

Action Summary Minutes
San Joaquin Valley Unified Air Pollution Control District

CITIZENS ADVISORY COMMITTEE

Central Region Office, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA

Tuesday, August 2, 2011
10:00 a.m.

The Citizens Advisory Committee Meeting was held via video teleconference (VTC): Central Region Office, Governing Board Room, 1990 E. Gettysburg Avenue, Fresno, the Southern Region Office, VTC Room, 2700 M Street, Bakersfield and the Northern Region Office, VTC Room, 4800 Enterprise Way, Modesto. The CAC Meeting was webcast.

1. Call to Order - The Chair, Manuel Cunha, called the meeting to order at 10:00 a.m.
2. Roll Call - was taken and a quorum was present.

<u>County</u>	<u>Member Name/Interest Group</u>	<u>Location</u>
Fresno	Manuel Cunha/IAIG (P)	Central
	Ryan Jacobsen/IAIG (A)	Central
	Kevin Hamilton/EIG (P)	Central
	Amarpreet Dhaliwal/CIG (P)	Central
Kern	Brent Green/CIG (P)	South
Kings	Riley E. Jones/IAIG (P)	Central
	Carolyn Temple/EIG (P)	South
	Alene Taylor/EIG (A)	Central
	Dennis Tristao/CIG (P)*	Central
Madera	Donald Horal/IAIG (P)	Central
	Lee Smith/EIG (P)	Central
Merced	Tim Durham/IAIG (P)	North
	Richard Jantz/CIG (P)**	North
San Joaquin	Roger Hoffdahl/IAIG (P)	North
	Wade Broughton/CIG (P)	North
Stanislaus	Chris Savage/IAIG (P)***	North
	Richard Gibson/EIG (P)	North
Tulare	Derek Williams/IAIG (P)	Central
	Christine Foster/EIG (P)	Central
	Mike Santana/CIG (P)	Central

*Mr. Tristao arrived at 10:05 a.m.

**Mr. Jantz arrived at 10:19 a.m.

***Mr. Savage arrived at 10:38 a.m.

(P)=Primary, (A)=Alternate, IAIG=Industry/Ag Interest Group, EIG=Environmental Interest Group, CIG-City Interest Group

Staff Present in Central Region Office (Fresno) – Seyed Sadredin, Executive Director; Alex Krivobok, Network Systems Analyst; Cathy Blevins, Network Systems Analyst; Michelle Franco, Deputy Clerk of the Boards; Jaime Holt, Chief Communications Officer ;Samir Sheikh, Director of Strategies and Incentives Program; Carol Flores, Operations and Program Support Supervisor

Staff Present in the Northern Region Office (Modesto) – Theresa Haywood, Senior Office Assistant

Staff Present in the Southern Region Office (Bakersfield) –Nannette Diaz, Senior Office Assistant

3. Approve Minutes of June 7, 2011 – Due to revisions being required, minutes were not approved.

Public Comment: None

4. Public Comments – None

5. Chair Comments – Mr. Cunha thanked CAC members for attending.

6. Executive Director/APCO Comments – Seyed Sadredin, Executive Director, gave an update on the new Ozone Standard that EPA was scheduled to release at the end of July. Mr. Sadredin reported EPA received the District's Risk Based Strategy recommendations which included providing flexibility in implementation. Mr. Sadredin commented he expected EPA to incorporate some of the recommendations in their proposal. Mr. Sadredin gave an update on Section 185 of the Clean Air Act relating to the nonattainment penalty fees that were triggered in relation to the One Hour Ozone Standard. He explained the District adopted a DMV fee to supplement the stationary source fee by taking advantage of the EPA's guidance that stated areas that triggered the one-hour ozone standard penalty could come up with an equivalent alternative proposal to charge fees to other sources. He explained this will allow stationary sources that have already reduced emissions 80 – 90 percent, to not be held solely responsible for those fees. Mr. Sadredin commented there were some national environmental organizations that sued EPA over the validity of the guidance and the courts ruled in favor of the environmental groups, by ruling EPA did not follow administrative requirements in putting the policy together, and therefore did not qualify as a guidance because it was actually a rulemaking which had to be subject to public comment. Mr. Sadredin stated EPA has proposed to approve this Rule with the DMV fees and stationary source fees and will go through public comment procedures when approving the District's Rule.

