

BOARD MEETING DATE: January 6, 2017

AGENDA NO. 14

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met on Friday, December 9, 2016. The Committee discussed various issues detailed in the Committee report. The next Administrative Committee meeting is scheduled for Friday, January 13, 2017 at 10:00 a.m. This report also seeks approval of the 2017 Legislative Goals & Objectives

RECOMMENDED ACTIONS:

Receive and file this report, and approve the 2017 Legislative Goals & Objectives.

Dr. William A. Burke, Chair
Administrative Committee

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Attendance: Attending the December 9, 2016 meeting at SCAQMD Headquarters were Committee Vice Chair Ben Benoit and Committee Member Judith Mitchell. Chair Dr. William A. Burke and Committee Member Dr. Clark E. Parker, Sr. attended via videoconference.

Executive Officer Wayne Nastri presented an award from the American Public Works Association (APWA) - Southern California Chapter - Coachella Valley Branch, which was accepted by Councilmember Ben Benoit on behalf of Supervisor John Benoit, in recognition of Supervisor Benoit's work in the development of paving of a mobile home park in the Eastern Coachella Valley, utilizing AB 1318 mitigation fee funds. Upon acceptance of the award, Councilmember Benoit commented that this award had a deep meaning due to the history of the property, and the commitment and effort involved.

ACTION/DISCUSSION ITEMS:

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** As noted on the travel report, Councilmember Mitchell attended the monthly CARB Board meeting in Sacramento, December 7, 2016 and will be attending the CARB Board meeting in Sacramento, January 26-27, 2017 as well. In addition, Dr. Joe Lyou will be speaking at the National Academy of Sciences Transportation Research Board's annual meeting in Washington, D.C., January 8-11, 2017.
3. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** None to report.
4. **Report of Approved Out-of-Country Travel:** None to report.
5. **Authorize Purchase of Network Core Equipment, Installation and Maintenance Services:** Deputy Executive Officer/Chief Administrative Officer Michael O'Kelly reported that this item is to purchase network core equipment, installation and maintenance services, in the amount of \$217,000. This equipment enables the internal flow of electronic information within the building; the existing equipment is 16 years old and outdated.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

6. **Adopt Resolution Approving Establishment of IRS-approved Section 401(a) Money Purchase Plan and Approval of Administrative Service Provider:** Mr. O'Kelly reported that this item is to establish an Internal Revenue Section 401(a) Money Purchase Plan which is a deferred compensation plan similar to a 457 plan, as well as to execute an agreement with MassMutual as MassMutual currently provides administrative services for the SCAQMD's 457 plan. This is a no-cost item as the cost of the service agreement is paid for by contributions that are made by the participants. Councilmember Judith Mitchell inquired since the plan will be utilized by the Executive Officer at this time and can be implemented for others at a later time, would it require a vote by the Board and a new resolution? General Counsel Kurt Wiese responded yes. Councilmember Mitchell inquired why would a 401(a) program be utilized along with a 457 program? Mr. O'Kelly responded it is at no-cost to the SCAQMD, and it provides additional tax deferral opportunities for an employee to defer, pre-tax

income at a greater amount, by freeing up \$24,000 from the available cap in the 457 plan. Councilmember Mitchell inquired is there a cap on 457 contributions? Mr. O’Kelly responded yes. Dr. Clark E. Parker, Sr. inquired would this be considered discriminatory if other employees cannot participate in the 401(a) program? Mr. Wiese responded that the program is applicable for the Executive Officer and potentially other executive and managerial employees at the SCAQMD due to their contributions to the 457 program being matched; therefore, it is not a program that will function for the majority of SCAQMD employees.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

