

FRIDAY, JANUARY 8, 2010

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman
Cities of San Bernardino County

Supervisor Michael D. Antonovich (Left at 9:30 a.m.)
County of Los Angeles

Supervisor Marion Ashley
County of Riverside

Councilman Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Supervisor Bill Campbell
County of Orange

Ms. Jane W. Carney
Senate Rules Committee Appointee

Supervisor Josie Gonzales
County of San Bernardino

Dr. Joseph K. Lyou
Governor's Appointee

Councilwoman Jan Perry
City of Los Angeles

Mayor Miguel A. Pulido
Cities of Orange County

Members Absent:

Mayor Ronald O. Loveridge
Cities of Riverside County

Councilwoman Tonia Reyes Uranga
Cities of Los Angeles County – Western Region

CALL TO ORDER: Chairman Burke called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Supervisor Gonzales
- Swearing In of Reappointed Board Members Marion Ashley, William Burke, and Jan Perry and Swearing in of William Burke and Dennis Yates as Chair and Vice-Chair of the Board

Chairman Burke extended congratulations to both Supervisor Ashley and Councilwoman Perry for their reappointments to the Board. He acknowledged that Supervisor Ashley came to the Board in a time of great sorrow and he has done an outstanding job. He expressed his pleasure that Supervisor Ashley has agreed to continue because of the impact he has made in the short time he has served on the Board and the potential impact he will make during this new term.

After offering his congratulations, Mayor Yates administered the oath of office to Supervisor Ashley, Chairman Burke, and Councilwoman Perry who were reappointed to the Board, for terms ending January 15, 2014.

Supervisor Antonovich administered the oath of office to Chairman Burke and Mayor Yates for terms as Chair and Vice-Chair of the Board ending January 2012.

- Opening Comments

Dr. Barry R. Wallerstein, Executive Officer. Announced that the Board's sponsored legislation SB827 to free AQMD from the permit moratorium took effect on January 1, 2010. As a result, on January 2, 2010, the AQMD issued over 1,300 permits to facilities, some of which had been waiting more than a year. In order to process and issue these permits, staff were in the office away from their family and friends during the holidays. Dr. Wallerstein asked those employees to stand and be recognized for their efforts over the holidays.

Chairman Burke thanked the employees, on behalf of the Board, for their extraordinary service to the AQMD and the community it serves. The Board is cognizant of their efforts and they are appreciated beyond measure.

Chairman Burke. Expressed his belief that this year is going to be challenging as well as interesting. In light of continued economic struggles, the Chairman proposed to set into operation temporarily a permit penalty holiday. A six-month program of this nature was put into place in this region in 1995 during another difficult economic time. That permit penalty holiday helped to level the playing field to ensure that businesses that did comply with standards did not face unfair competition from those that did not. In addition, this kind of temporary program can remove the fear of penalties and potential legal costs for business

operators, especially for small businesses who may or may not have been aware of the need for a permit at the inception of their business. For a narrow window of time, AQMD will excuse businesses from late fees. The Chairman then asked for the Executive Officer to bring back to the February 5, 2010 Board meeting a proposed framework and schedule for implementation of a temporary, voluntary permit penalty holiday, having appropriate conditions, limitations and ample opportunities for public comments, as with AQMD's usual policy making process. Chairman Burke reiterated comments made earlier in the week by the Governor that government has a responsibility not to be an obstacle to success but to be a partner in prosperity; and expressed his belief that this Board would continue to act in that spirit. Chairman Burke concluded by wishing everyone a happy new year, and introducing a project that is the initial outreach program using video technology.

- Video Presentation: "State of the Air Quality"

(Supervisor Antonovich left at 9:30 a.m.)

Dr. Burke extended thanks to Media Manager Sam Atwood for his efforts on this project. He requested that the video be played on local government stations throughout the South Coast region.

Councilwoman Perry commented that she would make arrangements for the video to be loaded onto her Facebook page.

Dr. Burke requested that Mr. Atwood give the Board a report next month regarding the status of the video's placement with various media outlets throughout the region.

