

Action Summary Minutes
San Joaquin Valley Unified Air Pollution Control District
GOVERNING BOARD MEETING

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

Thursday, June 19, 2008
9:00 a.m.

*Meeting held via teleconferencing (VTC) with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield).
This meeting was webcast.*

1. CALL MEETING TO ORDER
The Chair, Supervisor Ornellas, called the meeting to order at 9:05 a.m.
2. ROLL CALL was taken and a quorum was present.

Present

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| Judy Case, Supervisor | Fresno County |
| Tony Barba, Supervisor | Kings County |
| Ronn Dominici, Supervisor | Madera County |
| Michael G. Nelson, Supervisor | Merced County |
| J. Steven Worthley, Supervisor | Tulare County |
| John G. Telles, M.D | Appointed by Governor |
| Chris Vierra, Councilmember, Vice Chair** | City of Ceres |
| Leroy Ornellas, Supervisor, Chair | San Joaquin County |

Absent

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| Raymond Watson, Supervisor | Kern County |
| William O'Brien, Supervisor | Stanislaus County |
| Henry T. Perea, Councilmember | City of Fresno |

** Attended meeting in Northern Region Office (Modesto)

3. CHAIRMAN'S RECOGNITION OF SERVICE BY COUNCILMEMBER BRAR
This item was taken out of order. The Chair, Supervisor Ornellas, presented a plaque for Councilmember Raji Brar in recognition for her service as a District Board Member from February 2007 through May 2008.
4. APPROVAL OF CONSENT CALENDAR – *Item numbers 18 – 24. These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public is given the opportunity to comment on any consent item.*

18. APPROVE ACTION SUMMARY MINUTES FOR THE GOVERNING BOARD MEETING OF THURSDAY, MAY 15, 2008
19. APPROVE ACTION SUMMARY MINUTES OF THE SPECIAL PUBLIC HEARING, REVIEW OF THE 2008-09 RECOMMENDED BUDGET FROM THURSDAY, MAY 15, 2008
20. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2008
21. RECEIVE AND FILE OPERATIONS STATISTICS SUMMARY FOR MAY 2008
22. RECEIVE AND FILE BUDGET STATUS REPORT AS OF MAY 31, 2008
23. APPROVE AGREEMENT WITH SIFF & LAKE, LLP FOR FEDERAL LEGISLATIVE ADVOCACY FOR AN AMOUNT NOT TO EXCEED \$89,250
24. APPROVE AMENDMENT TO AGREEMENT 08-05-06a WITH GOLDEN SPECIALTY LABORATORY, LTD. FOR LABORATORY ANALYSIS OF NON-METHANE ORGANIC COMPOUNDS IN THE AMOUNT OF \$15,000 FOR MODIFICATION OF ANALYTICAL SPECIFICATIONS

Board Member Comments – Regarding Consent Item 23, Supervisor Case mentioned that the District was attempting to get an air quality enterprise zone as part of its federal advocacy and asked if the advocates could report on any progress. Tom Jordan, Senior Policy Advisor, said the District has been working with Senator Boxer’s office and she was enthused to introduce this concept. Mr. Jordan said the District hopes to hear back from Senator Boxer’s office shortly and the Board will be updated.

Public Comment— None

Moved: Worthley

Seconded: Dominici

Ayes: Case, Worthley, Nelson, Barba,
Vierra, Ornellas, Dominici, Telles

Nays: None

Motion unanimously carried to approve Items 18-24 as recommended.

5. PUBLIC COMMENT - Steve Ratzlaff, Pastor of Mennonite Community Church in Fresno, commented that he appreciates the District’s Healthy Air Living campaign and hopes it will be followed up with efforts to talk with faith

communities. Mr. Ratzlaff said he was here today on behalf of the Fresno Healthy Dairy Commission. Mr. Ratzlaff requested the Governing Board to direct its staff to revisit the decisions they are proposing on dairies and to require better controls.

