



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, APRIL 11, 2008 MEETING MINUTES

MEMBERS PRESENT:

Dennis Yates, AQMD Governing Board Member, LGSBA Chairman
Greg Adams, L.A. County Sanitation District
Felipe Aguirre, Vice Mayor, City of Maywood
Paul Avila, P.B.A. & Associates
Geoffrey Blake, DriLube/All Metals
Daniel Cunningham, Metal Finishing Association
Jacob Haik, Councilwoman Janice Hahn
Harold Martinez, Able Industrial Products, Inc.
Kelly Moulton, Paralegal
Steve Mugg, South Orange County Representative, City of Mission Viejo

MEMBERS ABSENT:

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman
Eric Busch, Representative, South Bay Cities Council of Governments
Todd Campbell, Clean Energy
Barbara Hanna, Council Member, City of Banning
James R. Krausz, Esq., ALA Inland Counties
Angelo Logan, East Yard Communities for EJ
Todd Priest, Representative, Orange County Business Council

OTHERS PRESENT:

Earl Elrod, Board Member Assistant (*Yates*)
Patricia Gonzalez, ALAC
Ron Ketcham, Board Member Assistant (*Cacciotti*)
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
Jay Chen, Senior Engineering Manager
Hui Sung Choe, Air Quality Engineer II
Dean Hughbanks, Procurement Manager
John Kampa, Financial Analyst
Mary Leonard, Financial Analyst
John Olvera, Sr. Deputy District Counsel
Dr. Jean Ospital, Health Effects Officer
Rick Pearce, Chief Financial Officer
Donna Peterson, Financial Analyst
Ed Pupka, Senior Enforcement Manager
Ricardo Rivera, Senior Staff Specialist
Xuan Vu, Senior Air Quality Engineer
Cheryl Wade, Financial Services Manager
Jill Whynot, Director of Strategic Initiatives

Agenda Item #1 - Call to Order/Opening Remarks

Chair Dennis Yates called the meeting to order at 10:07 a.m.

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

March 14, 2008 meeting minutes were approved as presented.

- Action item:* Staff to distribute the cost analysis from the adoption of the new Phase II requirements.
✓ Staff has provided Mr. Steve Mugg an excerpt of CARB's cost methodology, along with a slide with the latest cost estimates.
- Action item:* Update on Climate Change Activities to be moved to beginning of future agendas.
✓ Staff has revised current, and will revise future agendas.
- Action item:* Ms. Whynot to check how many reductions will occur from AQMD's fleet rules.
✓ Staff is still researching this item.

Agenda Item #3 – Update on Climate Change Activities

This agenda item was skipped.

Agenda Item #4 – BP Settlement and Public Benefits Program

Dr. Jean Ospital, Health Effects Officer, gave a presentation on the BP Settlement and Public Benefits Program, including the Breathmobile and health services (see attached).

Chair Yates commented that a percentage of the settlement funds was proposed to be used to fund research. He added that Chairman Burke commented on the need for a steady stream of funding for research on the life threatening effects of pollution. He further added that it was discussed what percentage of the penalty money would be used for health effects research and that there may be dedicated funding in the future for this research through AQMD funding.

Mr. Geoff Blake asked if the money was paid at the start or paid during the process. Dr. Ospital replied that the funding is \$3 million per year.

Mr. Paul Avila asked if the RFP is going to be used to acquire the research information or whether the AQMD will get involved with the research. Chair Yates replied that the AQMD is currently engaged with several medical facilities in the Los Angeles area, including Cedar's-Sinai, UCLA, and USC. He added that some are half way through their studies and have preliminary results.

Mr. Steve Mugg asked whether the breathmobiles are only educational or if they are used for measurement purposes. Dr. Ospital replied that they are basically clinics on wheels that can diagnose children, prescribe treatments, or make referrals to other medical facilities. Mr. Mugg also asked if the breathmobiles have other educational functions. Dr. Ospital replied that the education is part of the treatment of asthma, along with follow-up visits and referrals to the community. Mr. Mugg asked if the breathmobiles are staffed by physicians or technicians. Dr. Ospital replied that they are currently staffed by physicians, but AQMD has been asked if they can also be staffed with trained technicians and medical assistants. He added that each breathmobile is "anchored" at a health facility.

Mr. Harold Martinez asked if any benefits go to the parochial and private schools, and why. Dr. Ospital replied that the primary focus is on public schools where the community is underserved.