7. **Appropriate Funds and Authorize Amending/Initiating Contracts with Outside Counsel and Specialized Legal Counsel and Services:** Kurt Wiese reported that this item is to request \$500,000 to be used for outside counsel with expertise in environmental litigation for environmental litigation matters. The major lawsuits include litigation with SoCal Gas, the lawsuit filed by outside groups challenging the Board’s recent actions on RECLAIM and more recently, the Torrance Refinery litigation. Dr. Burke inquired how much cost is focused on RECLAIM? Mr. Wiese responded approximately \$115,000 has been spent on RECLAIM to date. In addition, briefs on RECLAIM will be forthcoming and will result in a major expense in litigation, with a third of the requested \$500,000 being utilized. Dr. Burke inquired how much money is being spent for the Gas Company item? Mr. Wiese responded to date, \$185,000. A court hearing has been scheduled with regard to the health study that the Gas Company committed to do and then changed course, which may require a third of the \$500,000 to get through the proceeding. Dr. Burke commented the money that has been already spent and the money that will be spent on the Gas Company litigation will total \$600,000; Mr. Wiese concurred. Dr. Parker inquired how much are the fines that are being sought? Dr. Burke clarified that this item is in reference to a health study. Dr. Burke inquired how much should a health study cost? Mr. Wiese responded it will cost significantly more than the amount that has been spent. There is no hard number available yet on the health study, but it could be in the tens of millions of dollars. Dr. Burke commented that his understanding is that the Gas Company would like a health study, but doesn’t want a 10-year health study. Mr. Wiese responded that the Gas Company is willing to fund a Health Risk Assessment. Dr. Burke inquired what is the cost of a Health Risk Assessment? Mr. Wiese responded a Health Risk Assessment is approximately a few hundred thousand dollars. The \$185,000 that has been expended on outside

attorney fees has also been used for litigation in the civil penalty matter. Dr. Burke inquired how much is being sought after in civil penalties? Mr. Wiese responded approximately \$50 million. Dr. Burke inquired how much would the SCAQMD really get? Mr. Wiese responded that the penalty monies go into the General Fund and the monies to pay for outside Counsel's legal fees come out of the General Fund, which is budgeted at about \$4.5 million annually for penalty recovery, but most often exceed the \$4.5 million. Dr. Burke inquired who makes the determination on the health study's specifics? . Deputy Executive Officer/Planning, Rule Development & Area Sources Dr. Philip Fine responded that a panel of experts have been convened, made up of other agencies, as well as academic groups, and the SCAQMD has an expert under contract to help develop the scope and cost of the health study. Dr. Burke commented that they are in a lawsuit to get money for something that the SCAQMD hasn't defined. Dr. Burke inquired who made the determination of who the outside counsel expert will be? Dr. Fine responded there were already two outside health experts under contract during the transition of the previous Health Effects Officer; therefore, existing contractors have been used for input on various matters, including the health study. One of the existing contractors is Dr. Michael Kleinman of the University of California Irvine, who has been a long-time researcher in toxicology and air pollution, a member on a number of State boards and panels, including OEHHA's Scientific Review Panel, and he is well qualified.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke
Noes: None
Absent: None

8. **Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2016-17:** Assistant Deputy Executive Officer/Information Management Chris Marlia reported that this item is a standard item brought to the Board twice a year which reports on the Information Management projects. The three projects include the Network Core Switch and Router Replacement; Information Technology Review; and Systems Schedule Development, Maintenance and Support. Dr. Parker inquired about the status of the website update. Mr. Marlia responded that the contractor is concluding the development of the homepage and the functionality of the homepage should be completed sometime this month. The templates for the secondary pages will be done in January and will be demonstrated at the Administrative Committee. In February or March, the content migration will take place. Councilmember Benoit inquired about incorporating the GIS functionality as far as finding permittees? Mr. Marlia responded that the GIS contract was created to look at GIS capabilities and that report is due by the end of December, and any GIS

work after that will integrate with the new web design. Councilmember Mitchell commented it would be useful if there could be a status report on ongoing Information Management projects. Mr. Marlia responded that additional details of ongoing projects can be provided.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Mitchell, Dr. Parker, Dr. Burke

Noes: None

Absent: None

9. **Local Government & Small Business Assistance Advisory Group Minutes for the October 14, 2016 Meeting:** Mr. Alatorre reported this is a written report.
10. **Environmental Justice Advisory Group Draft Minutes for the October 28, 2016 Meeting:** Mr. Alatorre reported this is a written report.
11. **Review January 6, 2017 Governing Board Agenda:** None to report.
12. **Other Business:** None to report.
13. **Public Comment:** Bill LaMarr commented that he didn't see anything on the Information Management Project list for converting to an e-permitting system. Mr. Marlia responded that the e-permitting system project is in progress.

