

BOARD MEETING DATE: April 4, 2025

AGENDA NO. 4

**PROPOSAL:** Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for Community Air Monitoring Near Refineries

**SYNOPSIS:** In January 2024, the Board adopted amendments to Rule 1180 which requires oil refineries to fund the installation and operation of fence-line and community air monitoring systems. To implement the amendment, these actions are to transfer and appropriate up to \$2,200,000 from the Rule 1180 Special Revenue Fund (78), appropriate up to \$330,000 from the General Fund Undesignated (Unassigned) to Monitoring and Analysis' FY 2024-25 and/or FY 2025-26 Budget (Org 42), and issue purchase orders and solicitations for air monitoring equipment and liftgate system to implement additional community air monitoring.

**COMMITTEE:** Administrative, March 14, 2025; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Transfer and appropriate up to \$2,200,000 from the Rule 1180 Special Revenue Fund (78) to Monitoring and Analysis' (MAD's) FY 2024-25 and/or 2025-26 Budget (Org 42), Capital Outlays Major Object, as indicated in Table 1;
2. Appropriate up to \$330,000 from the General Fund Undesignated (Unassigned) Fund Balance for Rule 1180 community air monitoring activities to Monitoring and Analysis' FY 2024-25 and/or 2025-26 Budget (Org 42), Capital Outlays Major Object (up to \$50,000) and Services and Supplies (up to \$280,000), as indicated in Tables 1 and 2;
3. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders for the following items, as listed in Tables 1 and 2 and as described in this Board letter:
  - a. Up to ten multi-metal monitors, including training, installation, annual consumables, and accessories from SailBri Cooper, Inc. (SailBri Cooper) in an amount not to exceed \$1,800,000 (Table 1);
  - b. Consumable supplies from Tricorntech Corporation (Tricorntech) for automated gas chromatography (auto-GC) systems at Rule 1180 community air monitoring stations in an amount not to exceed \$200,000 (Table 2);
  - c. Quality assurance services from Tricorntech for validating data from auto-GC systems in an amount not to exceed \$80,000 (Table 2); and

4. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue solicitations and based on the results of these solicitations, execute purchase orders for the following items, as listed in Table 1 and as described in this Board letter:
  - a. Up to ten particulate matter (PM2.5 and PM10) monitors, including annual consumables and accessories, in an amount not to exceed \$400,000; and
  - b. Up to two liftgate systems, to outfit existing South Coast AQMD vehicles, in an amount not to exceed \$50,000.

Wayne Natri  
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 refineries in the South Coast Air Basin (Basin) to measure the ambient levels of various air pollutants at their fenceline, and notify the public if the concentration of any measured pollutant is above pre-determined threshold levels. Rule 1180 also establishes a fee schedule for the refineries to fund the installation, operation, and maintenance of community air monitoring stations that are operated by South Coast AQMD to provide air quality information and notifications to the public. The seven major refineries are:

- 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), auto-GC, 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.

Beginning January 2020, pursuant to Rule 301 - Permitting and Associated Fees, the refineries have also started funding annual operating and maintenance costs totaling

over \$4.6 million in FY 2024-25 for refinery-related community air monitoring programs near the following facilities.

In January 2024, the Board approved amendments to Rule 1180 that require fenceline monitoring of air toxic metals and particulate matter (PM2.5 and PM10). The January amendments to Rule 1180 also established fee schedules to fund air toxic metals and particulate matter monitoring at existing community sites near the seven major refineries. In October 2024, the Board recognized revenue of \$3,765,960 from the seven major refineries into the Rule 1180 Special Revenue Fund (78) for the implementation of these additional monitoring requirements.

### **Proposal**

Staff is proposing to purchase monitors for air toxic metals and PM to deploy at the ten existing Rule 1180 community air monitoring stations located near the major refineries. Additionally, staff is proposing to purchase annual consumables supplies and quality assurance services for the auto-GC systems currently installed at these sites and also two liftgate systems to assist in transporting heavy equipment to air monitoring stations for maintenance and quality assurance activities. To this end, these actions are to transfer and appropriate up to \$2,200,000 from the Rule 1180 Special Revenue Fund (78) into MAD's FY 2024-25 and/or 2025-26 Budgets (Org 42), Capital Outlays Major Object to commence monitoring for metals, PM2.5, and PM10 at Rule 1180 community air monitoring sites, as indicated in Table 1; appropriate up to \$330,000 from the General Fund Undesignated (Unassigned) Fund Balance into MAD's FY 2024-25 and/or 2025-26 Budgets (Org 42), Capital Outlays and Services and Supplies Major Object to implement the Rule 1180 community air monitoring program, for equipment and services identified in Tables 1 and 2; and authorize the Procurement Manager to issue purchase orders and solicitations for equipment and services, as described below and listed in Tables 1 and 2. As the community air monitoring plans for Rule 1180 amendments are further developed, staff will request Board approval for additional transfers and appropriations from Rule 1180 Special Revenue Fund (78), and purchases for Capital Outlays and Services and Supplies.

