

BOARD MEETING DATE: April 3, 2015

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the March 6, 2015 meeting.

RECOMMENDED ACTION:

Approve Minutes of the March 6, 2015 Board Meeting.

Sandra McDaniel,
Clerk of the Boards

SM:dg

FRIDAY, MARCH 6, 2015

Notice having been duly given, the special meeting of the South Coast Air Quality Management District Board was held at the Council Chambers at Long Beach City Hall, 333 West Ocean Blvd, Long Beach, California. Members present:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman
Cities of San Bernardino County

Mayor Michael D. Antonovich (arrived at 10:35 a.m.)
County of Los Angeles

Mayor Ben Benoit
Cities of Riverside County

Supervisor John J. Benoit
County of Riverside

Councilmember Joe Buscaino
City of Los Angeles

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

Dr. Joseph K. Lyou
Governor's Appointee

Councilmember Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson
County of Orange

Dr. Clark E. Parker, Sr.
Senate Rules Committee Appointee

Mayor Miguel A. Pulido (arrived at 9:45 a.m. and left at 11:30 a.m.)
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

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

- Pledge of Allegiance: Led by Chairman Burke.
- Opening Comments

Dr. Lyou. Noted that he attended the Environmental Justice Conference organized by SCAQMD on February 27, 2015 and enjoyed participating in a panel regarding land use.

Councilmember Cacciotti. Noted that South Pasadena was recently honored as the first city in the nation to utilize an all-electric commercial lawn equipment fleet for maintenance of their municipal parks; expressed a concern with the cost of replacing hybrid vehicle batteries and noted that there are vehicle repair shops that are repairing cells within the batteries as an alternative to replacing the entire battery; and suggested the addition of an award category for the annual Clean Air Awards that would recognize achievement by legal advocates that work to protect the public.

Chairman Burke asked staff to investigate developments in the area of hybrid battery repair.

- Overview of Efforts by Port of Long Beach to Develop an Enhanced Energy Sustainability Program with Associated Air Quality Benefits

Jon W. Slangerup, Chief Executive of the Port of Long Beach, presented a background of efforts the Port has engaged in to achieve cleaner air. He highlighted various projects including streamlined rail operations, electric truck projects for distributing goods throughout the region, AMECS systems to treat exhaust, and the creation of an Energy Island to meet a two-fold increase in energy needs by 2030.

Councilmember Buscaino expressed optimism for the efforts at the Port of Long Beach to continue to reduce emissions, address goods movement issues, and the partnerships that will be formed to meet future goals.

Mayor Yates stressed the importance of sharing this information with state legislators in an effort to spur action on their part in regards to goods movement concerns.

Mr. Slangerup explained that they understand that these advancements will require a comprehensive effort and, as such, he has met with representatives in Sacramento and will be traveling to Washington D.C. to discuss the issues surrounding their innovations as well.

In response to Councilman Cacciotti's questioning about the use of railways, Mr. Slangerup noted the plan to move to a more direct to rail system to reduce the truck traffic and resulting pollution, adding that they are also focusing on short haul rail systems that will eliminate the transition from truck to rail and instead involve rail to rail transportation to the inland ports.

In response to Mayor Yates' inquiry about the reaction of the trucking industry to the rail system enhancements, Mr. Slangerup noted that they are supportive of the effort as it reduces congestion and allows for multiple trips to be made resulting in an opportunity for increased earnings.

In response to Dr. Lyou's inquiry regarding how the District can assist in these efforts, Mr. Slangerup noted the importance of participation by all stakeholder agencies on the Steering Committee.

Jesse Marquez, Coalition for a Safe Environment, addressed the Board, expressing appreciation for the Port of Long Beach's leadership in supporting innovative technologies and ideas; urged the Ports to invest in the AMECS technology that has been tested and proven to be beneficial; and stressed the importance of continuing to make improvements in the way goods are handled and transported, in order to see coordinating air quality benefits.