CONSENT CALENDAR

1. Minutes of December 4, 2009 Board Meeting and Minutes of December 23, 2009 Special Board Meeting
2. Set Public Hearings February 5, 2010:
 - (A). Receive Public Input on Executive Officer's Priority Goals for FY 2010-11
 - (B). Rescind Rule 1309.2 - Offset Budget and Amend Rule 1309 - Emission Reduction Credits and Short Term Credits

3. Amend Contracts for Natural Gas Hearth Product Buy-Down Program
4. Execute Contract for Development of Land Use Emission Model Software
5. Execute Contract for Policy Consultation Regarding Local, State and Federal Transportation Issues
6. Amend Contract with Cordoba Corporation to Continue Implementation of Air Quality Institute
7. Authorize Purchase of Network Servers
8. Establish List of Prequalified Vendors to Provide Computer, Network, and Printer Hardware and Software, and Purchase Desktop Computer Hardware Upgrades
9. Execute Contract for Health Insurance Brokerage and Consultant Services
10. Amend Contract for Workers' Compensation Third-party Administrator Services
11. Amend Contract with Technical and Business Systems, Inc., for Air Pollutant Measurements Aloft
12. Award Contracts for Local Government Match Program - Tree Partnership
13. Legislative & Public Affairs Report
14. Hearing Board Report
15. Civil Filings and Civil Penalties Report
16. Lead Agency Projects and Environmental Documents Received by AQMD
17. Rule and Control Measure Forecast
18. Revise Procurement Policy and Procedure
19. Report on Major Projects for Information Management Scheduled to Start During Last Six Months of FY 2009-10
20. Update on AQMD Green Team

Mayor Yates announced his abstention on Agenda Item No. 5 because of Lee Andrews Group being a source of income to him. Supervisor Ashley announced his abstention on Agenda Item No. 5 because of campaign contributions from Germania Corporation. Ms. Carney announced her abstention on Agenda Item No. 5 because of Germania Corporation being a source of income to her.

MOVED BY LYOU, SECONDED BY PERRY,
AGENDA ITEMS 1 THROUGH 20 APPROVED AS
RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Ashley (*except Item #5*), Burke,
Cacciotti, Campbell, Carney (*except
Item #5*), Gonzales, Lyou, Perry, Pulido,
and Yates (*except Item #5*).

NOES: None.

ABSTAIN: Ashley, Carney, and Yates (*Item #5
only*).

ABSENT: Antonovich, Loveridge, and
Reyes Uranga.

21. Items Deferred from Consent Calendar – none.

BOARD CALENDAR

- 22. Administrative Committee
- 23. Climate Change Committee
- 24. Legislative Committee
- 25. California Air Resources Board Monthly Report

Regarding Agenda Item 22, Administrative Committee Report, Dr. Lyou expressed concern that there was a statement that was missing in the minutes for the Environmental Justice Advisory Group. One of the members, Mr. Angelo Logan of East Yard Communities for Environmental Justice, pointed out that he thinks of environmental justice in terms of civil rights, where a higher authority had to come in during the Civil Rights movement and told local governments certain things they could not do. He made the point that AQMD should think of environmental justice in those terms too. Dr. Lyou commented that AQMD might not be the agency that has to override other people, but it should think of

environmental justice in terms of maybe a need for a higher authority to say to them some of the things that they are doing are not right. He requested this information be added to the minutes before the committee adopts them, as it was previously absent.

Dr. Burke indicated that comment will be included in the minutes.

Indicating that he also had comments on Item 23, Dr. Lyou presented slides entitled Operational Emission Summary, Chevron Project Emissions, as well as a map of schools to add to his discussion regarding the proposal that is being considered regarding the use of offset money that AQMD received from a Chevron refinery on a potential reforestation project for GHG reductions within the Station Fire burn area of the Angeles National Forest. He expressed concern that the current proposal is not necessarily as consistent with the spirit and intent of AB32 as it could be. He explained that the emissions from the Chevron refinery -- 38 tons per year of VOC, 38 tons per year of SO_x and 22 tons per year of PM₁₀ -- predominately go downwind, which is to the East, and the schools shown on the third slide provided are all located downwind of the Chevron refinery.

Dr. Lyou suggested that the money be invested locally and proposed that Chevron install white LED lights in their facility. He suggested that this option will benefit Chevron and those children that attend the schools downwind of the facility. Chevron would reduce their emissions, reduce their GHGs, and save money on their energy needs. He also suggested that once Chevron is done installing the lights in their refinery, they could pay to install white LED lights in all the schools in close proximity. He asked that the Climate Change Committee take a look at his suggestion as an alternative way of addressing co-pollutants and local impacts as a result of GHG mitigation issues.