Meeting adjourned at 10:46 a.m.

Attachments

1. 2017 Legislative Goals & Objectives¹
2. Local Government & Small Business Assistance Advisory Group Minutes for the October 14, 2016 Meeting
3. Environmental Justice Advisory Group Draft Minutes for the October 28, 2016 Meeting

¹ *This item was heard, amended and unanimously approved at the November 18, 2016 Administrative Committee meeting. This item was held over from the December 2, 2016 Board meeting because it was erroneously not attached to the Administrative Committee Report and is being presented to the full Board for approval.*



South Coast Air Quality Management District



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

SCAQMD's State Legislative Goals & Objectives for 2017

The following goals and objectives are identified to facilitate attainment of clean air standards within the South Coast region by statutory deadlines, while working with and serving as a resource to Sacramento legislators; federal, state, and local agencies; business, environmental and community groups; and other stakeholders:

Air Quality Funding

Increase existing and identify new funding sources for clean air programs that protect public health and ensure attainment of state and federal air quality standards, particularly incentive programs and research and development projects that support the 2016 Air Quality Management Plan (AQMP) and create opportunities to partner with local businesses, communities and residents.

SCAQMD Authority / Policy Implementation

Ensure adequate SCAQMD authority for implementation of the Board's clean air policies and programs, as required by state and federal law, including the 2016 AQMP.

State Support

Work to ensure that the state government does its fair share to reduce air pollution in order for the South Coast Air Basin region to meet national ambient air quality standards, and provides legislative support to SCAQMD to implement the 2016 AQMP and attain federal ozone and particulate matter standards by upcoming federal deadlines.

Environmental Justice

Support legislation and funding to promote environmental justice initiatives that: reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions, develop and expand access to clean air technology that directly benefits disproportionately impacted communities, and enhance community participation in decision-making.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation consistent with Board policy. In particular, support efforts directing that Greenhouse Gas Reduction Fund investments maximize criteria and toxics emission reduction co-benefits, promote near-zero and zero-emission vehicles, and address air quality and public health impacts.

Clean Energy

Support legislation that advances the Board’s Energy Policy which promotes reliable, cost effective and clean energy for all consumers in the District while facilitating attainment of clean air standards and support for a healthy economy. In particular, support policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles.

Business/Jobs Climate

Support legislation, policies and/or administrative actions that protect and encourage job retention and creation and promote economic growth, while working toward attainment of clean air standards; and that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner.

Surface Transportation & Goods Movement

Support and expand air quality policy and funding considerations regarding the implementation of state and federal surface transportation and goods movement policies and programs, including those relating to the FAST Act.

Salton Sea

In conjunction with the Imperial County Air Pollution Control District and other stakeholders, work on legislation mitigating the Salton Sea’s potential for increased emissions as well as its potential to generate renewable energy.



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SCAQMD's Federal Legislative Goals & Objectives for 2017

The following goals and objectives are identified to facilitate attainment of federal clean air standards within the South Coast region by statutory deadlines, while working with Congress, the White House, federal, state and local agencies, business, environmental and community groups, and other stakeholders:

Federal Support

Work to ensure that the federal government do its fair share to reduce air pollution by either providing funding or regulatory authority adequate for the South Coast Air Quality Management District (SCAQMD) to implement the 2016 Air Quality Management Plan (AQMP) and attain federal ozone and particulate matter standards by upcoming federal deadlines.

Technology Advancement

Maintain and/or expand funding opportunities for advanced clean technologies and clean air research, development, demonstration and deployment programs, including those related to:

- Zero and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies), clean fuels and refueling technologies and infrastructure;
- Clean energy sources;
- Implementation of Board-approved Air Quality Management Plan (AQMP); and

Marine Vessels

Pursue legislative and/or administrative policies that will further reduce marine vessel emissions and will ensure, through regulatory and/or incentive-based policies that the cleanest vessels come to U.S. ports.

