program incorporates sensors as part of their air monitoring plans. In future MATES, there may be a section on the utility and function of new sensor technologies. Mr. LaMarr commented that a 50% basin-wide reduction is an accomplishment. He recommends publicly highlighting the MATES V data and the progress due to rules and compliance by businesses. Dr. Ghosh stated that sharing information publicly is important, but that significant health risks remain to be addressed.

Mr. Rothbart commented that MATES is more accurate than CalEnviroScreen which includes other factors that do not necessarily reflect air quality. Dr. Ghosh confirmed that staff qualify CalEnviroScreen

data, and that for South Coast AQMD purposes MATES is used in conjunction on programs such as AB 617.

Ms. Rita Loof asked if there would be recommendations in the MATES study to reduce risk, especially in relation to AB 617 communities. Dr. Ghosh said that MATES is a good tool for tracking progress and informing AB 617 work. The only caution is that you cannot tell what has been achieved through the AB 617 program, versus other toxics programs. It is also a tool used in the AB 617 community selection process. Ms. Jill Whynot added that MATES has been utilized for our Air Quality Management Plan and with rules development.

Mr. Moses Huerta, a Paramount resident, commented on the importance of the MATES data, community engagement, and diesel emissions.

Agenda Item #6 - Overview of the Annual Emissions Reporting (AER) Program

Mr. Eugene Kang provided an overview of the AER program, including data accessibility for the public.

Mr. Rothbart asked about the Criteria Pollutant and Toxics Emissions Reporting (CTR) implementation and if the public will be informed on what needs to be done in a consistent fashion. Mr. Kang said they have been discussing outreach and training with CARB. CARB indicated they are preparing guidance documents. Mr. Kang suggested checking the AER webpage for updates and it may be brought to a future Emissions Quantification and Testing Evaluation (EQUATE) working group.

Ms. Loof commented that CTR regulations do not include unpermitted facilities. Her understanding is that the annual emissions reporting is used as a vehicle to comply with the CTR regulations. Mr. Kang replied that applicable facilities are those that are permitted. The regulation is based on the local air district requirements and unpermitted emissions may or may not be required to report. The CTR is being implemented in the same fashion. Ms. Loof indicated that it may be broader than just the impact to the industry. Ms. Loof stated that if you look at the processes for unpermitted facilities as a standalone operation and Rule 219, most of them do not require a permit, therefore, they fall under the unpermitted category. However, if you look at them as part of a process line and put them as part of a permitted system, they are then brought into the permit system, essentially nullifying the Rule 219 exemption. Ms. Loof expressed concern about the number of facilities impacted and the ramifications. She added that the CTR will bring in thousands of facilities and she does not think facilities doing the right thing should be subject to that level of scrutiny.

Mr. LaMarr stated they have been a part of the CARB CTG and Toxic Hot Spots Emissions Inventory Criteria and Guidelines (EICG) rulemaking efforts since their inception. It was his impression that smaller sources would be only required to report by volume, not by emissions. Mr. Kang confirmed and stated if they do not go over usage amounts as specified, they will not be required to report. Mr. LaMarr asked about the next EQUATE meeting. Mr. Kang responded that a meeting may be held late next month, and that the working group will provide a status on the source test tracking systems and open the floor up for discussion on CTR.

<u>Agenda Item #7 – Monthly Report on Small Business Assistance Activities</u> No comments.

Agenda Item #8 – Other Business

Chair Benoit announced that due to his new Chairmanship of the Governing Board, Mayor Pro Tempore Carlos Rodriguez will Chair LGSBA going forward, and Supervisor Rutherford will continue to stay on.

Chair Benoit also mentioned that it was discussed at the Administrative Committee meeting today about how to get more people for this advisory group and maybe even expand. Chair Benoit said the function of Home Rule Advisory Group may move to LGSBA.

Agenda Item #9 – Public Comment

No comments.

Agenda Item #10 - Next Meeting Date

The next regular LGSBA Advisory Group meeting is scheduled for Friday, June 11, 2021 at 11:30 a.m.

Adjournment

The meeting adjourned at 12:58 p.m.

