



# South Coast Air Quality Management District

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## LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, MARCH 14, 2008 MEETING MINUTES

### **MEMBERS PRESENT:**

Dennis Yates, AQMD Governing Board Member, LGSBA Chairman  
Greg Adams, L.A. County Sanitation District  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, DriLube/All Metals  
Todd Campbell, Clean Energy  
Daniel Cunningham, Metal Finishing Association  
Jacob Haik, Councilwoman Janice Hahn  
Barbara Hanna, Council Member, City of Banning  
Steve Mugg, South Orange County Representative, City of Mission Viejo

### **MEMBERS ABSENT:**

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman  
Felipe Aguirre, Vice Mayor, City of Maywood  
Eric Busch, Representative, South Bay Cities Council of Governments  
James R. Krausz, Esq., ALA Inland Counties  
Angelo Logan, East Yard Communities for EJ  
Harold Martinez, Able Industrial Products, Inc.  
Kelly Moulton, Paralegal  
Todd Priest, Representative, Orange County Business Council

### **OTHERS PRESENT:**

Earl Elrod, Board Member Assistant (*Yates*)  
Nicole Nishimura, Board Member Assistant (*Lyou*)  
Barbara Spoonhour, Western Riverside Council of Governments (WRCOG)

### **AQMD STAFF:**

Mona Arteaga, Community Relations Manager  
Larry Bowen, Planning and Rules Manager  
Rob Castro, Senior Air Quality Engineer  
Dr. Pom Pom Ganguli, Asst. Deputy Executive Officer/Public Advisor  
Francis Goh, Systems and Programming Supervisor  
Henry Hogo, Assistant Deputy Executive Officer  
Danny Luong, Senior Enforcement Manager  
Randy Matsuyama, Air Quality Engineer II  
John Olvera, Sr. Deputy District Counsel  
Dr. Randall Pasek, Program Supervisor  
William Sanchez, Senior Public Affairs Manager  
Laki Tisopulos, Assistant Deputy Executive Officer  
Gregory Ushijima, Air Quality Engineer II  
Jill Whynot, Strategic Initiatives Director

### **Agenda Item #1 - Call to Order/Opening Remarks**

Chair Dennis Yates called the meeting to order at 10:10 a.m.

### **Agenda Item #2 – Approval of February 15, 2008 Meeting Minutes/Review of Follow-Up/Action Items**

February 15, 2008 meeting minutes were approved as presented.

- Action item:* Staff to report back to the Advisory Group regarding CARB's plans regarding AERMOD and HARP.
- ✓ CARB will incorporate AERMOD into HARP in a future revision. The response is in the February minutes.
- Action item:* Staff to look into the greenhouse gas benefits of the fleet rules.
- ✓ Staff needs additional time to respond to this action item.
- Action item:* Dr. Jean Ospital to give a future presentation on the Breathmobile and the Public Benefits Program.
- ✓ A presentation will be scheduled for the April 11, 2008 meeting.

Chair Yates commented that the Administrative Committee just approved \$100,000 for a one week asthma camp for children. He added that in the future, this can possibly be expanded to children with cancer.

### **Agenda Item #3 – Rule 461 Gasoline Service Stations**

Mr. Larry Bowen gave a presentation on Rule 461 Gasoline Stations (see attached).

Mr. Steve Mugg asked if an economic impact analysis was completed by the California Air Resources Board (CARB). Mr. Bowen replied that he was not sure if CARB completed one for the Phase I modifications and added that the Phase II requirements cost approximately \$50,000-\$70,000 per station. Mr. Mugg asked if the economic impact of the new Phase II requirements considering 100 stations decided not to continue dispensing gasoline after the new Phase I requirements. Mr. Bowen replied that there will be minimal impact from the proposed requirements above the CARB required changes. Mr. Mugg further clarified his question about the effects of CARB's Phase II requirements on the local economy. Mr. Bowen replied that the District's perspective is that with the more reliable systems, there will be an improved impact on air quality. He added that a similar result to the Phase I implementation can be expected where some businesses decide not to dispense gasoline. Dr. Pom Pom Ganguli added that CARB has a cost analysis which can be brought back before the Advisory Group.

- Action item:* Staff to distribute the cost analysis from the adoption of the new Phase II requirements.

Dr. Ganguli added that there are huge emissions benefits as a result of the Phase I and II requirements. He further added there is also a natural consolidation of service stations. Mr. Mugg commented that he was concerned there were no quantifiable estimates for the Phase II requirements. Mr. Bowen clarified that the Phase I and II requirements reductions were calculated based on the life of the equipment. He added that the equipment did not always operate in compliance, thus the new requirements only address reductions that were already assessed.

Mr. Todd Campbell asked about any additional impact with relaxation of requirements for Ethanol 85 pumps until 2012. Mr. Bowen replied that CARB requires a certified Phase II vapor recovery system, but none exist for Ethanol 85 (E85).

Mr. Greg Adams asked if fleets with 100% Onboard Refueling Vapor Recovery (ORVR), qualify for the 3-year exemption. Mr. Bowen confirmed this and added that several other districts have a similar exemption. He also added that enforceability is easier with the 100% exemption threshold.

Chair Yates commented that while working for ARCO when the double lining requirements came out, the company-owned stations upgraded their tanks immediately, while the franchises struggled to make the required

changes. He added that he thinks the refineries should pay for the upgrades since refineries make money from the gas stations and violations should be issued to the refineries since the oil company personnel react faster to problems at the stations.