Surface Transportation & Goods Movement

Enhance the provisions of surface transportation legislation to better include air quality considerations, particularly with respect to goods movement and energy issues.

Locomotives

Pursue efforts to reduce locomotive emissions, through regulatory and/or incentive-based policies.

Reduction of Toxic Emissions

Expand funding under the Diesel Emission Reduction Act (DERA), and through other legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Environmental Justice

Support legislation which promotes environmental justice initiatives that will reduce localized health risks, develop clean air technologies that directly benefit disproportionately impacted communities, and enhance community participation in decision-making.

Business/Jobs Climate

Support legislation, policies or administrative actions that support and assist the regulated community to comply with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.

Clean Air Act

Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA) and extend or enhance SCAQMD's subvention funding under CAA Sections 103 and 105.

National Ambient Air Quality Standards and SIP

Support policies, legislation and/or administrative efforts that protect science-driven and health-based determinations of national ambient air quality standards; and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, to promote co-benefits with NAAQS and air toxics reduction, consistent with the Board's policy.

New Source Review Offsets

Modernize federal New Source Review offset requirements for areas where the supply of offsets is inadequate, while furthering the pursuit of clean air objectives.



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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY OCTOBER 14, 2016 MEETING MINUTES

MEMBERS PRESENT:

Ben Benoit, Council Member, City of Wildomar and LGSBA Chairman
Janice Rutherford, Supervisor, Second District, San Bernardino County
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Todd Campbell, Clean Fuels
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Cynthia Moran, Council Member, City of Chino Hills
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Felipe Aguirre
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Maria Elena Kennedy, Kennedy Communications

OTHERS PRESENT:

Andrew Silva, Board Member Consultant (*Rutherford*)
Mark Taylor, Board Member Consultant (*Rutherford*)

SCAQMD STAFF:

Derrick Alatorre, DEO/Public Advisor
Laki Tisopulos, DEO
Philip M. Fine, DEO
Nicholas Sanchez Deputy District Counsel
William Sanchez, Sr. Public Affairs Manager
Philip Crabbe, Community Relations Manager
Elaine-Joy Hills, AQ Inspector II
Daniela Arellano, Sr. Public Information Specialist
Julie Franco, Sr. Administration Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Council Member Ben Benoit called the meeting to order at 11:31 a.m.

Agenda Item #2 – Approval of September 9, 2016 Meeting Minutes

Chair Benoit called for approval of the September 9, 2016 meeting minutes. The Minutes were approved unanimously.

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

Mr. Derrick Alatorre advised the group of the following action items:

***Action Item:** Connie Day to provide a copy of the previous presentation to the LGSBA Committee on AB1318 Mitigation Update Fund.*

A copy of the presentation was available on the table for members.

***Action Item:** Place an agenda item on how Cap and Trade works.*

Staff is working with Aaron Katzenstein, and this item will be agenzized for the November meeting.

***Action Item:** Committee Member John Dewitt (who was not present at the meeting) sent a request that he be sent follow up notes on Agenda Items 3, 4 (including the progress), 5 and 6.*

Mr. DeWitt be provided with notes on the items he requested.

***Action Item:** Committee Member John Dewitt also asked how the AQMP is going to impact any permit delays and do we have an estimate time for the program.*

Staff will respond back to Mr. DeWitt with a response to his question.

Ms. Daniela Arellano, Senior Public Information Specialist, announced the upcoming Environmental Justice (EJ) Conference, which will be held on November 16th in Downtown Los Angeles. We will have keynote speakers, and breakout sessions where individuals will discuss different issues related to Environmental Justice. Informational flyers were left for the advisory group members. .

Mr. Paul Avila inquired about the event in Indio and asked that Ms. Arellano elaborate on it. Ms. Arellano said that on October 26th there will be an Environmental Justice Community Partnership event. This program was initiated in 2015 as a way to solidify our relationships with environmental justice communities and stakeholders. At this meeting they will be recognizing individuals and leaders for their environmental justice work in that community.

Mr. Bill LaMarr offered to post this information on their website.