6. REPORT FROM CITIZENS ADVISORY COMMITTEE (CAC)— *This item was taken out of order.* Mary-Michal Rawling, CAC Chair, presented the report. Ms. Rawlings briefed the Board on the CAC's June 3rd meeting. Ms. Rawlings also discussed the difficulty the CAC is having in getting a quorum at some meetings due to vacant positions and some members not attending regularly.
7. PUBLIC HEARING TO ADOPT THE DISTRICT'S 2008-09 RECOMMENDED BUDGET Seyed Sadredin, Executive Director/APCO, offered the Board the option of hearing the full staff report as presented at the May 15th Budget Hearing. The Board chose not to hear a staff report.

Board Member Comments – Dr. Telles inquired about the total amount of community incentives in the Recommended Budget. Mr. Sadredin stated the Recommended Budget includes \$310,000 of District funds, with the expectation that outside contributions will match or exceed that amount. Dr. Telles stated the lawnmower program sold out in two weeks and seems to be very popular. He stated that if the District could direct more funds to that area, the public would respond favorably. Dr. Telles expressed disapproval regarding the District's alternate transportation incentive for staff. He said \$135,000 for 300 employees versus a \$90,000 fireplace program for 3.5 million people doesn't make sense, and the community incentives are more cost-effective. Mr. Sadredin explained the alternate transportation incentive is part of a comprehensive Memorandum of Understanding (MOU) negotiated with employees, and this incentive was agreed upon in lieu of salary adjustments. Dr. Telles commented that replacing an engine would be far more cost-effective than the alternate transportation incentive. Dr. Telles stated he believes District employees should use alternate transportation without incentive, due to the nature of their work.

Supervisor Case commented that the cost-effectiveness might not be as great for the fireplace and lawnmower programs as for replacing an engine, but public participation and getting the public encouraged and energized to make personal choices is equally important.

Supervisor Worthley commented that it was not the time or place to discuss employee salaries and benefits. The money the District has allotted for the fireplace and lawnmower programs is leveraged by additional contributions and by the discounts received from the manufacturers. Supervisor Worthley commented that these kind of programs tend to be episodic and often sell-out. The purpose of these programs is not to try to replace all of the

lawnmowers and fireplaces in the Valley, but rather to inform and motivate the public that these alternatives are out there.

Mr. Sadredin pointed out that the \$310,000 of District money budgeted for community grants is double the amount spent last year on those programs, and he reiterated that the District hopes to receive additional funds from other agencies. Dr. Telles stated he believes the employee benefit plan is way out of proportion for what you see in the private sector and is a potential danger to the financial stability of the organization. Phil Jay, District Counsel, mentioned the current salary contract ends in September and negotiating will begin today in closed session.

Moved: Worthley

Seconded: Dominici

Ayes: Case, Worthley, Nelson, Barba,
Vierra, Ornellas, Dominici, Telles

Nays: None

***Motion unanimously carried to adopt the District's 2008-09
Recommended Budget.***

8. DISTRICT'S ANNUAL AIR TOXICS REPORT FOR THE YEAR 2007
This item was taken out of order. Samir Sheikh, Director of the Emission Reduction Incentive Program, presented the report. Mr. Sheikh reported the District will continue to adopt advanced regulations and incentive-based programs to reduce toxic emissions and will continue to inform, educate and involve the public in this area through community access involvement and multi-lingual outreach.

9. APPROVE CONTRACTS WITH TELENET INC. FOR REPLACEMENT/UPGRADE OF THE DISTRICT'S PHONE SYSTEM IN THE AMOUNT OF \$512,668.14 AND WITH GE GOVERNMENT FINANCE INC. AND MARSHALL & ILSLEY TRUST COMPANY TO PROVIDE LEASE FINANCING FOR THE PROJECT IN THE AMOUNT OF \$512,668.14
Ken Pretzer, Director of Information Systems, presented the report. Mr. Pretzer stated the District's phone system was installed in January of 1999 and is now nine and a half years old. The District was informed last year the equipment has been deemed "end of life" and the manufacturer will no longer offer support. This means there will be no more maintenance, no new developments and no bug-fixers for the current equipment. Over the past nine and a half years there have been several important advancements in telephone technology that the current platform does not allow us to take advantage of, such as Voiceover IP (Internet Protocol) which allows more telephone calls over the same wire, thus reducing overall expenses for the same number of calls.

