

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

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

Thursday, September 17, 2009
9:00 a.m.

*Meeting held via teleconferencing 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, Chris Vierra called the meeting to order at 9:09 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

David G. Ayers, Councilmember	City of Hanford
Tony Barba, Supervisor, Vice Chair	Kings County
Judy Case, Supervisor	Fresno County
Ronn Dominici, Supervisor	Madera County
Henry J. Forman, Ph.D.	Appointed by Governor
Jesus J. Gamboa, Councilmember***	City of Visalia
Michael G. Nelson, Supervisor	Merced County
William O'Brien, Supervisor*	Stanislaus County
Leroy Ornellas, Supervisor*	San Joaquin County
John G. Telles, M.D.	Appointed by Governor
Chris Vierra, Councilmember, Chair	City of Ceres
Raymond Watson, Supervisor**	Kern County
J. Steven Worthley, Supervisor	Tulare County

*Attended meeting in Northern Region Office

**Attended meeting in Southern Region Office

***Arrived at 10:12 a.m.

Absent:

Ann Johnston, Mayor	City of Stockton
Randy Miller, Councilmember	City of Taft

Chairman Vierra reported that four new Governing Board members were approved at the recent Special City Selection Committee meeting held on August 31, 2009. He welcomed Mayor Ann Johnston, City of Stockton, Councilmember Randy Miller, City of Taft, Councilmember Jesus Gamboa, City of Visalia and Councilmember David Ayers, City of Hanford to the Governing Board. As the only new Governing Board member present at this time, Councilmember Ayers thanked everyone for the warm welcome and stated he looks forward to working with the Board.

3. APPROVAL OF CONSENT CALENDAR – Item numbers 16 – 21 *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.*
16. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, AUGUST 20, 2009
17. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2009/10
18. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR AUGUST 2009
19. RECEIVE AND FILE BUDGET STATUS REPORT AS OF AUGUST 31, 2009
20. RECEIVE AND FILE PROPOSED DISTRICT POLICY AND GUIDANCE DOCUMENT FOR LAND-USE AGENCIES FOR USE IN ADDRESSING GHG EMISSION IMPACTS UNDER CEQA FOR NEW PROJECTS IN THE SAN JOAQUIN VALLEY; AND PROPOSED AMENDMENTS TO RULE 2301 (EMISSION REDUCTION CREDIT BANKING)
21. APPOINT MEMBER TO THE DISTRICT'S ENVIRONMENTAL JUSTICE ADVISORY GROUP

Consent Item #20 was pulled by Dr. Telles for further discussion and separate vote.

Public Comment – None

Moved: Case
Seconded: Dominici
Ayes: Nelson, Ayers, Watson, Worthley, Dominici, Case
Telles, Forman, Barba, Ornellas, O'Brien, Vierra
Nays: None

Motion unanimously carried to approve Consent Calendar Items 16-19 and 21.

20. RECEIVE AND FILE PROPOSED DISTRICT POLICY AND GUIDANCE DOCUMENT FOR LAND-USE AGENCIES FOR USE IN ADDRESSING GHG EMISSION IMPACTS UNDER CEQA FOR NEW PROJECTS IN THE SAN JOAQUIN VALLEY; AND PROPOSED AMENDMENTS TO RULE 2301 (EMISSION REDUCTION CREDIT BANKING) – Dr. Telles asked if there was an intent to sell the emission reduction credits. Seyed Sadredin, Executive Director/APCO responded the proposed Rule would establish a system where people could bank emission reduction credits voluntarily in the Valley. He stated the District would act as the administrator for these transactions, but

would not own or sell the credits. Dr. Telles asked if there would be fees to maintain the bank. Mr. Sadredin stated the District is following the existing system for criteria pollutants which charges a fee for each application to bank. He noted the fee is contingent on the number of hours it takes to process the application. Dr. Telles suggested the expenses related to the program be itemized as there is a potential to recoup any expenses. He also stated this is an exceptional document and thanked staff for putting it together.

Public Comment – None

Moved: Worthley
Seconded: Dominici
Ayes: Forman, Nelson, Ornellas, O'Brien, Ayers, Watson,
Worthley, Dominici, Barba, Telles, Case, Vierra
Nays: None

Motion unanimously carried to receive and file proposed District Policy and Guidance Document for Land-Use Agencies for Use in Addressing GHG Emission Impacts Under CEQA for New Projects in the San Joaquin Valley; and Proposed Amendments to Rule 2301 (Emission Reduction Credit Banking)

4. PUBLIC COMMENT – *The following persons provided testimony during the Public Comment portion of the meeting:*
 - Maria Ordaz
 - Socorro Gaeta
 - Laura Fultz-Stout, Coalition for Clean Air

5. REPORT FROM THE CITIZEN'S ADVISORY COMMITTEE (CAC) – Mary-Michal Rawling, Chair of the CAC gave a report on the meeting held on September 1, 2009. She stated they received a report on upcoming workshops for draft Rule 9410 (Employer Based Trip Reduction Programs). She noted Andre Booker, Kings County At-Large Representative on the Environmental Justice Advisory Group also gave a report to the CAC about recent EJAG activities. She also stated there was a discussion on the upcoming EJAG Evaluation Report which will be presented to the Board at a future meeting. Lastly, she thanked the Board for appointing a new EJAG member this morning. She stated the CAC is looking forward to working with this new appointee, Fabian Ceballos.