Mr. Sadredin reported the August Board meeting will be the first meeting attempting to go to a paperless agenda which will save the District approximately \$25,000 a year in supplies and labor. Mr. Sadredin gave an

overview of several Governing Board Agenda items, one of which will provide funding for a short sea shipping project at the Port of Stockton. Mr. Sadredin explained this project will reduce truck traffic and corresponding emissions. He gave an overview on another Board item which would provide \$2 million in funding for a program supplying electric vehicles for parcel delivery, and a separate item which would provide \$150,000 for a commercial lawn and garden program. Mr. Sadredin also reported the District will receive \$1 million for a statewide school bus program which includes federal funding and penalty fees collected from ARB. Lastly, Mr. Sadredin reported the District will receive a \$2 million grant from the federal government for rail yard switchers. Mr. Sadredin commended District staff for keeping abreast of grant opportunities.

Mr. Green requested clarification on the locations of the shipments to the Port of Stockton. Mr. Sadredin responded shipments would be from the Port of Oakland to the Port of Stockton. Mr. Samir Sheikh, Director of Strategies and Incentives, explained simply that the project is to set up a barge service between the Port of Oakland and the Port of Stockton where they would be able to transfer approximately 300 truck containers per barge between those two ports instead of the trucks being on the road.

Mr. Dhaliwal requested information on a bill introduced in Congress regarding nonattainment penalties. Mr. Sadredin clarified the bill introduced is HR1582 by Representative McCarthy and provided a summary. Mr. Dhaliwal asked if the Board has supported the bill. Mr. Sadredin responded the Board has supported the bill and have asked counties to support the bill and many have.

Mr. Green asked if there was a cost benefit analysis done for the Short Sea Shipping project as far as the moving of containers and labor. Mr. Sadredin responded the District's interest in the cost analysis is the dollars per ton of emissions reduced. Mr. Green commented he was concerned this project does not have a viable economic benefit. Mr. Sheikh responded the project received federal grants and secured customers. Mr. Sheikh explained the agreement for the District to provide funding for the project included ensuring service has been secured and has been running for an amount of time. Mr. Sadredin explained this project not only reduces emissions but also costs of shuttling empty containers back and forth.

Public Comment: None

- This item was taken out of turn*
9. AB32 Presentation by Air Resources Board(ARB) – Bob Fletcher, ARB representative reviewed objectives of AB32 which was passed in 2006. Mr. Fletcher explained that a scoping plan was adopted a few years ago and this plan identified the strategy for how the targets would be achieved. He further explained since the scoping plan was approved a few years ago there have been revisions made to the estimated reduction in emissions based on the economy. Mr. Fletcher explained part of the rulemaking on the Cap and Trade Program in December 2010 presented these estimated emission and

estimated reductions. He reported ARB has a meeting scheduled for August 24, 2011 to reconsider the alternative analysis as well as update the Board on various AB32 actions. He explained since the passage of AB32 there have been a number of standards adopted and he reviewed them. He explained the Advanced Clean Car measure is a very significant measure and will achieve substantial reduction in greenhouse gasses. Mr. Fletcher reported a renewable energy program was approved this past spring and will result in a 33% increase in renewable energy. He reported SB375 is the other component of complimenting the clean air lower carbon fuels and more efficient vehicles by working with local/regional planning agencies to reduce Vehicle Miles Traveled (VMT). He commented on clean tech ventures coming into California, commandeering clean air investments and that goes to helping economy.