Dr. Telles asked what the estimated life span is for the new system. Mr. Pretzer answered that as long as the manufacturer is supporting the platform, we will stay on the platform. He said maintenance services are guaranteed for five years. After that, the District will self-support as much as possible, but eventually a point is reached where it no longer makes sense to continue with the same system. Dr. Telles commented that he has worked at St. Agnes hospital for over 30 years and there has only been one phone change. Mr. Pretzer clarified that it is not the actual phones being upgraded, it is the phone system's supporting equipment located in the computer room that will be replaced. Mr. Pretzer added that it is likely the supporting equipment for the hospital's phone system has been replaced several times in the last 30 years.

Mr. Sadredin commented that this is not simply about the day-to-day phone service. The District has three offices that need to be connected and a sophisticated automated phone system for agricultural burning. Failure of our system would be catastrophic for the District and those we serve.

Supervisor Ornellas asked if the new equipment is state of the art. Mr. Pretzer affirmed and explained that it works on IP technology, which is where most technological development is going. Our current platform is non-IP based and truly is "end of life."

Moved: Barba

Seconded: Dominici

Ayes: Case, Worthley, Nelson, Barba,
Vierra, Ornellas, Dominici, Telles

Nays: None

10. APPROVE THE DISTRICT'S CLIMATE CHANGE ACTION PLAN (CCAP)
Seyed Sadredin, Executive Director/APCO presented an introduction to the report. With the implementation of the California Global Warming Solutions Act of 2006 (AB32), the State of California is moving ahead of the nation in climate protection with very demanding requirements. While AB32 imposes no specific mandates on local air districts, local land use agencies are looking to the District for guidance in addressing greenhouse gas issues in the CEQA process and Valley businesses are looking to the District for assistance in complying with AB32 requirements, because the District has decades of experience and extensive expertise in implementing emissions reduction and mitigation strategies.

The goals of the proposed District Climate Change Action Plan are to:

- 1) Assist local land use agencies with California Environmental Quality Act (CEQA) issues;
- 2) Assist Valley businesses in complying with the mandates of AB32; and

- 3) Ensure that climate protection measures do not cause emissions that adversely affect public health or environmental justice.

The adoption of the Climate Change Action Plan would authorize the APCO to begin a public process for developing guidelines, measures and agreements for the Governing Board's consideration in 2009. Proposals that would be developed under the Plan include:

- 1) CEQA guidelines for local land-use agencies;
- 2) A carbon exchange bank modeled on the District's existing ERC bank, which would facilitate and promote local reductions in both greenhouse gases and smog-forming criteria pollutants;
- 3) Enhancements to the District's existing emissions inventory reporting system to also allow streamlined submittal of State-mandated greenhouse gas emissions reports;
- 4) Voluntary greenhouse gas mitigation agreements for individual consideration by the District Governing Board.

Under the proposal, the District would also continue to support win-win measures that reduce both greenhouse gases and criteria pollutants, and oppose measures that result in significant increases in toxic or criteria pollutants.

Dave Warner, District Director of Permit Services, continued the report with a summary of AB32 and a more detailed description of the proposals that would be developed for Board consideration under the Climate Change Action Plan.

Supervisor Case said she was unsure of the benefit of a Valley-wide banking system unless it makes it easier for individuals to go through the process. If the District sets up the bank and then it doesn't meet the criteria of the international market, we could be liable. Phil Jay, District Counsel, replied that the bank should be set up with safeguards to protect the District. Mr. Sadredin agreed that we want to work very closely with ARB and international organizations to make sure the program we develop for Valley businesses is fully compatible.

Dr. Telles commented that it is good the District is looking ahead, but indicated AB32 does not authorize local Districts to do what is being proposed. The development of the carbon bank is a great idea, but the District might be creating something ARB will reject. Dr. Telles further stated that the District might be getting ahead of itself and is certainly ahead of any funding. Mr. Sadredin said approval of this item will simply begin the public processes for the development of these efforts, and the initial cost will be minimal.

Supervisor Case commented that, with the State Attorney General's office's involvement in CEQA projects and county general plans, county supervisors are dealing with these issues already. Mr. Jay stated there have been lawsuits by the attorney general and environmental groups, and that, if they don't like a project, they will come in through the CEQA process and say "County, you did not study and provide measures to mitigate greenhouse gases". He added there is a need for the District, the cities and the counties to have this information so they can deal with this issue appropriately. It's a good thing to explore to see if we can all get on the same page rather than have eight different jurisdictions all trying to figure it out.