(Mayor Pulido arrived at 9:45 a.m.)

CONSENT CALENDAR

1. Approve Minutes of February 6, 2015 Board Meeting
2. Set Public Hearings April 3, 2015 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations
 - A. Amend Regulation IX - Standards of Performance for New Stationary Sources, and Regulation X - National Emission Standards for Hazardous Air Pollutants
 - B. Receive Public Input on Executive Officer's Draft Goals and Priority Objectives for FY 2015-16

Budget/Fiscal Impact

3. Adopt Resolution Recognizing Funds and Accepting Terms and Conditions for FY 2014-15 Carl Moyer Program Award, Issue Program Announcements for Carl Moyer Program and SOON Provision, and Execute and Amend Contracts

4. Execute and Modify Contracts for Hydrogen Station Upgrades and Related Work 
5. Issue Program Announcement for School Bus Replacements and Retrofits 
6. Support Utility Electric Vehicle Charging Program
7. Approve SCAQMD Annual Investment Policy, Delegation of Authority to Appointed Treasurer to Invest SCAQMD Funds, Delegation of Authority to Appoint Acting Treasurer and Revised Treasury Operations Contingency Plan and Procedures
8. Appropriate Funds from Designation for Litigation and Enforcement and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Services
9. Approve Salary Adjustments for Executive Officer and General Counsel and Revisions to Employment Contracts

Items 10 through 17 - Information Only/Receive and File

10. Legislative and Public Affairs Report
11. Hearing Board Report
12. Civil Filings and Civil Penalties Report
13. Lead Agency Projects and Environmental Documents Received by SCAQMD
14. Rule and Control Measure Forecast
15. Report of RFQs Scheduled for Release in March
16. FY 2014-15 Contract Activity
17. Status Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2014-15

Dr. Lyou and Mayor Pulido announced their abstentions on Item No. 6 because Southern California Edison is a potential source of income to them.

Agenda Item Nos. 3 and 9 were withheld for discussion and comment.

MOVED BY PULIDO, SECONDED BY NELSON, AGENDA ITEMS 1, 2, 4 THROUGH 8 AND 10 THROUGH 17 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 15-5 DELEGATING AUTHORITY TO THE TREASURER OF THE COUNTY OF LOS ANGELES TO INVEST AND REINVEST FUNDS OF THE SCAQMD, AND RESOLUTION NO. 15-7 DELEGATING AUTHORITY TO APPOINT EITHER THE CHIEF FINANCIAL OFFICER OR CONTROLLER AS ACTING TREASURER OF THE SCAQMD, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou (*except Item #6*), Mitchell, Nelson, Parker, Pulido (*except Item #6*), Rutherford and Yates.

NOES: None.

ABSTAIN: Lyou (*Item #6 only*) and Pulido (*Item #6 only*).

ABSENT: Antonovich.

18. Items Deferred from Consent Calendar -

3. Adopt Resolution Recognizing Funds and Accepting Terms and Conditions for FY 2014-15 Carl Moyer Program Award, Issue Program Announcements for Carl Moyer Program and SOON Provision, and Execute and Amend Contracts

A member of the public mistakenly submitted a request to speak on this item.

MOVED BY B. BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEM 3 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 15-4 RECOGNIZING FUNDS AND ACCEPTING THE TERMS AND CONDITIONS OF THE FY 2014-15 CARL MOYER GRANT AWARD, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido, Rutherford and Yates.

NOES: None.

ABSENT: Antonovich.

9. Approve Salary Adjustments for Executive Officer and General Counsel and Revisions to Employment Contracts

Dr. Lyou noted that the salaries for these positions are available on the State Controller's website, which can be accessed through the SCAQMD webpage.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEM 9 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido, Rutherford and Yates.

NOES: None.

ABSENT: Antonovich.