Budget and Economic Outlook

Local Government, Small Business Assistance
June 11, 2021



1

1

Presentation Topics

- Economic Indicators
- South Coast AQMD Metrics and Economic Implications
- Summary Charts

Summary of Metrics – Monthly

Metric			
State Economic Indicators	April 2020	April 2021	Notes
Statewide Refinery Activity (Million Barrels Crude Oil Input)	32.1	50.8	5 weeks reported for April 2021
Port TEU Throughput (Million TEUs)	1.2	1.7	
Statewide Unemployment %	16.0	8.3	
South Coast AQMD	May 2020	May 2021	
Revenue	\$7,161,616	\$9,934,445	
Expenditures	\$12,145,731	\$13,150,659	
Vacancy Rate	14.5%	17.7%	
Permit Applications Received	625	433	
Expired Permits	76	260	1 year to reinstate

3

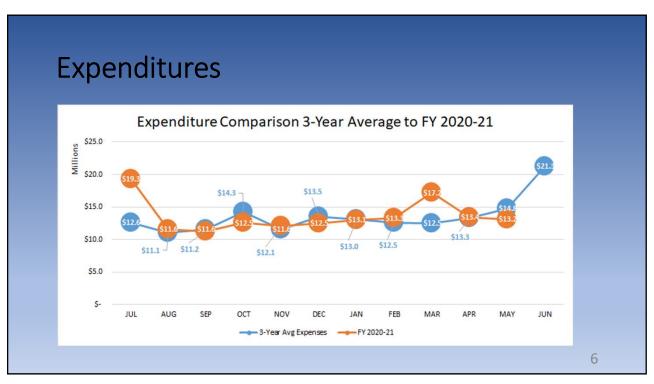
3

Summary of Metrics – Fiscal Year to Date

Metric			
State Economic Indicators	July 2019 – April 2020	July 2020 – April 2021	Notes
Statewide Refinery Activity (Million Barrels Crude Oil Input)	484	395	
Port TEU Throughput (Million TEUs)	13.4	16.8	
South Coast AQMD	July 2019 – May 2020	July 2020 – May 2021	
Revenue	\$154,067,636	\$147,224,507	
Expenditures	\$151,809,576	\$149,223,855	
Permit Applications Received	6,663	5,712	
Expired Permits	770	1.678	1 year to reinstate