Dr. Telles stated that there is the potential for a huge duplication of effort if the guidance is not tightly coordinated with what ARB is going to mandate.

Supervisor Dominici stated that our District has to lead the way on this issue, and encouraged Board Members to move forward with the proposal.

Supervisor Worthley disagreed that any significant amount of resources would be taken away from other projects.

Councilmember Vierra commented that it is critical for the District to be at the forefront on this issue. This issue goes beyond greenhouse gases, it affects our Valley and the District needs to give direction to those parties involved in the preparation of CEQA documents.

Public Comment – *The following persons provided testimony in support on this item:*

- Sarah Sharpe, Coalition for Clean Air
- Melissa Kelly-Ortega, Merced/Mariposa County Asthma Coalition
- Manuel Cunha, Nisei Farmer's League
- Suzanne Noble, Western States Petroleum Association

Moved: Dominici

Seconded: Worthley

Ayes: Case, Worthley, Nelson, Barba,
Vierra, Ornellas, Dominici

Nays: Telles

Motion to approve the District's Climate Change Action Plan failed 7 to 1. Affirmative actions by the Board require 8 affirmative votes.

Chairman Ornellas directed staff to bring the Climate Change Action Plan back to the Board in August.

11. APPROVE AGREEMENT WITH JEFFREY/SCOTT ADVERTISING (JSA) FOR PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM MARKETING CAMPAIGN AND APPROVE BUDGET RESOLUTION INCREASING THE 2008-09 DISTRICT BUDGET BY \$100,000 TO FUND THIS AGREEMENT – Seyed Sadredin, Executive Director/APCO, presented the report. The District will receive over \$40 million in Proposition 1B funding that must be spent on truck replacements and truck retrofits. One concern is that some independent owner/operators may not be aware of the available funds. The District committed to providing equal access to these truckers. In order to get the word out, the District is proposing to spend \$100,000 on radio advertisements and billboards along Valley freeways. The proposed agreement is with the District's current advertising agency. Mr. Sadredin commented that time is of the essence and if the District does not reach enough participants by the mandated deadlines, the unused portion of the money must be returned to the State.

Supervisor Nelson commented he would like to see some consideration made towards advertisements in Punjabi. Mr. Sadredin said there will be placards and postings in Punjabi at many truck-stops. Samir Sheikh, Director of the Emission Reduction Incentive Program, added the District is also looking at setting up meetings in community centers focusing on Punjabi truckers.

Moved: Worthley

Seconded: Dominici

Ayes: Case, Worthley, Nelson, Barba,
Vierra, Ornellas, Dominici, Telles

Nays: None

Motion unanimously carried to approve the agreement and budget resolution.

12. APPROVE AGREEMENT WITH CALIFORNIA AIR RESOURCES BOARD (ARB) FOR PILOT PROGRAM FOR DISTRICT ENFORCEMENT OF STATE ANTI-IDLING REGULATIONS FOR TRUCKS AND BUSES – Rick McVaigh, Deputy APCO, presented the report. Truck-idling contributes about 13 tons a day of oxides and nitrogen in the Valley and about a third of a ton of directly-emitted particulate matter. ARB has developed regulations to limit idling under certain circumstances, but there has been no enforcement of those regulations so far. The District is proposing to work with ARB on a pilot program to enforce those regulations in the San Joaquin Valley. If the agreement is approved, the program would begin around July 1, 2008. The District will work on outreach and compliance assistance during July and begin inspections at truck stops and other locations in August. The District

believes this pilot program could have state-wide benefits. For safety reasons, the California Highway Patrol will accompany District inspectors on some inspections. The District will report back to your Board in August 2009 to share the results of this pilot program.

Supervisor Ornellas asked if the idling regulation takes into consideration situations such as the need to run the truck for refrigeration system units. Mr. McVaigh responded that there are a variety of exemptions for properly approved systems to allow for those types of situations. Mr. Sadredin stated the District has received complaints about idling trucks from certain areas that seem to be gathering places for truckers to go at night. He added that the District will issue a press release as a part of our outreach efforts with the hope that just getting the word out will have some impact.