BOARD CALENDAR

19. Administrative Committee
20. Investment Oversight Committee

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

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEMS 19 THROUGH 25 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, AND CARB REPORTS, AND ADOPTING THE POSITIONS ON LEGISLATION AS SET FORTH BELOW BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Pulido, Rutherford (*except as to SB 32 and AB 156 for Item #21*) and Yates.

NOES: Rutherford (*as to SB 32 and AB 156 for Item #21 only*).

ABSENT: Antonovich.

Agenda Item	Recommendation
2015 Legislative Goals and Objectives	Approve
SB 32 (Pavley) California Global Warming Solutions Act of 2006: Emissions Limit	Support with Amendments
AB 156 (Perea) California Global Warming Solutions Act of 2006: Investment Plan	Support

Staff Presentation/Board Discussion

26. Proposed Work Plan for Implementing Office of Environmental Health Hazard Assessment's Revised Air Toxics Hot Spots Program Risk Assessment Guidelines

Susan Nakamura, Director of Strategic Initiatives, gave the staff presentation.

In response to Mayor Yates comment regarding the large volume of material presented to the Board, Dr. Wallerstein noted that matter previously has been presented to the Board at its annual retreat and a Board meeting where general guidance was given to staff. He added that now that the final guidelines have been released, the work plan will undergo stakeholder workshops and review by the Stationary Source Committee.

Supervisor Benoit highlighted a concern in a letter received from the Construction Industry Air Quality Coalition regarding the importance of not adversely impacting small businesses by requiring high expenditures to meet the health risk assessment guidelines, and suggested that a forum be held in Riverside County.

Dr. Wallerstein confirmed that a workshop will be held in each of the four counties.

Dr. Lyou noted a recent report issued by the USC Keck School of Medicine which indicates the air quality improvements over the last 20 years which have resulted in better health of lungs of children and stressed the importance of providing equal protection for all.

The following individuals addressed the Board on Agenda Item 26:

Bill LaMarr, California Small Business Alliance

Noted that the results of the MATES IV study showed a reduction in toxic emissions by businesses; expressed his concern regarding the economic burden that will potentially be placed on small businesses in order to comply with the new guidelines for health risk; and urged for the business community to be included in the outreach effort.

(Supervisor Antonovich arrived at 10:35 a.m.)

Clayton Miller, Construction Industry Air Quality Coalition

Stressed the importance of working with stakeholders including the construction and homebuilding industry, to fully vet the effects of the plan. (Submitted Written Comments)

Written Comments Submitted by:
Pierre Cinar, California Cleaners Association

In response to Chairman Burke's request for clarification regarding the discussions occurring statewide, Dr. Wallerstein noted the need for consistency for businesses that operate in multiple air districts.

Councilman Cacciotti expressed the need to provide the public with accurate and scientifically sound information regarding air quality and health risks.

MOVED BY CACCIOTTI, SECONDED BY
J. BENOIT, AGENDA ITEM 26 APPROVED
AS RECOMMENDED BY STAFF, BY THE
FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit,
Burke, Buscaino, Cacciotti, Lyou,
Mitchell, Nelson, Parker, Pulido,
Rutherford and Yates.

NOES: None.

ABSENT: None.

27. Proposed Comments on U.S. EPA's Proposed Ozone Standard

Dr. Philip Fine, Assistant DEO/Planning, Rules Development and Area Sources, gave the staff presentation.

Mayor Yates suggested that the need for assistance with mobile pollution sources be emphasized in the letter to U.S. EPA.

Dr. Wallerstein indicated that he would work with Mayor Yates to ensure the language in the letter clearly conveys the Board's position.

Supervisor Nelson noted the importance of the District being proactive, but expressed doubt that additional control over mobile sources to meet these standards would be granted.

Dr. Parker proposed attempting to develop a formula to calculate what reductions would be if SCAQMD controlled mobile sources; and suggested alerting legislators to the concerns over this lack of control that will greatly impact the ability to meet the standard.