Ms. Taylor asked if hydroelectric was included in renewable energy. Mr. Fletcher responded small hydro is included, but large hydro is not and the resources are specified in statute as to what is included and what is not. Ms. Taylor asked for the definition of large and small. Mr. Fletcher explained 25 megawatt or less is the level.

Mr. Jantz asked for clarification on the mileage in 2025 compared to what it is today for SB375. Mr. Fletcher responded he would return with details.

Mr. Hoffdahl asked how and who will conduct the industrial audits. Mr. Fletcher explained the companies are responsible for performing audits within the scope of what is to be included. He explained the audits are designed to look at individual units within the facility and identify emissions, other pollutants, types of technology that would reduce emissions, cost of those measures and the co-benefit. He explained audit provisions include them to be independently verified and contracts are in place to assist ARB.

Mr. Sadredin asked for clarification on the role of the air districts for AB32. Mr. Fletcher explained there's a broad range of activities which include local districts working with their MPO's and councils of governments to implement SB375 and not duplicate efforts.

Mr. Williams asked if there was an analysis on each percentage increase in renewable energy what would be the quantitative benefit and cost for the District. Mr. Fletcher responded prior to legislative adoption the ARB was working with the CA Energy Commission and the Public Utilities Commission on an actual regulation where a cost analysis was completed on a statewide basis. Mr. Fletcher will provide this analysis to Michelle Franco, Deputy Clerk of the Boards. Mr. Sadredin explained benefits are different in general for criteria pollutants and must be looked at on a case by case issue.

Public Comment: None

7. Rules Under Development – Mr. Sheikh reported Rule 2020 (Exemptions) has proposed administrative amendments that will clarify rule requirements by clearly identifying the specific sources/equipment that are being exempted rather than citing California Health and Safety Code (CH&SC). Mr. Sheikh explained the proposed amendment will end the 18-month EPA sanctions clock.

Mr. Sheikh reported Rule 4684 (Polyester Resin Operations) has proposed amendments that would add new specialty coating categories, lower some VOC limits, and raise control system effectiveness limits to match existing limits in other air districts. He explained EPA found these changes were necessary to demonstrate that the operations met requirements for RACT.

Mr. Sheikh reported staff is working on Rule 2301 (Emission Reduction Credit Banking) which will add the ability for local sources to bank carbon emission reductions in the valley to assist facilities and local jurisdiction for CEQA requirements with regard to greenhouse gasses and allow banking of greenhouse gas reductions for purposes such as Cap and Trade by following ARB approved protocols in establishing that banking. He reported there is a workshop scheduled on September 7, 2011 to discuss the draft rule.

Public Comment: None

8. Verbal Report from California Air Resources Board (ARB) – Elizabeth Melgoza, ARB Representative, reported ARB considered the funding plan for the Air Quality Improvement Plan (AQIP) for fiscal year 2011/2012 that allocated \$40 million of AQIP project funding in the Governor's proposed budget. She stated staff recommended directing most of the AQIP funding to continue incentives for the purchase of new hybrid trucks and busses and zero emission passenger cars. Ms. Melgoza explained remaining funding would be allocated to advance technology demonstration projects. She reported ARB approved revisions to the AQIP funding plan. She also reported ARB approved revisions to the South Coast and San Joaquin Valley Ozone SIPs to account for the reduction and ozone precursor emissions as a result of state and local rule making actions, and explained the revisions. Lastly she reported the 2010 Haagan-Smit Clean Air Award recipients are Dr. John Froines, Dr. Joan Denton and Dr. Bradley Edgar.

Public Comment: None

10. Consider Positions on Proposed New Rule 4566 (Organic Material Composting Operations) and Proposed Amendments to Rule 4702 (Internal Combustion Engines, Phase 2) – Mr. Sheikh reported the proposed new Rule 4566 (Organic Material Composting Operations) would implement a control measure in the District's 2007 Ozone Plan and would reduce VOC emissions from organic material composting operations. The 2007 Ozone Plan's emission reduction estimate is 9 tons per day of VOC or 16% of the baseline emissions. Rule development was rescheduled to allow time for staff to

continue working with stakeholders to evaluate the feasibility and cost of potential emission reduction strategies. Through these efforts, the District has prepared a proposed rule package that reflects the latest information.