Agenda Item #4 – Permit Backlog Reduction Plan

Dr. Laki Tisopulos presented a briefing on the Draft Action Plan to eliminate the permit backlog.

Mr. Avila asked what is the cause of the backlog. Dr. Tisopulos replied there are 7,300 permits sitting, some are aged. These contribute to the issues, but are not the only factors. There are some legitimate reasons why we have bottlenecks, and there are some regulatory reasons why some permits take longer to process than usual which we have little control over. For instance, a permit should be processed within 180 days, but if the permit triggers CEQA analysis, HRA modeling, if it's a multi-year power plant or more complex refinery project, it is quite likely that it may take longer. There are a number of areas that we can improve upon, such as the high vacancy rate, which we have been doing. The computer system that we use is fairly old and needs to be updated, and we have efficiencies that we can implement to speed up processing.

Ms. Rita Loof reiterated comments she made at the Permit Streamlining Task Force meeting. She wanted to bring to staff's attention the 6,000 applications coming in, which is where something like Rule 219 can address where it can reduce the inflow. Ms. Loof echoed the comments that Supervisor

Rutherford made at the Board meeting regarding the Bay Area AQMD position that they are not sweating the small stuff. She believes that there is a lot items that can be addressed through Rule 219. Dr. Tisopulos agreed, and stated it was a very valuable feedback. Dr. Tisopulos further stated that often we can get hung-up on minor issues, it takes change, and slowly but surely we will get there.

Mr. Avila suggested, on the simpler permit applications, to try to keep the same people there, the permittee has a contact and doesn't get lost in a black hole. Dr. Tisopulos commended the suggestion, and indicated that it is something the District will be investing in, we are aware we have an aging workforce, and losing experienced engineers in not too distance future. Therefore, the challenge is how we bring people in, and do the knowledge transfer before it gets lost.

Mr. Avila asked if permits are the majority of money generated for the District. Dr. Tisopulos replied there are three sources of revenues here at the District, permits comprise approximately 20-25%, with another 25% from annual renewals, and about 25% comes from the emissions fees collected. A small fraction comes from Federal and State grants. The permit fees covers almost two thirds of our revenue.

Ms. Loof inquired if the Permit Processing Handbook will include the engineering memos that are usually part of the policymaking of the engineering department. Dr. Tisopulos addressed Ms. Loof's previous comment regarding Rule 219 and 222, that these rules can be one of the streamlining avenues to simplify the process. If we have new policies for internal staff, new templates, computer programs, including the handbook, these can be posted in a public domain rather than it being in-house documents.

Mr. Geoff Blake informed staff that there is software for project management, time and billing. Mr. Blake indicated a big hold up are questions that may be asked by the engineer. The process of providing responses can take two to three weeks. Dr. Tisopulos agreed, stating these are real issues we are confronted with, and information exchange is the key bottleneck that needs to be resolved.

Mr. LaMarr commented regarding the decline in emissions fees, leveling of permit fees, and the question of whether the District is recovering cost for the permit fees. Mr. LaMarr asked if applicants who pay expedited fees for their permits are entitled to a refund for paying these services. Dr. Tisopulos replied the expedited process is something we acknowledge in the plan, and the program may be redesigned to include timeframes by which we commit to issuing the permit. As numbers go down, engineers process less, and there will not be a need for expediting. Dr. Tisopulos indicated that if staff cannot issue a permit within a set timeframe for reasons beyond our control, the applicant is entitled to a refund. Mr. Alatorre added if the applicant does not feel comfortable going to the engineer, the applicant can go to the Public Advisor's office and we can work it out that way.

Mr. David Rothbart shared his experience regarding inconsistency between interpretations from one permit writer to the next permit writer. The most basic thing to get the most bang out of your buck with what you have now is to somehow eliminate the haggling over permit conditions, to have some way of knowing what you're going to get when you say you want. Dr. Tisopulos agreed with Mr. Rothbart, and further indicated that this is a reason why we emphasize developing computer programs or tools that can generate these permit conditions automatically, and have a standardized system.

