FRIDAY, OCTOBER 29, 2010

Notice having been duly given, the special 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 John J. Benoit
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 Judith Mitchell
Cities of Los Angeles County – Western Region

Mayor Miguel A. Pulido
Cities of Orange County

Members Absent:

Supervisor Michael D. Antonovich
County of Los Angeles

Mayor Ronald O. Loveridge
Cities of Riverside County

Councilwoman Jan Perry
City of Los Angeles

CALL TO ORDER: Chairman Burke called the meeting to order at 9:40 a.m.

- Pledge of Allegiance: Led by Chairman Burke.

PUBLIC HEARING

1. Adopt Proposed Rule 320—Automatic Adjustment Based on Consumer Price Index for Regulation III Fees

Barbara Baird, District Counsel, gave the staff presentation; and noted the errata sheet containing additional language for the Resolution, which was distributed to Board Members and copies made available to the public.

At the request of Supervisor Campbell, Ms. Baird explained that the Rule provides that the amount of the CPI adjustment would be determined by the calculation performed by the California Division of Labor each year and would be repealed if Proposition 26 does not pass.

Supervisor Campbell expressed his support of Proposition 26 because of the intent to place restrictions on various governmental agencies who have taken advantage by naming something a fee rather than a tax in order to avoid voter approval; and noted he is not able to support the rule.

Supervisor Benoit expressed his agreement with Supervisor Campbell's concerns and raised a concern about the negative view the public may have regarding the Board passing such a Rule in such close proximity to the upcoming election.

Ms. Carney commented that she believes the Rule has merit regardless of the outcome of the vote on Proposition 26; so, the language that repeals Rule 320 in the event that Proposition 26 is not implemented was disconcerting to her. Her concern if Rule 320 is not put in place is that litigation would most likely result, which would require excessive amounts of money be spent to defend the collection of fees by the District, to the detriment of taxpayers and residents of the South Coast Basin.

Mayor Yates and Supervisor Gonzales expressed their concerns with regard to the impact to the business community and acknowledged the difficulty of balancing the District's mission of protecting public health and cleaning the air, with the financial resources needed to continue those efforts. On balance, however, both Board Members noted their support for Proposed Rule 320.

Dr. Burke noted that he agreed with comments made by all of his fellow Board Members and as Chairman believed it is necessary to support adoption of the proposed rule.

Councilwoman Mitchell noted that she supports Rule 320 and believes that it is necessary.

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:
Clint Brown
Robert McCormick, McCormick & Son
Patty Senecal, Western States Petroleum Association

MOVED BY YATES, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 1 APPROVED, ADOPTING RESOLUTION NO. 10-27, ADOPTING RULE 320 – AUTOMATIC FEE ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES, AND CERTIFYING THE CEQA EXEMPTION, AS RECOMMENDED BY STAFF, WITH THE MODIFICATION OF THE ADOPTING RESOLUTION TO INCLUDE THE LANGUAGE SET FORTH IN THE ERRATA SHEET AND NOTED BELOW, BY THE FOLLOWING VOTE:

AYES: Burke, Cacciotti, Carney, Gonzales, Lyou, Mitchell, Pulido and Yates.

NOES: Benoit and Campbell.

ABSENT: Antonovich, Loveridge and Perry.

MODIFICATION:

Include the following language in the Resolution:

BE IT FURTHER RESOLVED, that the Executive Officer is directed to annually prepare a socioeconomic impact analysis of the effect of an automatic adjustment based on the California Consumer Price Index, in time for consideration by the Budget Advisory Committee, public consideration by March 15, and the Governing Board's consideration on or before the May Board Meeting; and

BE IT FURTHER RESOLVED, that the Executive Officer is directed to annually schedule a public consultation meeting regarding the automatic fee adjustment established by Rule 320 to receive any public comments, and shall report those comments and any responses, along with any recommendations by the Budget Advisory Committee, to the Governing Board by April 15, together with a recommendation on whether to schedule a public hearing on the fees in Regulation III.

ADJOURNMENT

There being no further business, the meeting was adjourned by Chairman Burke at 10:05 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on October 29, 2010.

Respectfully Submitted,

Denise Pupo
Senior Deputy Clerk

Date Minutes Approved: _____

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Dr. William A. Burke, Chairman

ACRONYMS

CEQA = California Environmental Quality Act

CPI = Consumer Price Index