Mr. Jacob Haik asked about the areas of service for asthma medical services near refineries. Dr. Ospital replied that those areas include Wilmington, Carson, Compton, and West Long Beach. Mr. Haik further asked what services would occur. Dr. Ospital replied that the services include public outreach, referrals from the breathmobiles, and community events. Mr. Haik asked what other benefits occur in the Wilmington-Carson area. Dr. Ospital replied that in addition to the number of patients that are handled, baseline asthma data is recorded.

Chair Yates commented that some other programs being conducted in Environmental Justice areas include the testing of filters near schools and a reverse 911 system.

Agenda Item #5 – FY 2008-09 Draft Budget and Work Program

Mr. John Kampa, Financial Analyst, gave a presentation on the AQMD's FY 2008-09 Draft Budget and Work Program (see attached).

Mr. Blake asked about the increase in emissions fees on the revenue comparison slide since emissions are decreasing and companies are being assessed higher fees for those decreasing emissions. Chair Yates replied that the same question comes up at workshops, but the fees remain in place. He added that the agency cannot rely on one-time penalties to fund the budget gaps and the goal of the agency is to clean up the air.

Mr. Greg Adams asked if a 10% increase was approved last year for 3 years which he heard has no impact on the budget since emission fee revenues are going down. Mr. Kampa replied that emission fee revenue is expected to increase by 8%, rather than 10% since emissions are decreasing. He added that 20 companies pay 65% of the emissions fees, showing that these fees are mainly supported by the larger companies. Mr. Adams asked what the proposed wildfire staff person would be doing when there are no wildfires. Mr. Kampa replied that the staff will likely be setting up the new air monitoring systems. Mr. Adams asked what the salary savings factor is. Mr. Kampa replied that the savings occur when a person leaves, thus creating a lower cost position opening.

Mr. Haik asked about where the penalty and settlement funds go to in the financial performance slide. Mr. Kampa replied that the information only represents the portion that goes to the general fund and not the larger, one-time settlements that are set aside.

Mr. Mugg asked about all the staffing that has been added in the budget enhancements slide. Chair Yates replied that staffing has decreased by about 30% since about 1991-1992. Mr. Kampa added that the baseline year was selected since legislation was approved at that time to limit revenues, restrict increases in fees, and streamline operations.

Mr. Avila asked about the unreserved fund balance. Mr. Kampa replied that these funds are mainly from surpluses in the budget or portions from large settlements. He added that when the economy goes down, the unreserved fund balance is used.

Agenda Item #6 – FY 2008-09 Proposed Amendments to Regulation III - Fees

Mr. Larry Bowen, Planning and Rules Manager, gave a presentation on Fiscal Year 2008-09 Proposed Amendments to Regulation III - Fees (see attached).

Mr. Mugg asked about the special operating fee for petroleum refineries being based on industry's demand for a third party analysis. Mr. Bowen replied that a third party technology assessment would be conducted for SOx catalysts and Fluidized Catalytic Cracking units at the request of industry.

Mr. Adams asked whether solar energy projects would require permits. Mr. Bowen replied that in the past, solar installations did not require permits, but a credit was granted to encourage the installation of renewable power generation. He added that a rebate up to the cost of the system was given for annual renewal fees, although very few have used that. He further added that funding through Rule 1309.1 could be available for solar energy projects and the amendment is to disallow the credit for those projects funded by Rule 1309.1.

Mr. Haik asked whether the change in revenue for architectural coatings would allow for more inspectors and inspections. Mr. Bowen replied that the current program is \$2 million and the enhanced program adds another \$2 million. He added that the enhanced program would include the hiring of 5 inspectors that would do approximately 3,000 inspections per year, 3 additional chemists to do the testing, and an air quality specialist to follow the program. Mr. Haik asked if the inspectors also deal with the mobile vendors of the paints. Mr. Bowen replied that initially the focus will be on the larger distributors and manufacturers.

Mr. Blake asked if the architectural coatings fee would be charged per gallon. Mr. Bowen replied that this would be based on total VOC emissions from the coatings sold and total sales.

Ms. Kelly Moulton asked about notices being sent to schools. Mr. Bowen explained that will not change. However, the proposed amendment will waive the notice preparation fee for dry cleaners replacing their perc equipment to comply with Rule 1421.

Mr. Adams asked if staff expect to be sued regarding Rule 314. Mr. Bowen replied that staff has been in discussion with the manufacturers, but will see after the rule is finalized.

Mr. Rick Pearce commented that no positions related to Rule 314 have been added yet. He added that the fiscal impacts are calculated under ideal conditions, but the actual budget only realizes a portion of the funding due to lower emissions and timing of application processing.

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 11:32 a.m.