Mr. Jones asked if the Los Angeles County Sanitation District project in Kings County was approaching 1 million tons throughput per year. Mr. Sheikh explained that operation and others like it are subject to another rule that is in place. Mr. Tristao asked if the technical workgroup for this rule has thoroughly vetted all the recommendations and control measures and asked if there were any concerns that have not been addressed. Mr. Sheikh responded there are no major concerns that have not been addressed. Mr. Jones asked if the rule addresses both bio solids and organic. Mr. Sheikh responded yes, there is already a rule that addresses co-composting.

Mr. Cunha thanked staff for their hard work and the outreach on this rule. Mr. Sadredin explained the District did not want to make composting so expensive that it would divert waste to landfills.

Public Comment: None

Mr. Cunha requested a motion to recommend for adoption proposed amendments Rule 4566 (Organic Material Composting Operations) to the Governing Board.

Moved: Tristao
Seconded: Dhaliwal
Ayes: Cunha, Jones, Horal, Durham, Hoffdahl, Williams, Temple, Taylor, Smith, Gibson, Foster, Dhaliwal, Green, Tristao, Jantz, Broughton, Santana
Nays: None

Motion unanimously carried to recommend for adoption proposed amendments to Rule 4566 (Organic Material Composting Operations) to the Governing Board.

Mr. Sheikh reported proposed amendments to Rule 4702 (Internal Combustion Engines, Phase 2) would implement a control measure in both the 2007 Ozone Plan and the PM2.5 Plan. He explained proposed amendments include lowering the current NOx limits, the addition of SOx requirements, and the expansion of the rule to include a point of sale requirement for engines rated between 25 to 50 bhp, and the option to pay an annual fee to achieve equivalent NOx emission reductions through the District's gran program. The plans did not quantify emission reductions; however, District staff estimates about 1.4 tons per day of NOx reductions. The District will claim credit for emission reductions as they occur through the fee payment program.

Mr. Tristao asked if there were any remaining concerns from the stakeholders that have not been addressed. Mr. Sheikh responded the vast numbers of

concerns from the stakeholders have been addressed. Mr. Durham asked if one of the largest affected groups would be construction with diesel units. Mr. Sheikh clarified that this rule applies only to stationary sources. Mr. Cunha thanked Mr. Sheikh for his presentation and recognized staff for their hard work. Mr. Sadredin thanked the businesses that engaged in the process of rulemaking.

Public Comments: *The following persons provided testimony during the public comments portion of the meeting:*

- Nick Ortiz, Western States Petroleum Association

Mr. Cunha requested a motion to recommend for adoption proposed amendments to Rule 4702 (Internal Combustion Engines, Phase 2) to the Governing Board.

Moved: Dhaliwal

Seconded: Foster

Ayes: Cunha, Jones, Horal, Durham, Hoffdahl, Williams, Temple, Taylor, Gibson, Foster, Dhaliwal, Tristao, Jantz, Broughton

Nays: Green, Santana

Motion carried to recommend for adoption proposed amendments to Rule 4702 (Internal Combustion Engines, Phase 2) to the Governing Board.

Mr. Savage left at 11:05 am

Mr. Smith left at 11:29 am

11. Health Risk-Based Standards – This item was postponed until next CAC meeting.
12. Environmental Justice Advisory Group (EJAG) –
 - a. Verbal Report on EJAG Activities:** Ms. Kelly-Ortega, EJAG Chair explained Linda McKay resigned as EJAG Chair in May. She reported the Grants Committee discussed that their initial focus would be on the \$10 million dollars collected from the DMV fees, but the focus could go to possible future grant monies and what types of projects could best assist EJAG communities. Ms. Kelly-Ortega reported the meeting time would remain the same. She stated in keeping with the CAC/EJAG Collaboration Plan, Jonathon London from UC Davis was contacted and will be making a presentation on environmental issues to both groups in February.
 - b. Presentation by Seyed Sadredin, APCO and Melissa Kelly-Ortega, EJAG Chair** – Ms. Kelly-Ortega thanked Mr. Cunha for speaking at the last EJAG meeting. She reviewed the By-Laws that were based on the District's Environmental Justice strategy.