Noting that he had not had a chance to discuss this suggestion with Dr. Lyou, Dr. Wallerstein indicated that he would meet with Dr. Lyou to discuss the LED light option in more detail and bring this back to either the Committee or the full Board.

In response to Dr. Burke, Dr. Wallerstein indicated that there is a million and a half dollars to be utilized. When staff developed the tree planting option, they were doing so based on the Board's original directions to use protocols that had been approved by CARB regarding quantification of CO₂ reductions. There are very few such officially approved protocols and most of them pertain to planting trees. In addition to the initial payoff, when trees are planted, there are other benefits such as reductions of particulate and similar benefits that accrue when you actually have the forest in place as opposed to having more open land. He noted also that LED lights had been installed in a small office space downstairs at the District in order to see firsthand how it might modify the work environment; and he has asked staff now to potentially expand that to one of the

main conference rooms. He pointed out that the LED lights are very expensive; therefore, the payback time is lengthy.

Councilman Cacciotti asked if there has been any consultation with Southern California Edison on this issue, noting that they have conducted studies and research on the LED lights.

Dr. Wallerstein responded that staff will make contact with Edison before going back to the Committee. He would also like to meet with Supervisor Antonovich because he believes he will have some significant interest in this particular issue.

Dr. Burke inquired about the location where the trees will be planted, as well as the time table for this effort.

Dr. Wallerstein indicated that the forestry service has a desire to replant very large areas that burned during the Station Fire. However, they do not have sufficient funding to go in and aggressively plant the entire area at this time.

Dr. Elaine Chang, DEO of Planning, Rule Development and Area Sources, added that the forestry service will begin the planting of 40 or 50 acres this year and next year. They are working with very limited resources at this time. If this proposal is approved, the AQMD would direct the money towards planting many thousands of acres in 2011.

At the Chairman's direction, Agenda Item 23 was referred back to the Climate Change Committee.

MOVED BY LYOU, SECONDED BY YATES, AND UNANIMOUSLY CARRIED, (Absent: Antonovich, Loveridge, and Reyes Uranga), THE BOARD APPROVED AGENDA ITEMS 22 AND 24, AS RECOMMENDED.

There was no report on Item 25 due to the absence of Mayor Loveridge.

PUBLIC HEARINGS

26. Amend Rule 317 - Clean Air Act Non-Attainment Fees

Indicating that she needed to recuse herself because of a conflict of interest on this item, in that Loma Linda University is a source of income to her and may be materially affected by this rule, Ms. Carney left the meeting.

Dr. Laki Tisopulos, Assistant DEO of Planning, Rule Development and Area Sources, gave the staff presentation updating the Board on the guidance that came out recently from U.S. EPA, and provided modified recommendations and a time table for bringing this to closure in the near term.

Dr. Wallerstein explained that the region has been in ongoing noncompliance with the Federal Clean Air Act while awaiting U.S. EPA guidance. Now that the guidance has been received, the staff recommendation is that the Board move as swiftly as it reasonably can to come into compliance with the Act by adopting the regulation, which would then be submitted to CARB and U.S. EPA to review the form and content of the Board's adopted proposed rule. He acknowledged that under these economic times, placing a fee on the stationary sources that represent a small part of the problem could be viewed more as punitive than as promoting clean air. In that context, staff will bring back to the Board what they believe is a sound proposal.

Regarding the time line, Dr. Lyou questioned if the eighteen month deadline includes passing the regulation, submitting it to CARB, having CARB submit it to U.S. EPA and then U.S. EPA judging that it is sufficient.

Dr. Wallerstein responded that staff believes that the requirement is only for submittal within 18 months. He reiterated, however, that being in ongoing noncompliance with the Federal Clean Air Act presents the wrong image for the Agency. He further explained that the fees will not be collected until 2012, and companies need to know ahead of time if they need to plan for fees.

Dr. Burke commented that the Board's intention is to correct the situation as soon as possible in order to give the business community an opportunity to plan and be ready for what is going to happen in the future.

Dr. Lyou inquired if there is a limited time frame before sanctions are issued, expressing his concern that the Section 172e pathway is one that would be much more complicated and difficult to develop a proposal for and pass.

Dr. Wallerstein concurred that the alternative pathway is much more complicated and, unfortunately, what U.S. EPA has provided in the way of guidance is not definitive on that pathway. An alternative that has been identified to the Stationary Source Committee is that the Legislature could put in place, or grant the Board the ability to put in place, another dollar and a half on registration fees of motor vehicles; and that money would be committed strictly to emission reduction projects.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 26.