Supervisor Benoit suggested focusing on lobbying at the state and federal level to further bring light to this issue.

Dr. Burke noted his willingness to work with staff on this effort and invited fellow Board members to participate.

Mayor Pulido requested that the item be agendaized for discussion at an upcoming Board retreat and that staff conduct an analysis of what the impact of others contributing their fair share would be; and suggested forming an Adhoc committee to address these issues.

The following individual addressed the Board on Agenda Item 27:

Jesse Marquez, Coalition for a Safe Environment,

Expressed support for a limit of 60 ppb; and urged the Board to require oil refineries to do more to reduce their emissions.

MOVED BY PULIDO, SECONDED BY
B. BENOIT, AGENDA ITEM 27 APPROVED
AS RECOMMENDED BY STAFF, BY THE
FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit,
Burke, Buscaino, Cacciotti, Lyou,
Mitchell, Nelson, Parker, Pulido
and Yates.

NOES: None.

ABSENT: Rutherford.

PUBLIC HEARINGS

28. Amend Rule 1420.1 – Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities

Susan Nakamura, Director of Strategic Initiatives, gave the staff presentation.

(Mayor Pulido left at 11:30 a.m.)

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

JAVIER ZAVALA, Quemetco employee

RUDY RAMOS, Quemetco employee

JAMES TORRES, Quemetco employee

Explained the efforts they have witnessed by their employer throughout their years of employment, including instituting safety procedures and the use of air pollution control equipment.

FELIPE AGUIRRE, Former Maywood City Councilman
CECELIA MANCIA, South Gate Resident
MIRNA SANCHEZ, South Gate Resident
*RAMYA SIVASUBRAMANIAN, NRDC
MARIA MARTINEZ
*ROBERTO CABRALES, Communities for a Better Environment
TERESA MARQUEZ, MELA
MARTIN SCHLAGETER, Representative for Los Angeles Councilman Jose Huizar
REBECCA OVERMYER-VELAZQUEZ, Clean Air Coalition of North Whittier and Avocado Heights
MARK LOPEZ, East Yard Communities for Environmental Justice
*JANE WILLIAMS, California Communities Against Toxics
JAEL ARZOLA, Maywood Wellness Center
CARLOS JIMENEZ, Maywood Chamber of Commerce

Expressed concern for the exposure to harmful lead emissions in communities surrounding Exide Technologies and Quemetco; detailed instances of asthma and cancer amongst their loved ones; and urged the Board to enact stricter regulations to eliminate all lead emissions. *(Submitted Written Comments)

THOMAS STRANG, Exide Technologies

Noted that Exide is in the process of implementing equipment upgrades to meet the standards that have been set; expressed support for the current proposal for stack and ambient emission reductions; and expressed concern for setting a future limit of 0.003 pound per hour limit for lead. (Submitted Written Comments)

MICHAEL BUCKANTZ, Quemetco, Inc.

Detailed Quemetco's cooperation with past rule implementations; and expressed a commitment to continue to work with staff and provide additional increments of progress for achieving future emission reductions.

Written Comments Submitted by:
Duncan McKee

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

Mayor Yates commented on the claims made in Exide's comment letter that the WESP technology used by Quemetco is not feasible for Exide to utilize, noting that Exide may have to invest in new equipment to meet the 0.003 pounds per hour of lead emissions standard if that standard is adopted at a later date.

Councilmember Mitchell noted that the staff report indicates a relationship between stack emissions and the ambient concentrations and requested that future proposals include analysis of attainment of ambient levels.

In response to concerns by Dr. Lyou and Supervisor Nelson that the standard should be based on public health and not on equipment, Dr. Wallerstein noted that a 0.003 standard is technology neutral and explained that a full analysis will be completed and the resulting staff proposal will contain a range of appropriate options.

In response to Councilmember Cacciotti's question regarding the new guidelines imposed by OEHHA regarding health risk assessment, Dr. Ospital explained that the new guidelines will not affect the lead standard but will affect the cancer risk calculations for lead emissions.