Supervisor Case stated that truckers are at the edge of their tolerance right now and it is important that they be informed before proceeding with any kind of enforcement. She asked why the CHP is not doing this enforcement. Mr. Sadredin responded that ARB has gone to various agencies to try to get help with this and we were the first to offer help because of the burden that truck emissions have on our emissions inventory. He added the District will implement additional educational outreach prior to initiating enforcement.

Public Comment – *The following persons provided testimony on this item:*

- Mary-Michal Rawling, Merced/Mariposa County Asthma Coalition
- Sarah Sharpe, Coalition for Clean Air
- Manuel Cunha, Nisei Farmer's League

Moved: Nelson

Seconded: Barba

Ayes: Case, Worthley, Nelson, Barba,
Vierra, Ornellas, Dominici, Telles

Nays: None

Motion unanimously carried to approve agreement.

13. RECEIVE AND FILE THE "2008 ANNUAL REPORT ON THE DISTRICT'S INDIRECT SOURCE REVIEW PROGRAM"

This item was taken out of order. Arnaud Marjollet, Permits Services Manager, presented the report. The Indirect Source Review (ISR) Rule is based on the premise that with population growth come new development projects, new traffic and new equipment which contribute to emissions increases. The ISR Rule was designed to reduce the air quality impact of new residential and non-residential development projects and has been increasingly successful. The District experienced a large increase in ISR applications, a significant increase in combined onsite and off-site projected emission reductions, and collected over three times more money than the

- previous year. Recently, ISR staff have met with planning agencies across the Valley to explain the Rule and how to comply. They have conducted several workshops throughout the District targeting developers, builders, consulting firms and public agencies and have provided consulting firms and other stakeholders and planning agencies with training to help them use software useful in characterizing emissions. The best indicator of the Rule's success is the tremendous progress made in the way in which the projects are being put together. The developers not only deal with the Rule, but are now incorporating emission-reducing measures into their projects. Developers are using cleaner construction equipment and energy efficient housing designs in residential developments and are promoting alternate transportation and other measures that reduce associated emissions.
14. VERBAL REPORT: CALIFORNIA AIR RESOURCES BOARD (ARB) – There was no report.
15. EXECUTIVE DIRECTOR/APCO COMMENTS - Seyed Sadredin, Executive Director/APCO, gave updates on the status of AB2522 (Arambula) and SB1548 (Florez). Mr. Sadredin added that it is likely the District will not get any new appointments for vacant city representatives on the Governing Board for a number of months. He stated the current vacancies are creating potential quorum issues. Mr. Sadredin stated he may propose some changes to the quorum policy for the Board's consideration at a future meeting. Mr. Sadredin presented each Board member with a Governing Board Member Resource Manual.
16. GOVERNING BOARD MEMBER COMMENTS
Supervisor Worthley asked if a rule regarding port container fees has been passed in the South Coast. Mr. Sadredin responded that there is a bill going through legislature that would impose a mandatory fee on containers. The bill has not passed yet, but the ports are currently charging their own container fees. Supervisor Worthley commented that the District should either receive benefits from this rule or the exports from the Valley should be exempt from the rule as it is designed for port infrastructure.
- Supervisor Ornellas asked if AB2522 will designate where the money goes. Mr. Sadredin answered that the Board will have control on the magnitude and the expenditure of the funds.
- Dr. Telles asked what percentage of trucks going up and down the Valley are registered in California and would actually qualify for funding. Mr. Sadredin answered that ARB estimates 50% are pass-through trucks which would not qualify for Prop 1B funding. Overall, there are about 78,000 trucks per year that travel in the Valley. The need will exceed the magnitude of the available funding.

ADJOURN to closed session at 11:30 a.m.

Supervisor Case, Supervisor Nelson and Councilmember Vierra left the meeting at noon, after closed session.

The meeting reconvened at 12:20 p.m.

17. CLOSED SESSION

Phil Jay, District Counsel, reported the Board voted unanimously for District Counsel to appear and defend in the cases as listed.

ADJOURN at 1:12 p.m.

*Next scheduled meeting of the Governing Board: Thursday, August 21, 2008.
Meeting starts at 9:00 a.m., Central Region Office, Governing Board Room, 1990 E.
Gettysburg Avenue, Fresno. The meeting will be held via video teleconference (VTC) with the
Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) participating
via VTC.*