ADRIAN MARTINEZ, Natural Resources Defense Council

Concurred with the time line proposed and expressed support for moving forward on a path that uses section 185, as opposed to the more difficult path under section 172.

CRAIG PETERSON, Xerxes Corporation

Commented that he feels this is really a mobile source issue, and it is highly punitive on stationary sources such as theirs which they believe are already clean units. He felt it would be more appropriate to pursue the option of an additional dollar or two on the vehicle license fee.

LEE WALLACE, Southern California Gas and San Diego Gas and Electric

Expressed support for delaying the item until April; and indicated his organization's desire to see the Board encourage emission reduction through the adoption of some of the proposals that were under the 185 umbrella, in addition to the flexibilities under 172.

GREG ADAMS, Los Angeles County Sanitation District

Commented that the ten suggestions that the 185 work group came up with are going take time to work out and to vet and understand what is the best way to go. While understanding the staff's reluctance to go with an equivalent process as opposed to a strict 185 process, he believes further investigation is warranted before making a conclusion. He suggested that the Board direct staff to come up with a step-by-step work plan. If timing is an issue, he suggested that deadlines be put in place whereby certain analyses have to be made to keep the process moving along.

CURT COLEMAN, Southern California Air Quality Alliance

Stated that the Alliance's concern is that this rule is developed in an expeditious and orderly manner, but also is done in a way that takes advantage of the flexibility that U.S. EPA seems willing to consider and come up with a rule, that to the maximum extent practicable, is acceptable to all stakeholders. Asked that the Board give staff direction to develop an optimum rule within a reasonable amount of time.

There being no further public testimony on this item, the public hearing was closed.

Dr. Wallerstein added that, in regards to the comment concerning vehicle registration fees, a couple of years ago the State Legislature granted the San Joaquin Valley Air District Board the ability to increase vehicle registration fees

up to \$26 or \$28 to help with their attainment plan. Their Board is now contemplating utilizing that authority for a number of policy initiatives.

In response to Chairman Burke, Dr. Wallerstein clarified that the AQMD was not granted that authority; it would have to be pursued in the Legislature, presumably with the support of the interested parties that have testified before the Board today. He suggested that staff hold a workshop in ten days and take this to the Stationary Source Committee to go over the items one by one, because it appears it will be difficult to get U.S. EPA approval on a number of items.

He added that the last aspect of this, at the suggestion of Supervisor Campbell, was added to the Washington D.C. agenda; and he will be meeting with Congressman Waxman.

Supervisor Gonzales asked if there might be an opportunity to revisit the existing fees or layer of fees that have been tacked on already to vehicle registration. Instead of looking to add or imagining what we could do if we could add, perhaps look at the situations that were originally intended to be fixed or improved on fees that were imposed in the past. If in fact that program is working, it should have been relieving the situation, thereby allowing perhaps for an opportunity to redirect those funds. She questioned if that improvement can be gauged and turned into an opportunity to perhaps redirect that money.

Dr. Wallerstein responded that that information will be included in the revised staff presentation and documentation that will go to the Stationary Source Committee.

MOVED BY CAMPBELL, SECONDED BY CACCIOTTI, AND UNANIMOUSLY CARRIED (Absent: Antonovich, Carney, Loveridge, and Reyes Uranga), THE PUBLIC HEARING ON AMENDING RULE 317 WAS CONTINUED TO THE APRIL 2, 2010 BOARD MEETING, AS RECOMMENDED BY STAFF.

27. Informational Hearing to Receive Public Comments on Proposed Amendments to SOx RECLAIM Program (Regulation XX)

Dr. Wallerstein commented that this is an informational hearing, a mid-point in the rulemaking process to check back with the Board and for the Board to have an opportunity to also hear stakeholder comments. For the first time for this type of hearing, staff produced a work plan that was submitted to the Board and made available to the public as to how to go forward over the next couple of months to address key issues that have been heard in committee. One

of the principal stakeholder groups that is involved is the Western States Petroleum Association (WSPA) and staff has worked with them on the work plan. The intent is to highlight some of the issues and let everyone know staff's commitment to continue to work with stakeholders on these issues before bringing the final rule back to the Board for its consideration.