Mr. LaMarr indicated that Mr. Amir Dejbakhsh and Dr. Tisopulos intend to focus on some rules to see if certain equipment could be removed out of those rules and placed into Rules 219 or 222, where equipment would not require a permit or only registration. Mr. LaMarr asked why it would take six months to process a permit. Dr. Tisopulos replied it should not take that long if the permit is simple,

which is why he wants to develop a program. What complicates things is if a particular equipment triggers new source review, which requires Best Available Control Technology (BACT) installation, and emission reduction credits from zero pounds. There are other factors that can be triggered such as CEQA or if a facility is near a school. Moreover, Dr. Tisopulos explained that the 7,700 permits issued are a variety of permits, they are not all new businesses, many are change of conditions, or permit amendments for existing businesses.

Ms. Loof inquired whether there was information on the website regarding Title V audit, or if details about EPA's findings can be obtained. Dr. Tisopulos replied that he can share that information, and indicated that the District has been tasked to develop an implementation plan to address the issues brought up. He further stated that staff will share this information to the Stationary Source Committee.

Agenda Item #5 – Update on Release of 2016 AQMP

Dr. Philip M. Fine provided an update on comments received thus far from stakeholders on the Draft 2016 AQMP that was released on June 30, 2016.

Mr. Todd Campbell asked to identify which specific technologies allowed the elimination of the black box. Dr. Fine responded that the best example are the recent developments in heavy-duty, on-road engines for trucks. We do know that there is one engine that has been certified, medium-sized engine for 0.02 gram per brake horsepower hour standard, which is 90% cleaner than the current standard for heavy-duty trucks. We think within a year or two those engines will be available across the board on the heavy-duty side, and that technology is natural gas. There are promising signs that diesel engines will get close to that. Mr. Campbell further inquired about zero emission strategies. Dr. Fine indicated that what staff proposed in the plan is to look at zero emission technologies wherever it is cost effective and feasible, and timely enough to allow us to meet our standards. Where it is not available, not cost effective, we would need near zero, ultra-low NOx.

Mr. David Rothbart inquired about the subject of fair share, asked when attainment is not reached how will it fall back upon the District, and where will it end up legally since the District does not have the authority to do what needs to be done. Dr. Fine indicated that it has been thought about in current and previous plans and staff is open to suggestions. He further stated that there is no alternative other than to rely on those with the authority to get the reductions that is needed and SCAQMD does have authority in some areas. At the end of the day, the State is committing to the emission reductions necessary to reach attainment. The way EPA deals with their share is a much more complicated issue. If we do not have an approvable plan, sanctions hit, and one of the sanctions is that the Federal government develops their own plan and implements it very quickly.

Mr. Avila asked if a business has a significant reduction, is there a proportion amount of incentive if the business comes under, on a sliding scale to reduce the permit cost. Dr. Tisopulos responded that, in theory, the permit cost is directly proportional to the amount of time it takes to process a permit, and the short answer is no. However, since it is air pollution control equipment, perhaps these are the types of applications that should be prioritized in processing. Ms. Jill Whynot added that the other incentive for permitted equipment is if you can switch to something that does not require a permit, in either Rule 222, Rule 219, or that is completely zero emitting.

Mr. Campbell asked if 80% of the problem is mobile sources, would it be fair to assume that the billion dollars needed per year, or the total amount of money that you need is somewhere around 90% for mobile sources. Dr. Fine specified that it is estimated that 12 out of the 14 would be needed for mobile

sources. We have identified in the plan a few areas where cost effective incentives can be applied to stationary sources, roughly about one to two billion dollars on the stationary source side.

Mr. Campbell addressed his concerns regarding prioritizing zero emissions strategies, and as a default going to near zero emissions strategies. Mr. Campbell discussed the issues with CARB's prioritization with capital funding, and mentioned development of pilot programs and demonstrations that are nowhere near commercialization. Mr. Campbell indicated the importance of getting to zero emissions; however, given the timeline that the District has, he believes that the District is well behind. Mr. Campbell expressed his concerns regarding incremental costs for near zero and fuel cell vehicles, and estimated that we would be 72,000 vehicles short with the most cost effective approach. Mr. Campbell voiced his concerns regarding money spent on "dream" technology, the possibility of failure and burdens falling on the District. He believes we need coordination with other air districts. Dr. Fine indicated that there are no plans to go to 0.02 unless there is a regulatory requirement to do so. He further stated that when we talk about how and where to spend the money, what's cost effective and feasible, there is a cost element to it, emission reduction element and timing element to it. In the near term, we want to spend the money as cost effectively as possible to meet the near term goal.