Л

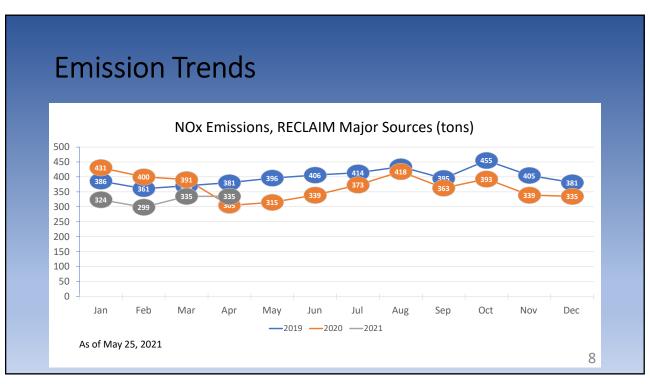


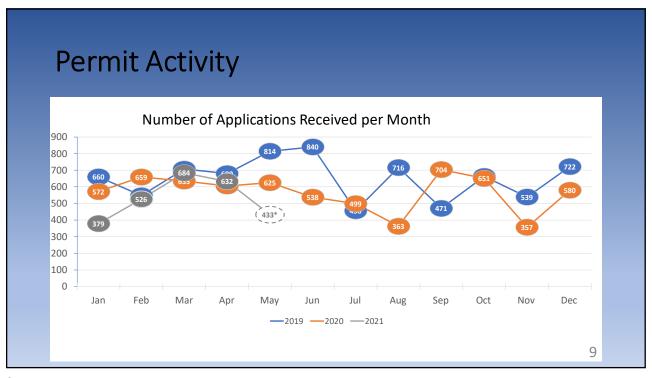


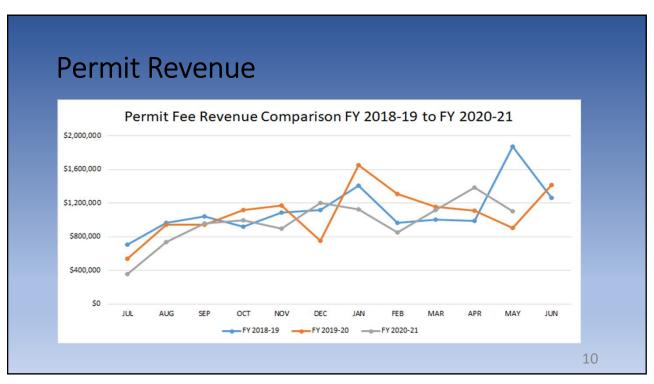
Staffing Levels as of May 25, 2021

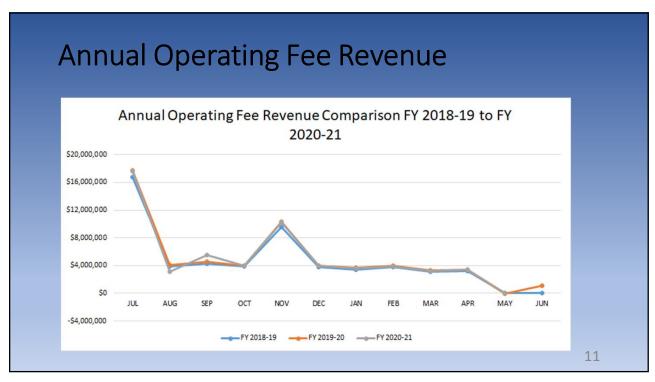
- 949 budgeted FTEs
- 168 vacant positions
- 781 filled positions
- 17.7 % vacancy rate

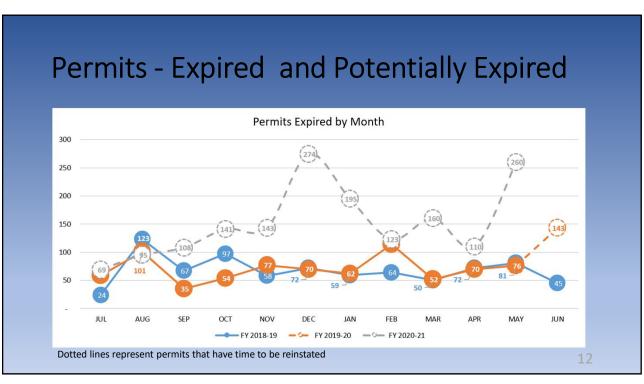
7









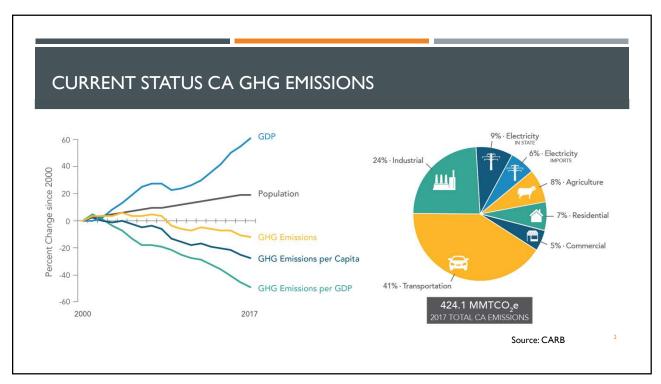


Summary

- Economic impacts of pandemic affected industry and South Coast AQMD
- Fiscally conservative approach has helped agency manage
- Need to continue to monitor closely

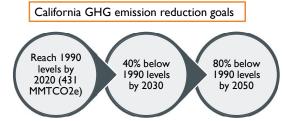
AN UPDATE OF CALIFORNIA'S GREENHOUSE GAS TRADING PROGRAM

LOCAL GOVERNMENT AND SMALL BUSINESS ASSISTANCE ADVISORY GROUP MEETING JUNE 11, 2021



OVERVIEW OF CALIFORNIA'S GREENHOUSE GAS CAP AND TRADE PROGRAM

- Comprehensive, economy-wide mass-based GHG cap and trade program
- Initiated in 2013; part of the Western Climate Initiative Framework
- Linked to participating WCI states/provinces (currently only Quebec)
- Administered by CARB/WCI
- Fourth largest GHG cap and trade program (after EU, Korea, and Province of Guangdong)