Dr. Laki Tisopulos, Assistant DEO of Planning, Rule Development and Area Sources, gave the staff presentation.

Councilwoman Perry acknowledged that this is an interim discussion, but requested at some point to hear an analysis on the impact of wet scrubbers on the water supply, given our drought conditions throughout the State. She requested clarification on the estimated 1.6 billion gallons a year that would be needed. She would also like to see the AQMD modeling regarding its conclusions on attainment to meet the 2019 standards and how that relates to being more aggressive on the shave.

Dr. Tisopulos answered that the water impact analysis will be included in a detailed fashion in the CEQA document. With regard to the modeling, the analysis that was done as part of the 2007 AQMP shows that NOx reductions are going to be short by 30 percent in meeting the 2020 standard.

Dr. Wallerstein added that this is one of the key issues the Board is going to have to consider because the industry is raising the issue of stranded cost. Staff does not want the Board to adopt a regulation that addresses the 2015 attainment deadline and ignores the 2020 deadline, and then have to come back with a rule making. This is something staff will continue to work on with the industry.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 27.

CATHY REHEIS-BOYD, WSPA President

Expressed her organization's commitment to remaining engaged with the AQMD in the resolution of all the issues that are involved in the work plan. The current SOx shave is very expensive and could have broad implications to the refinery operations and to job growth in Southern California. While there are six broad areas in the work plan that have been agreed upon, continued discussion on many of the underlying issues is required. WSPA is in favor of preserving the RECLAIM market and working on an alternative methodology that reduces the SOx emissions long term and is conducive to maintaining the market. They believe the current shave determination methodology has a basic equity problem where some of the sources will be exempted and some of those responsibilities transferred to others. The current proposal forces installation of the wet gas scrubbers on refineries to meet the new BARCT levels and that is 700 million

dollars in PM control costs installed previously and an additional 700 million to one billion dollars to WSPA members.

ROD SPACKMAN, Chevron Corporation

Commented that with over twenty years with Chevron Corporation in Southern California, he has never seen a rule that has such far reaching implications as this particular rule has on his sector today. They are questioning the relative scale of the proposed shave and its implications on a market that is very small and very different than the NOx RECLAIM market. Since this would affect only eleven facilities in the South Coast and it would exempt some twenty-one facilities from being subject to the shave, there would then be a market of just eleven facilities. By taking 60 percent of that available resource out of the market, there may be some unintended consequences; and it will be difficult for their facilities to reasonably comply in a cost effective manner. He stressed the complexity of this rule and the enormous implications it would have to their facilities.

STEVE FARKAS, Paramount Petroleum Corporation

Commented that the two primarily asphalt producing refineries that he represents, Paramount Refinery and the Edgington Refinery, produce low SOx emissions per barrel of crude throughput. These refineries have BARCT controls in place and there are no significant opportunities for SOx reductions. He expressed support for the AQMD's proposal for an alternate percent shave for those facilities that have no real opportunity or need to reduce SOx emissions. As proposed, Paramount's SOx shave would include all of its RTC holdings above its initial allocation; these are RTCs which they have accumulated over the years to allow for some operating and expansion flexibility in times of limited profit or capital. While they appreciate staff's recognition that all facilities are not the same, and applaud staff's willingness to shave smaller SOx amounts from less emitting facilities, they would like clarification as to why Paramount is grouped with the three facilities of the twenty-one that will receive a significant shave instead of no shave at all.

Written Comments Submitted by:

Adriano Martinez, on behalf of Natural Resources Defense Council

There being no further public testimony on this item, the public hearing was closed.

Dr. Tisopulos added that essentially this alternative shave that is being proposed is if facilities are holding RTCs consistent to those that they were given at the inception of the program to address future operational needs, the staff proposal would leave those untouched. To the extent that they hold RTCs above their initial allocation for those future years, it is proposed that the shave only be

applied to that excess of RTCs, and still allow them to retain the level of RTCs that was allotted to them at the inception of the program.

Dr. Burke requested more clarity on the 2 percent water determination.

Dr. Tisopulos responded that there are a number of different technologies that can be used to meet those BARCT standards. One technology is the wet scrubbers; the other is catalyst based technology. Assuming the wet scrubbers are going to be used to meet those standards, staff is estimating that the water demand from the refineries will increase by approximately 2 percent. Therefore, if they are using 100 gallons a day today, it will increase to 102.