Mr. LaMarr concurred with Mr. Campbell's comments and further pointed out that the District would have to convince businesses to use the new technology that would address lowering emissions. Dr. Fine replied that staff recognizes the challenges in promoting new technology, the outreach required, and technology demonstration.

Agenda Item #6 – Update on Governor's Final Action on 2015/16 Legislation

Due to time constricts, this item was continued to the next LGSBA meeting.

Agenda Item #7 – Monthly Report on Small Business Assistant Activities

No comments.

Agenda Item #8 – Other Business

No comments.

Agenda Item #9 – Public Comment

Mr. Avila said that he enjoyed the efficiency of the Riverside Convention Center for this year's Clean Air Awards as opposed to the event being held at the Biltmore Hotel. Chair Benoit commented that it was a nice area and easy to get to for him.

Adjournment

The meeting adjourned at 1:14 p.m.

**ENVIRONMENTAL JUSTICE ADVISORY GROUP
FRIDAY, OCTOBER 28, 2016
MEETING MINUTES**

MEMBERS PRESENT:

Angelo Logan, East Yard Communities for Environmental Justice/Urban and Environmental Policy Institute, Occidental College
Daniel Morales, National Alliance for Human Rights
Dr. Afif El-Hasan, American Lung Association
Dr. Jill Johnston, University of Southern California
Larry Beeson, Loma Linda University, School of Public Health
Manuel Arredondo, Coachella Valley School District, Retiree
Mary Figueroa, Riverside Community College
Dr. Monique Hernandez, California State University, Los Angeles
Myron Hale, SLMQM
Paul Choe, Korean Drycleaners & Laundry Association
Rafael Yanez, Member of the Public
Rhetta Alexander, Valley Interfaith Council
Suzanne Bilodeau, Knott's Berry Farm

MEMBERS ABSENT:

Dr. Joseph Lyou, SCAQMD Governing Board, EJAG Chairman
Arnold Butler, Inglewood Unified School District Board
Brenda Threatt, First African Methodist Episcopal (AME) Church
Evelyn Knight, Long Beach Economic Development Commission
Judy Bergstresser, Member of the Public
Lizette Navarrete, University of California, Riverside
Maria Elena Kennedy, Quail Valley Task Force
Micah Ali, Compton Unified School District
Pastor Raymond Turner
Pat Kennedy, Greater Long Beach Interfaith Community Organization
William Nelson, OC Signature Properties
Woodie Rucker-Hughes, NAACP - Riverside Branch

OTHERS PRESENT

Alycia Enciso, Small Business Owner, San Bernardino
Mark Abramowitz, Governing Board Consultant to Dr. Lyou

SCAQMD STAFF

Jill Whynot, Chief Operating Officer
Derrick Alatorre, Deputy Executive Officer
Fred Minassian, Assistant Deputy Executive Officer
Henry Hogo, Assistant Deputy Executive Officer
Angela Garcia, Office Assistant
Daniela Arellano, Senior Public Information Specialist
Daphne Hsu, Senior Deputy District Counsel
Dean Saito, Fleet Rule Implementation Manager
Marc Carrel, Program Supervisor
Michael Krause, Planning & Rules Manager
Nicholas Sanchez, Sr. Deputy District Counsel

Agenda Item #1: Call to Order/Opening Remarks

In Dr. Joseph Lyou's absence, Mr. Derrick Alatorre called the Environmental Justice Advisory Group meeting to order at 12:07 PM.

Agenda Item #2: Approval of July 29, 2016 Meeting Minutes

Ms. Rhetta Alexander referred to Agenda Item #6 and requested 1) EJAG endorse the principles outlined in the letter 2) Indicate in the minutes that a copy of the letter was shared with all members on that day.