### Proposed Purchase through Sole Source

#### *Multi-Metal Monitors*

Ten multi-metal monitors will be installed at the existing Rule 1180 community air monitoring stations near the seven refineries to provide continuous measurements of air toxic metals. Multi-metal monitors manufactured by SailBri Cooper have already been deployed by South Coast AQMD in multiple communities under the AB 617 program and for other similar programs. Staff has conducted extensive testing of these instruments, and established the procedures for data integration into South Coast AQMD's data management system. Additionally, SailBri Cooper offers specialized software for automated data quality assurance/quality control (QA/QC) that are essential to satisfy Rule 1180 requirements for providing air monitoring data to the public in

near-real-time. These instruments meet all air monitoring requirements for the Rule 1180 program. Therefore, this action is to authorize the Procurement Manager to issue a sole source purchase order with SailBri Cooper for the purchase of up to ten multi-metal monitors, including associated equipment, annual consumables, training, and installation. The cost of this purchase will not exceed \$1,800,000, as listed in Table 1.

#### *Consumable Supplies and Data Quality Assurance Services*

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. These consumables and routine maintenance components are required to ensure routine uninterrupted performance of all auto-GC systems currently in operation. Additionally, data QA service is required to ensure the validity and accuracy of the data generated by the auto-GC systems. Tricorntech is the sole source provider of all these items due to the use of proprietary technology and the vendor's unique expertise. The cost of consumable supplies and data QA services from Tricorntech annually will not exceed \$200,000, and \$80,000, respectively, as listed in Table 2.

#### Proposed Purchase through Solicitation

##### *PM2.5 and PM10 Monitors*

Continuous air monitors for PM2.5 and PM10 simultaneous measurements will be installed at the ten existing Rule 1180 community air monitoring stations near the seven major refineries. This action is to issue a solicitation for up to ten PM monitors, (capable of measuring PM2.5 and PM10 simultaneously) including annual consumables and accessories. This action is to also execute a purchase order for an amount not to exceed \$400,000, based on the results of the solicitation, as listed in Table 1.

##### *Liftgate System for Vehicles*

The Rule 1180 community air monitoring network consists of dozens of novel optical remote sensing and traditional analyzers, and other supporting equipment. Operation, maintenance, and QA activities of these analyzers often require transport of heavy equipment. This action is to issue a solicitation to outfit two District vehicles with liftgates to assist in transporting heavy equipment. This action is to also execute a purchase order for an amount not to exceed \$50,000, based on the results of the solicitation, as listed in Table 1.

#### **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 SailBri Cooper and Tricorntech 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 this equipment, supplies, software, and services that

fully meet all required specifications to satisfy Rule 1180 air monitoring requirements, and that are compatible with existing specialized equipment already in operation.

**Benefits to South Coast AQMD**

The monitoring equipment and services in Table 1 and 2 are needed to fulfill implementation of recent fenceline and community monitoring requirements for recent amendments to Rule 1180. The monitoring data will inform communities and people working near refineries and related facilities of potential emissions and when concentrations of pollutants exceed a specified level. This information is also beneficial to the South Coast AQMD and the refineries when there are elevated levels of pollutants which to expedite actions to mitigate these potential emissions.

**Resource Impacts**

Payments required from petroleum refineries under Rule 1180 will provide sufficient funding to commence additional community air monitoring. The Rule 1180 annual fees will provide resources for ongoing community air monitoring operation and maintenance. Sufficient funding is available in the Rule 1180 Special Revenue Fund and Undesignated (Unassigned) Fund Balance from the Rule 1180 prior year’s budget savings to fund the equipment and activities outlined in this Board letter.

**Table 1  
FY 2024-25 and/or 2025-26  
Proposed Capital Outlays Expenditures for Rule 1180\***

<b>Description</b>	<b>Qty</b>	<b>Appropriation from Prior Year’s Budget Savings</b>	<b>Appropriation from Fund 78</b>	<b>Procurement Method</b>
Multi-Metal Monitors	Up to 10		\$1,800,000	Sole Source
PM2.5 and PM10 Monitors	Up to 10		\$400,000	Solicitation followed by Purchase Order
Liftgate System for Vehicles	Up to 2	\$50,000		Solicitation followed by Purchase Order
<b>Total</b>		<b>Up to \$50,000</b>	Up to \$2,200,000	

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

**Table 2**  
**FY 2024-25 and/or FY 2025-26**  
**Proposed Services and Supplies Expenditures for Rule 1180\***

Description	Appropriation from Prior Years Budget Savings	Procurement Method
Consumable Supplies for Automated Gas Chromatography Systems	\$200,000	Sole Source
Quality Assurance Services for Automated Gas Chromatography Systems	\$80,000	Sole Source
<b>Total</b>	<b>Up to \$280,000</b>	

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