Dr. Wallerstein commented that this is one of the key issues that staff will be focusing on over the next few months; and one of the commitments is to bring before the Refinery Committee some additional analysis, including requesting the presence of the water providers to have them opine on the significance of the potential impact.

Ms. Carney questioned whether the Board will ultimately do the determination of what constitutes BARCT. She would also like, at some point, to see each of the proposed control technologies and where, if they are, currently being used in similar circumstances in the same industry.

Dr. Wallerstein responded that state law requires that this cap-and-trade program be equivalent to command-and-control regulations; and it is that technology determination that would normally be made in a command-and-control regulation that sets the bar on the level of emission reductions in this cap-and-trade program.

Ms. Carney agreed and added that even in the command-and-control rules, the cost effectiveness is a factor that has to be determined; and that should be taken into account. She expressed concern that the proposal goes above the emissions controls that were in the last AQMP. She is hesitant about making rules for particular pollutants in a particular context while there are other related air pollution standards that exist, including the low carbon fuel standards, GHG issues, the new proposed ozone standard, and it appears staff only looked at SO_x in regards to these various pieces of equipment. She suggested staff take a broad prospective to avoid solving the current problem only to fall short in the future when a new issue arises.

Dr. Wallerstein confirmed that staff is looking at alternatives to the wet scrubber technology that would potentially allow for compliance. The AQMP is a vision for a particular air quality standard or set of standards, it is an initial target; however, when we go through the rule adoption, modifications to what was placed in the AQMP may be required. Staff is taking a broader view on this issue to eliminate future debate. Further discussion with WSPA regarding the GHG

issues is warranted. Staff has been mindful of the potential conflicts, if there are any, with climate change strategies that the State is proposing. The State has promised that the local air quality will not be sacrificed in a significant way because of what the CARB might do for climate change.

Dr. Lyou expressed concern regarding the low carbon fuel standard and the climate change initiative not being as efficient as possible. He commented that the industry is raising similar arguments to those raised many years ago; as evidenced in a 1948 letter to the Los Angeles County Air Pollution Control District, which he produced, in which very similar arguments were made by the industry, including that higher sulfur emission limits may indiscriminately legislate these refineries out of operation. He is optimistic that given the past ability to keep refineries in business and to develop regulations that are reasonable, this can be accomplished once again through continued progress with the work plan within a reasonable amount of time.

Dr. Wallerstein concluded that the comments from the industry that they will comply with the 2015 AQMP requirement show this issue is headed in a positive direction. He continued that the main issue is what can be done beyond 2015 to help meet the Federal and State clean air requirements. Staff will continue to take a broad view and be sensitive to the industry's requests.

28. Approve PM10 Attainment Redesignation Requests and Adopt Maintenance Plans for South Coast Air Basin and Coachella Valley Portion of Salton Sea Air Basin

Joe Cassmassi, Planning and Rules Manager, gave the staff presentation. Staff recommended the approval of the CEQA exemption as well as the redesignation request and the maintenance plans.

The public hearing was opened; and the individual who submitted a card to speak in support of the item waived comments. There being no other requests to speak, the public hearing was closed.

Dr. Lyou gave recognition to the achievements of the staff, Board and stakeholders who have worked together to get this accomplished. He asked how a high wind event is defined; and also asked for clarification regarding completion and the lack of a need to offset further at that point and what it means in terms of the assumptions that have been made in the maintenance plan with regard to potential emissions from new power plants and expanded power plants.

Mr. Cassmassi spoke to the second question by referring to the air quality data. He explained that the peak values in the Coachella Valley when conditions are normal are about 70 percent of the federal standard. The emissions from

offsets are a small amount and it does not appear that there would be any impact. The same holds true for the Basin. He responded to the first question saying, typically, a high wind day is a day when there are sustained winds of 25 mph or a thunderstorm or a very strong weather front comes through with high winds that stay above 25 mph for a sustained period of time. Those conditions are strong enough to capture the particulates, elevate them, and they can then fractionate as well. The types of criteria observed are thunderstorms, frontal passages and Santa Ana type conditions.

Dr. Wallerstein added that aggressive wind conditions and fires will cause the particulate standard to be exceeded; there is, however, no way to control those events.

