



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, DECEMBER 12, 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, Metal Finishers of Southern California/All Metals
Eric Busch, Representative, South Bay Cities Council of Governments
Todd Campbell, Clean Energy
Daniel Cunningham, Metal Finishing Association
Jacob Haik, Office of School Board Member Richard Vladovic
Barbara Hanna, Council Member, City of Banning
Maria Elena Kennedy, Kennedy Communications
James R. Krausz, Esq., ALA Inland Counties
Art Montez, AMA International
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
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*)
Jacob Lieb, Southern California Association of Governments

AQMD STAFF:

Anupom Ganguli, Ph.D., Assistant Deputy Executive Officer/Public Advisor
Lori Langrell, Secretary
John Olvera, Principal Deputy District Counsel
Ricardo Rivera, Senior Staff Specialist
Kurt Wiese, General Counsel
Paul Wright, Audio Visual Specialist

Agenda Item #1 - Call to Order/Opening Remarks

Chair Dennis Yates called the meeting to order at 11:37 a.m.

Agenda Item #2 – Approval of November 14, 2008 Meeting Minutes/Review of Follow-Up/Action Items

Chair Yates called for approval of the meeting minutes.

The November 14, 2008 meeting minutes were approved.

Ms. Barbara Hanna advised the group that she was currently re-elected to her council position, and has also re-entered the work force full time. She announced that due to her schedule, this would be her last LGSBA meeting.

Agenda Item #3 – SB 375, (Transportation planning; travel demand models; sustainable communities strategy; environmental review overview)

Mr. Jacob Lieb of Southern California Association of Governments (SCAG) gave a presentation on SB 375, Steinberg.

The discussion and questions on this item focused on the additional requirements imposed by SB 375 and their relation to the Regional Housing Needs Assessment (RHNA) law. Mr. Adams asked if there was a need for an alternative strategy to be developed to comply with SB 375. Mr. Lieb responded that it was not required. Ms. Maria Kennedy highlighted the difficulty in meeting RHNA due to affordability especially in these hard economic times. Mr. Cunningham asked if there were any penalties for not complying with RHNA. In response to that question, Mr. Yates stated that the State will take action if the cities failed to meet their requirements under RHNA. Mr. Adams asked further questions regarding possible additional legislation and funding opportunities to comply with SB 375. Mr. Lieb clarified that there is pending clean-up legislation and that funding is expected to be available within 18-24 months. Mr. Campbell made a statement regarding allocation of funds and stated that transit-wealthy districts may obtain most of the funds expected to be available for compliance.

Agenda Item #4 – Report of Lawsuits regarding Rule 1315 – Federal New Source Review Tracking System and Amendments to Rule 1309.1 – Priority Reserve and District’s Response

Mr. Kurt Wiese gave a presentation on Report of Lawsuits regarding Rule 1315 – *Federal New Source Review Tracking System* and Amendments to Rule 1309.1 – *Priority Reserve* and District’s Response.

Ms. Kennedy asked questions regarding the two causes of action, CEQA and authority, including inquiring as to what motivated the effort to provide emission reduction credits to build fossil fuel power plants. Mr. Wiese responded that the Board amended Rule 1309.1 to allow power plants to obtain emission reduction credits from the priority reserve.

Mr. Montez mentioned that this issue is controversial among minorities, and brought up the fact that organizations representing minority communities have been asked to join lawsuits. He also noted that the Vernon area proposed power plant would produce 9 tons of emissions only 4 blocks from the highest density school in the United States, with a student population of 7,600. Mr. Montez inquired as to who gives approval to build plants if they have credits. Mr. Wiese responded that this all started with the Vernon Power Plant. As proposed, this facility would not qualify for AQMD credits, and their intent is to sell power. He also stated that Vernon started the ball rolling, going after Rule 1309.1. AQMD isn’t readopting the rule which is not in effect now, and someone else will have to take the lead.

Mr. Montez then posed a hypothetical question to Mr. Wiese. If an operator of 3 gas stations decides to shut them down, can credits from those three stations go to a new operator who wants to open one new station? Is there an exemption from offsets when the transfer would be from an old location to a new location? Mr. Wiese answered that within 90 days of shutdown one can apply for credits. However, Mr. Wiese clarified that if the facility owner was exempt at the beginning, then the owner of that business would not qualify to obtain emission reduction credits.

Mr. Adams inquired regarding the 1309.1 CEQA lawsuits, and specifically about the Writ signed by the Judge, which inserted a clause retrospective to the 08/07 version. Mr. Wiese replied that AQMD has appealed the Judge's ruling which invalidated the credits issued for 2007 and 2008, and therefore permits have to be revoked.

Mr. Campbell asked questions regarding the construction and operation of environmentally friendly projects, using a clean fuel station as an example. Specifically he asked if these types of project have to purchase credits. Mr. Wiese responded that this was indeed the case, and that even projects that are for the betterment of air quality need to provide offsets if their operations result in emission increases. Mr. Wiese explained that the District presented the Judge with many examples of these projects and asked the Judge to provide relief for such cases, but all such requests were rejected.

Agenda Item #5 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #6 – Update on Climate Change Activities (Written Report)

Ms. Whynot provided a written report update on climate change activities.

Agenda Item #7 - Other Business

No comments.

Agenda Item #8 - Public Comment

No comments.

Agenda Item #9 - Adjournment

The meeting adjourned at 1:28 p.m.