Action Item: Mr. Derrick Alatorre will check with Legal Counsel to determine if EJAG is able to endorse the principles outlined in the letter.

With the change, the motion was to approve the minutes with no objection. The agenda was approved.

Agenda Item #3: Review of Follow-Up/Action Items

Mr. Derrick Alatorre reviewed the action items requested during the July 29, 2016 meeting.

1. **Action Item:** Share applicants' demographic information with EJAG members, regarding the Replace Your Ride Program.
 - Mr. Henry Hogo shared program and demographic information with EJAG members during the meeting.

Agenda Item #4: Member Updates

No member updates were delivered.

Agenda Item #5: 2016 Air Quality Management Plan (AQMP)

Mr. Michael Krause presented on the 2016 Air Quality Management Plan.

Mr. Yanez inquired about the effect that natural gas, methane and other emissions will have on how the AQMP achieves its goals, considering the possibility that the cap and trade program may be eliminated. Mr. Henry Hogo explained how the AQMP focuses on ozone issues related to hydrocarbons and nitrogen oxides, as opposed to climate change. He added that the decisions on the cap and trade program will be made by legislators as opposed to SCAQMD. Mr. Yanez also asked how SCAQMD will address pollution from diesel backup generators. Mr. Hogo

explained how SCAQMD's goal is to incentivize people to purchase newer, cleaner models instead of older ones, while addressing rulemaking. Mr. Yanez expressed his concern with the increased truck traffic in the inland areas and believes the Port areas get most of the funding for mitigation projects. He emphasized the importance of partnerships as a way to find solutions.

Mr. Logan expressed his concern with not achieving the air quality standards and the health effect it could have on people. Mr. Hogo then explained how rule making and incentives are expected to help achieve cleaner air. Mr. Logan asked about what the decision making process once comments are submitted for the AQMP. Mr. Hogo explained the process.

Mr. Alatorre addressed the meeting's concerns by assuring everyone that SCAQMD is working on a roadmap to solve the issue at the federal level.

Ms. Alexander asked if there will be a corporate element to the AQMP. Mr. Hogo explained how the focus will be on incentivizing employees of corporations to drive cleaner vehicles on their way to work and in their daily lives.

Monique Hernandez asked how SCAQMD collaborates with other air quality agencies to identify funding sources. Mr. Hogo explained how SCAQMD staff is working to establish a national funding program.

Agenda Item #6: Environmental Justice Advisory Group – Draft 2017 Goals and Objectives

Mr. Alatorre asked members for feedback on the 2017 EJAG Goals and Objectives and requested that feedback be submitted to SCAQMD staff within two weeks.

Mr. Yanez requested an update on rule 1426 and on the Clean Communities Plan.

Ms. Alicia Enciso requested an update on what is being done to reduce air pollution in and near schools, as well as an update on warehouses in the Inland Empire.

Ms. Mary Figueroa requested an update on warehouses in San Bernardino and Riverside Counties.

Mr. Alatorre updated members and informed them about the recent settlement with a Moreno Valley developer that will have to pay a mitigation fee within the next 20-30 years to reduce air pollution. SCAQMD will have access to that money for air pollution mitigation projects.

Action Item: Daniela Arellano will add the above items to the list of 2017 EJAG Goals and Objectives.

Agenda Item #7: Environmental Justice Community Partnership

Ms. Daniela Arellano delivered an update on the Environmental Justice Community Partnership.

Ms. Alexander asked how information gathered during the workshops was taken shared with the Governing Board and how findings will be used. She also asked about the nature of the

protestors protest during the San Bernardino Workshop. Mr. Alatorre explained how the protest was related to the Air Quality Management Plan, and Ms. Arellano explained how findings from the workshops will be used throughout ongoing environmental justice efforts.

Mr. Yanez suggested SCAQMD place billboards throughout environmental justice communities to generate awareness about the agency.

Action Item: Mr. Alatorre will look into the possibility of the billboards.

Agenda Item #8: Public Comment Period

There were no public comments.

Agenda Item #9: Adjournment

The meeting adjourned at 3:03 PM

Next Meeting: January 27, 2017