Supervisor Ashley commented that the Valley is very pleased to be in attainment. As a result of visiting the Torrez-Martinez site many times for meetings, he suggested looking for a grant or other funding to either pave or treat the parking lot so that more accurate tests can be completed there. He also expressed concern over the future threat of the Salton Sea levels dropping because there is less water going in from the QSA agreement, and also residents are using their water more efficiently and better and there is less water in the Sea. This has resulted in the coastline being exposed and possible severe PM₁₀ problems could result if that is not addressed. He expressed his contentment to see this milestone reached and he would like to work hard to continue this and maybe do something to help the Torrez-Martinez tribe, because they lack the funds to make improvements themselves.

MOVED BY ASHLEY, SECONDED BY YATES, AND UNANIMOUSLY CARRIED (Absent: Antonovich, Loveridge, Perry, Pulido, and Reyes Uranga), THE BOARD APPROVED AGENDA ITEM 28.

29. Request to Revise 8-Hour Ozone and PM_{2.5} Transportation Conformity Emission Budgets for South Coast Air Basin and Coachella Valley

Staff waived an oral report on this item. The public hearing was opened and, there being no requests from the public to comment on this item, the public hearing was closed.

Written Comments Submitted by:

Adriano Martinez, on behalf of Natural Resources Defense Council

Dr. Lyou asked for clarification on the relationship between the transportation conformity budget and the proposals by CARB to change the regulations they have adopted.

Dr. Wallerstein responded that should CARB amend the truck and bus regulations in April in a way that changes the numbers, then the budgets will be amended before they go to the U.S. EPA. He expressed that it was important to expeditiously put this material in CARB's hands and then wait and see what they do in April at their board meeting. Any changes that occur in the coming months will be completed at CARB.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AND UNANIMOUSLY CARRIED (Absent: Antonovich, Loveridge, Perry, Pulido, and Reyes Uranga), THE BOARD APPROVED AGENDA ITEM 29.

30. Repeal Rule 1315 and Rule 1309.1 as Amended on August 3, 2007, Decertification of CEQA Document and Set Aside of Transfer of Interdistrict Credits to Inland Energy, City of Palmdale and City of Victorville Projects

General Counsel Kurt Wiese advised the Board that there is no presentation on this Item, as it is a purely technical item necessitated by a State Court decision.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AND UNANIMOUSLY CARRIED (Absent: Antonovich, Loveridge, Perry, Pulido, and Reyes Uranga), THE BOARD APPROVED AGENDA ITEM 30 REPEALING RULE 1315 AND RULE 1309.1 AS AMENDED ON AUGUST 3, 2007.

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

There was no public comment on non-agenda items.

Dr. Wallerstein introduced to the Board the AQMD's newly-hired Senior Deputy Clerk, Ms. Denise Pupo.

CLOSED SESSION

The Board recessed to closed session at 11:15 a.m., pursuant to:

Government Code section 54956.9(a) to confer with its counsel regarding pending litigation which has been initiated formally and to which the District is a party, as follows:

- NRDC, et al. v. SCAQMD, et al., Los Angeles Superior Court Case Nos. BS105728 and BS110792;
- NRDC, et al. v. SCAQMD, et al., U.S. District Court Case No. CV08-05403 GW (PLAx); and
- W.M. Barr & Company, Inc. v. SCAQMD, Los Angeles Superior Court Case No. BS119869.

Government Code section 54956.8 to confer regarding real property negotiations regarding:

Property: 21825 Copley Drive, Diamond Bar, California 91765

Agency Negotiator: Barry Wallerstein

Negotiating Party: City of Diamond Bar

Under Negotiation: Price and terms of lease

Following closed session, General Counsel Kurt Wiese announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board and made available upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned by the General Counsel at 12:10 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on January 8, 2010.

Respectfully Submitted,

Denise Pupo
Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan
BACT = Best Available Control Technology
BARCT = Best Available Retrofit Control Technology
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
CNG = Compressed Natural Gas
EPA = Environmental Protection Agency
FEA = Final Environmental Assessment
FY = Fiscal Year
GHG = Greenhouse Gas
NOx = Oxides of Nitrogen
PM = Particulate Matter
PM₁₀ = Particulate Matter ≤ 10 microns
PM_{2.5} = Particulate Matter ≤ 2.5 microns
RECLAIM = Regional Clean Air Incentives Market
RFP = Request for Proposals
RFQ = Request for Quotations
RTCs = RECLAIM Trading Credits
SIP = State Implementation Plan
SOx = Oxides of Sulfur
U.S. EPA = United States Environmental Protection Agency
VOC = Volatile Organic Compound