She explained that EJAG serves as a forum to gather public input and enhance public participation. She further explained that EJAG has no regulatory administrative role in the District's permitting, enforcement planning, rulemaking, etc. Ms. Kelly-Ortega also explained EJAG has no authority other than those granted by the District's Governing Board and in the District's EJ strategy. Ms. Kelly-Ortega reported EJAG has 13 members allowed and currently has 9 members. She explained that the open seats are in Madera, Kings, Kern and for one ethnic small business owner. Ms. Kelly-Ortega reviewed EJAG's By-Laws, Mission and Scope explaining EJAG's role is to advise the District on integrating environmental justice principles into all programs, policies and activities. Ms. Kelly-Ortega explained EJAG reports directly to CAC unless otherwise directed by the Governing Board. Ms. Kelly-Ortega reviewed the Goals and Objectives including continuing to work collaboratively and creating a strong working relationship with CAC, working with the District to ensure specific public documents are created that are culturally sensitive and reflect Environmental Justice principles and increase public participation. She presented and distributed brochures and business cards.

Ms. Taylor stated EJAG could be really effective in support of grant applications due to Fresno receiving federal designation. Ms. Temple asked if brochures are available on the internet. Ms. Kelly-Ortega responded affirmatively

Public Comment: None

Mr. Durham left at 11:40 am

13. Outreach and Communications Report – Mr. Sadredin requested assistance in outreach to individuals and businesses related to the 1-Hour Ozone violation and the penalty attached. He explained the Valley has, until now, not exceeded the standard this year. Mr. Sadredin explained the Valley has an opportunity to be rid of the penalties should there not be an exceedance this year and for the next two years. Mr. Sadredin explained the violations seem to occur at the end of August when schools go back in session. Mr. Sadredin asked for assistance with outreach to individuals and businesses to do what they can to reduce emissions through the new Air Alert Program.

Mr. Williams commented he liked the advertisements for Healthy Air Living on the radio and asked if full page advertisements could be placed in the newspapers. Jaime Holt, Chief Communications Officer, responded newspaper ads are coming but full page ads are expensive. Ms. Holt stated she has been meeting with news outlets in the Valley to obtain free coverage. Mr. Williams stated he printed the next Tune in – Tune up event flyer and is distributing them and suggested sending them to all CAC members to post

flyers at constituents' businesses. Mr. Cunha suggested discussing this event at all meetings that members attend. Mr. Dhaliwal asked for tips on how to help can be attached to the asthma alert from Dr. Baz. Mr. Sadredin responded Ms. Holt is discussing this suggestion with news outlets. Mr. Tristao asked if there's been discussion with schools for staggering start dates. Mr. Sadredin requested assistance from members associated with school districts to pass along the information and suggestions. Mr. Williams stated the university added to class times by five minutes therefore reducing their school year by almost a month. Mr. Sadredin suggested this be a topic for CAC to engage as an ongoing item. Mr. Cunha stated he would contact the Fresno School Unified Superintendent to coordinate a conference call.

Mr. Broughton left at 12:03 pm

14. CAC Member Comments and Suggestions to be Included in the Presentation of the CAC Report During the Governing Board Meeting on August 18, 2011 – Mr. Cunha thanked all for attending and being involved in the discussions.
15. Volunteer to Present Report During Governing Board Meeting - Mr. Cunha stated he will present the report.

Meeting adjourned at 12:07 p.m.

Next Meeting – The next meeting is scheduled on September 6, 2011. The meeting will be held via video teleconference (VTC), with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) participating.