3

KEY PROGRAM COMPONENTS

- Designed to maximize flexibilities for covered entities to comply with the lowest cost options
 - · Can comply with allowances and offsets
- Designed to link with other C&T programs
- Provides for investments with proceeds from auctions to fund GHG emission reduction projects and address potential localized community impacts
- Strong GHG reporting and compliance features to ensure that the program results in emission reductions



COVERAGE

- Major stationary sources, power plants and transportation fuels (added 2015)
 - Emit > 25,000 MTCO2e/year 6 Kyoto GHGs plus fluorinated gases
 - Includes importers of electricity
 - Covered entities receive permits with their compliance obligation





- Approximately 450 covered entities
 - 85% of state GHG emissions
- Cap set in 2013 at ~2% less than projected 2012 emissions
 - Declines 3% every year; aimed at meeting CA GHG emission targets



5

CAP AND COMPLIANCE OBLIGATIONS

- Cap
 - Established in 2012; set at 2% below GHG emission level forecast
 - Adjusted in 2015 to include transportation emissions
 - Declines 3% annually
- Compliance obligation: how much GHG emissions a covered entity is permitted to emit
 - Must buy credits to cover compliance obligation; can sell credits if emit less than compliance obligation
 - Credits are in the form of allowances or offset credits
 - Can acquire by:
 - Free allocation from CARB
 - Purchasing at auction
 - Purchasing through the secondary market
 - Using banked allowances

ALLOWANCE/ALLOCATION

- Allowance: instrument created by CARB; equivalent of I MTCO2e
 - Effectively a tradeable permit for a tonne of GHG
- Allocation: currently CARB is providing mostly free allowances
 - Industrial entities, electricity generators/importer and natural gas providers receive allowances to cover ~90% of their average emissions
 - Provisions to recognize more efficient industrial operations
 - Utilities must sell their free allowances at auction and use the proceeds to benefit ratepayers or reduce GHG emissions
 - Transportation must buy all needed allowances
- If additional allowances needed, buy from auctions/private secondary market, buy from offsets, or used previously banked emission credits
 - Use of offsets limited to 4% of total compliance obligation; will increase to 6% in 2026, then decrease in the future
 - Compliance Instrument Tracking System Service (CITSS): tracking system with accounts to hold and retire credits and to track trading of credits

7

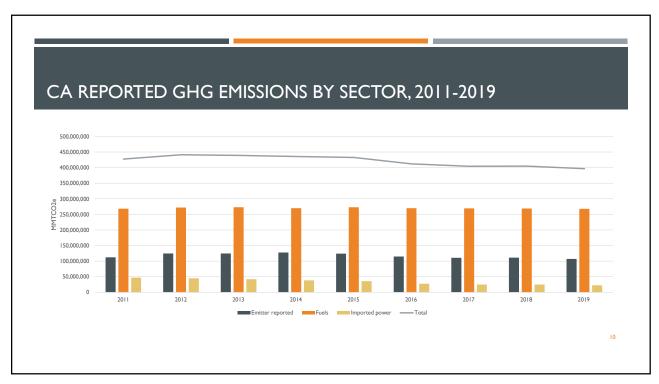
AUCTION

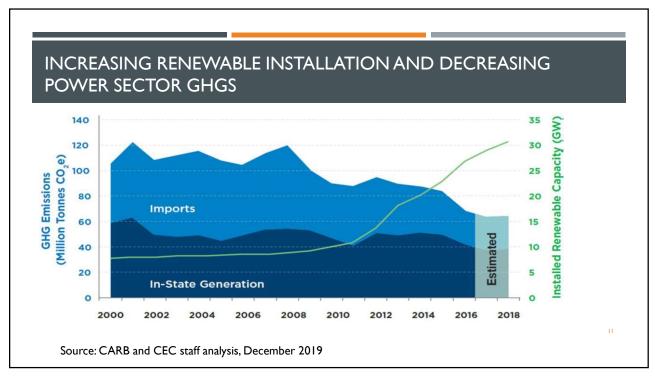
- CA and QC's programs have been linked since 2014; allows for joint auctions of GHG allowances and also mutual
 acceptance of compliance instruments
- Joint auctions held quarterly
- Subject to independent audits and monitoring to address potential market manipulation
- Auction Reserve Price: minimum accepted price for an allowance
 - Reserve price set at \$10/MTCO2e for the first auction
 - Increases every year by 5% plus inflation
- Auction Settlement Price: price at which all available allowances are sold during an auction
- Currently allowances are selling slightly above the auction reserve \$17.80/MTCO2e (\$0.09 above the reserve price)