In response to Supervisor Rutherford's inquiries regarding when Exide expects to start operating and why the Board is considering amending the Rule today and again in six months once more data becomes available, Dr. Wallerstein explained that results showing high levels of lead in the soil in communities surrounding Exide have prompted immediate action to further reduce ambient emissions and provide additional environmental protection. Dr. Wallerstein explained that in regards to Exide resuming operations, based on Exide's weekly status reports, that is projected to occur in May or early June; however, they are also subject to comply with requirements from the Department of Toxic Substance Control before operations can begin.

Dr. Lyou proposed an amendment to a section of the Rule that requires the posting of signs to caution against digging before contacting an appropriate representative, to require that those signs be posted in both English and Spanish.

MOVED BY CACCIOTTI, SECONDED BY YATES, AGENDA ITEM NO. 28 APPROVED AS RECOMMENDED BY STAFF, ADOPTING RESOLUTION NO. 15-6 CERTIFYING THE FINAL SUBSEQUENT ENVIRONMENTAL ASSESSMENT FOR PROPOSED AMENDED RULE 1420.1, AND AMENDING RULE 1420.1, WITH THE MODIFICATION TO SUBPARAGRAPH (n)(2)(l)(v) NOTED BELOW, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino Cacciotti, Lyou, Mitchell, Nelson, Parker, and Yates.

NOES: Rutherford.

ABSENT: Pulido.

Modify subparagraph (n)(2)(I)(v) as follows:

“In addition to the phone number, the sign shall also display, in English and Spanish, the following information:...”

29. Annual RECLAIM Audit Report for 2013 Compliance Year

Staff waived the oral presentation on Agenda Item 29.

The public hearing was opened, and there being no requests to speak, the public hearing was closed.

MOVED BY LYOU, SECONDED BY YATES, AGENDA ITEM NO. 29 APPROVED AS RECOMMENDED BY STAFF, BY THE FOLLOWING VOTE:

AYES: Antonovich, B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Lyou, Mitchell, Nelson, Parker, Rutherford and Yates.

NOES: None.

ABSENT: Pulido.

30. Approve and Adopt Technology Advancement Office Clean Fuels Program Annual Report and Plan Update and Resolution and Receive and File Revised Membership of Technology Advancement Advisory Group 

Staff recommended that the public hearing on this item be continued to the April 3, 2015 Board Meeting.

MOVED BY CACCIOTTI, SECONDED BY J. BENOIT, AND UNANIMOUSLY CARRIED (Absent: Pulido) THE PUBLIC HEARING ON THE TECHNOLOGY ADVANCEMENT OFFICE ANNUAL REPORT WAS CONTINUED TO THE APRIL 3, 2015 BOARD MEETING.

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

There was no public comment on non-agenda items.

CLOSED SESSION

The Board recessed to closed session at 12:25 p.m., pursuant to Government Code sections:

- 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The action is:

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

In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);

Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;

In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482 (KJC) (Bankruptcy case);

Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Contra Costa County Superior Court Case No. MSN14-0300 (formerly South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS 143381) (SCIG); and

Petition for Declaratory Order by U.S. Environmental Protection Agency, Surface Transportation Board Docket No. FD 35803 (Railroad Rules) and SCAQMD v STB, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 15-70609 (appeal of STB Decision).

- 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (one case).

Following Closed Session, General Counsel Kurt Wiese announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board and made available upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned by Kurt Wiese at 12:55 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on March 6, 2015.

Respectfully Submitted,

Rosalinda Diaz
Deputy Clerk Transcriber

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AMECS = Advanced Maritime Emissions Control System
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
CNG = Compressed Natural Gas
FY = Fiscal Year
OEHHA = Office of Environmental Health Hazard Assessment
PPB = Parts per billion
U.S. EPA = United States Environmental Protection Agency
WESP = Wet Electrostatic Precipitator