Mr. Mugg again asked for a quantifiable amount of benefits for the program. Mr. Laki Tisopoulos replied that there are many tons per day of reductions from this source category. He added that the most recent amendments are more administrative and CARB has already taken credit for the reductions. He further added that in CARB's analysis, they never anticipated stations going out of business. Mr. Bowen added that uncontrolled emissions are approximately 100-150 tons per day in the South Coast, with the enhanced vapor recovery (EVR) systems providing 95% control.

Chair Yates commented that the Administrative Committee approved \$1.1 million to mitigate emissions within 10 miles of the Valero refinery.

#### **Agenda Item #4 – Proposition 1B Update**

Mr. William Sanchez gave an update on the \$1 Billion Goods Movement Emission Reduction Plan funded by Proposition 1B.

Mr. Adams asked for a rough regional plan on spending the money. Mr. Sanchez replied that after some intense advocacy, the recommended \$550 million for the Los Angeles/Inland Empire and Orange County region remained intact. Mr. Sanchez further replied that CARB will be administering the funds, who are still developing the guidelines. Nevertheless, projects would still have to prove that they result in actual emission reductions before being funded.

Mr. Sanchez added that on a statewide basis, \$400 million was programmed for heavy-duty diesel trucks serving seaports; \$360 million for heavy-duty trucks that haul goods, plus any related truck stop or distribution electrification centers; \$100 million for freight locomotives; \$100 million for shore power; and \$40 million for commercial harbor craft.

Mr. Jacob Haik asked if the percentages will remain the same for the AQMD area. Mr. Sanchez replied that has not been determined yet, but since the different regions within the state have different percentages of emission sources, it was unlikely that those percentages would hold true across the state. Again, Mr. Sanchez reiterated that CARB would have to evaluate the project applications for each region to determine whether they were the most cost-effective projects removing actual emissions.

Mr. Campbell asked if staff will be looking at funding smaller fleets this time. Mr. Henry Hogo replied that the first round of funding mentioned needed to be completed quickly. He added that future funding should be distributed similar to the Carl Moyer program.

Mr. Hogo replied that Prop 1B funding targets the goods movement and not government entities.

Chair Yates commented that there is funding to mitigate the pollution, but no money to help move the trucks.

Mr. Haik asked if the funding can be used for new locomotives. Chair Yates replied that the train companies will only change their locomotives if it is to their financial advantage, even though they are heavily subsidized.

#### **Agenda Item #5 – Surplus Off-Road Opt-In for NOx (SOON) Program Funding**

Dr. Randall Pasek, Program Supervisor/Mobile Source Division, gave a presentation on Surplus Off-Road Opt-In for NOx (SOON) Program Funding (see attached).

Chair Yates asked who monitors any requests for extensions. Dr. Pasek replied that companies enter into a contract that includes timing requirements.

Mr. Adams asked what the maximum amount of money a single public agency can qualify for. Dr. Pasek replied that the maximum is 10% of 75% of total funding. He added that the 75% is set aside for cost effective projects, while the other 25% will be for fleets that have applied, but are not as cost effective. Mr. Hogo added that the Board has flexibility to allow additional funding if the program is under-subscribed. Mr. Adams commented that his agency can use the entire funding.

Ms. Barbara Hanna asked if there was a drop in emissions due to the drop in housing construction. Dr. Pasek replied that the drop in emissions is temporary, but the deadlines to meet the standards are in 2015. He added that it is important to reduce the emissions in the equipment now so when the economy gets better, the equipment will already have control equipment installed.

Mr. Haik asked how the equipment stickers will work. Dr. Pasek replied that the stickers are required by the regulation. He added that CARB's vision is that the owner will put the sticker on, with CARB specifying the size, location, and unique number of the sticker.

Mr. Avila asked what happens if a contractor moves the equipment out of state, then back into the state. Dr. Pasek replied that equipment out of state is not considered part of a company's fleet. He added that there are stringent requirements when adding equipment back to the fleet. Mr. Hogo added that staff is recommending that CARB allow AQMD to offer replacement vehicles with funding at the re-power level. Mr. Avila asked if AQMD could design a salvage or scrap credit. Dr. Pasek replied that there is still a market for the equipment around the world.

#### **Agenda Item #6 – Update on Climate Change Activities**

Mr. Adams recommended moving this agenda item to the beginning of the agenda.

*Action item: This agenda item to be moved to beginning of future agendas.*

Ms. Jill Whynot gave a presentation on climate change activities.

Mr. Adams commented that special districts were not a part of the CARB March 11 meeting, such as landfills. He added that only certain agencies were invited, so he advised everybody to follow the activities of that group. Mr. Campbell asked why special districts were not included. Mr. Adams replied that CARB was unaware of how the different agencies and districts worked.

Mr. Campbell asked how many reductions can be claimed by local governments from using alternative or low carbon fuels. Ms. Whynot replied that this would need to be evaluated.

*Action item: Ms. Whynot to check how much reductions will occur from AQMD's fleet rules .*

#### **Agenda Item #7 - Monthly Report on Small Business Assistance Activities**

No comments.

#### **Agenda Item #8 - Other Business**

No other business.

#### **Agenda Item #9 - Public Comment**

No public comment.

#### **Agenda Item #10 - Adjournment**

The meeting adjourned at 11:40 a.m.