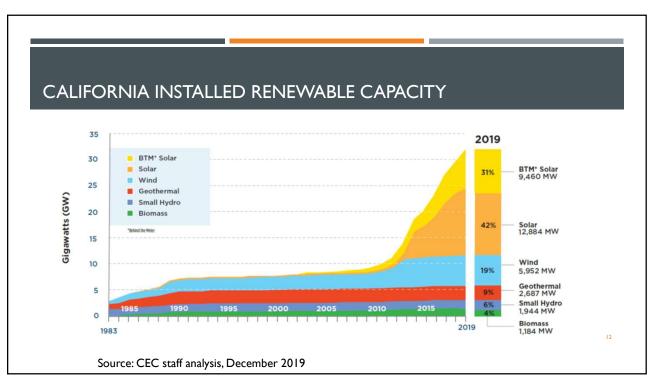
INVESTMENT

- Proceeds from CA's cap and trade auctions go to the Greenhouse Gas Reduction Fund (GGRF)
- Legislature appropriates money from GGRF to fund administering agencies for emission reduction programs
- To date, approximately \$14 billion has been appropriated
- Funds diverse variety of programs to further overarching goals of California's climate program
 - Transportation and sustainable communities
 - Low carbon transportation, transit/rail
 - Clean energy/energy efficiency
 - Sustainable communities and affordable housing, low-income weatherization, dairy methane
 - Natural resources and waste diversion
 - Climate adaptation measures, fire management, sustainable agriculture

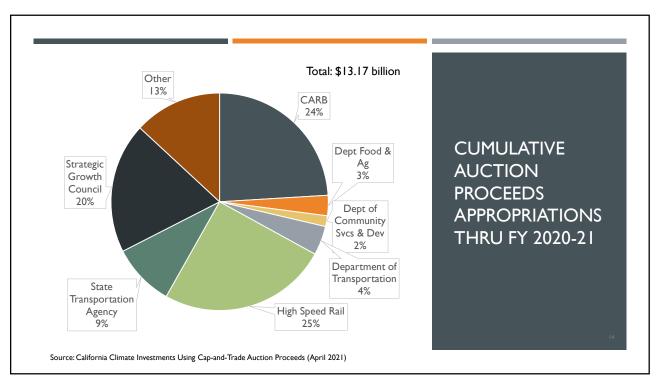
State law requires 25% to go to investments within & benefitting disadvantaged communities Additional 10% for low income communities











CARB APPROPRIATIONS CUMULATIVE THRU 2020

Subprogram	Amount Allocated (\$ Millions)
AB 617 Implementation	\$40
Community Air Grants	\$25
Community Air Protection Incentives	\$704
FARMER	\$251
Advanced Technology Demonstration & Pilots	\$115
Clean Cars for All	\$102
Clean Vehicle Rebate Project	\$949
Hybrid and ZE Truck & Bus Voucher Incentive Program	\$487
ZE & NZE Freight Facilities	\$149
ZE Truck & Bus Pilot Projects	\$85
Other	\$267



Small Business Assistance Report on May 2021 Activities

for LG&SBA Advisory Group Meeting of 6/11/2021

1

Services Offered – May

Permit Application Assistance	100
Fee Review Committee Requests	0
Air Quality Dormit Charlista Processed	03

Air Quality Permit Checklists Processed 93

11/2021 May 2021 Report

Permit Assistance – May

- 168 Activities Providing Help with Permit Applications. Examples include:
 - 40 General Contractors/Consultants/Architects
 - 21 Restaurants
 - 9 Manufacturing Facilities
 - 12 Retail Stores
 - 7 Dry Cleaners/Garment Cleaners
 - 5 Auto Body and Repair Shops
 - 13 Warehouses (Storage/Distribution)
 - 8 Fuel Dispensing Facilities

6/11/2021

May 2021 Report

3

Activities – May

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

6/11/2021

May 2021 Report

Dry Cleaner Grants Issued (as of 5/2021) Professional Wet Cleaning 165 CO₂ Machines 4 Hydrocarbon (funds expended) 488

5