6. REAUTHORIZE THE DISTRICT'S ECONOMIC ASSISTANCE INITIATIVE – Mr. Sadredin gave the presentation on the District's Economic Assistance Initiative. He stated back in February, the Board approved the District's Economic Assistance Initiative in response to the massive global economic and financial crisis that has besieged the nation. Under the initiative the District is attempting to provide some cost relief to affected businesses without sacrificing any environmental safeguards. As part of these measures, the District allows more time to pay permit fees, waives

late fee and uses installment payments. In addition, developers can defer indirect source mitigation fees until a project is occupied. Also, the penalty for grantees not able to satisfy grant obligations and the minimum usage requirement could also be waived. He noted that the economic crisis is still affecting California and especially this region, and recommended the Board reauthorize the District's Economic Assistance Initiative for another six month period. He also reported that the District has adopted a standard procedure to webcast all public meetings and workshops to provide more opportunity for members of the public to have access to these meetings without incurring travel and lost productivity costs.

Supervisor Case asked about the number of businesses that have taken advantage of the District's Economic Assistance Initiative. Mr. Sadredin reported over 300 businesses have taken advantage of this program in the last six months. Dr. Telles stated this is an excellent plan that should perhaps be considered as a permanent policy, as segments of our community will always be economically depressed. Supervisor Worthley suggested this program could use further vetting to assess the economic impact associated with this policy. Supervisor Watson suggested directing staff to report back on the economic impact of this policy. Mr. Sadredin responded staff could come back with a recommendation as to which measures in this policy could be made permanent.

Public Comment – None

<i>Moved:</i>	Worthley
<i>Seconded:</i>	Barba
<i>Ayes:</i>	Worthley, Telles, Forman, Ayers, Case, Dominici, Barba, O'Brien, Ornellas, Nelson, Watson, Vierra
<i>Nays:</i>	None

Motion carried unanimously to reauthorize the District's Economic Assistance Initiative for the next six months, and direct staff to report back to the Board on measures in this policy that are recommended for permanent adoption.

7. ADOPT REVISED PROPOSED AMENDMENTS TO RULE 4692 (COMMERCIAL CHARBROILING) AND ESTABLISH AN INCENTIVE GRANT PROGRAM FOR UNDER-FIRED CHARBROILERS – Supervisor O'Brien announced he would continue to abstain from voting on this issue as he owns a business that does charbroil, but not in quantities that would be affected by this Rule. Mr. Sadredin stated one of the District's Core Values is to listen to the public and any comments received on any action brought before the Board. He stated this item was brought before the Board in June after a lengthy workshop process with limited participation by the business community. He noted many members of the business community came to that Board meeting and raised valid concerns and issues that were investigated by District staff. He reported based on the information received, staff has developed a revised proposal to amend Rule 4692 (Commercial Charbroiling) and a request to establish an incentive grant program for under-fired charbroilers. He then introduced Scott Nester, Planning Director who gave the presentation.

Mr. Nester reported the proposed amendments are part of the PM2.5 plan adopted by the District in 2008. He stated in the PM2.5 plan, the District was looking to reduce emissions from many types of sources including commercial charbroiling. He reported during the previous workshop phase for these Rule amendments, over 6,000 notices were mailed out to operators in the Valley. He noted workshops were lightly attended and very little feedback was received until the June Board meeting. He stated in response to the concerns addressed at that meeting, staff developed the current proposed amendments and a \$500,000 pilot Charboiler Incentive Program (ChIP) which will control PM2.5 emissions from chain-driven charbroilers and allow the Air Pollution Control Officer to further investigate the economic feasibility and availability of particulate controls for under-fired charbroilers. He noted funds for the pilot program will come from the existing Indirect Source Review mitigation fees, which were collected to offset emissions from new developments.

Supervisor Nelson commended District staff for addressing concerns raised by the public. Dr. Forman stated the carbon compounds released by charbroiling are a smaller percentage of the mass. However, he noted these compounds are one of the worst elements of PM2.5. He stated this incentive program will help drive technology to reduce these emissions. Councilmember Ayers asked about the effectiveness of the filters currently used. Mr. Nester responded the present filters are designed to remove the much larger particles and the new filters are designed to remove the PM2.5. He noted the new controls are very effective at about 90%.

Councilmember Gamboa arrived at 10:12 a.m., during the presentation of Item #7.

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

- Colby Morrow, Southern California Edison
- Laura Fultz-Stout, Coalition for Clean Air
- Mike Wells, Fresno Metro Ministry
- Amalia Chamorro, California Restaurant Association

Moved: Barba
Seconded: Dominici
Ayes: Ornellas, Telles, Gamboa, Dominici, Nelson, Ayers
Watson, Case, Worthley, Barba, Forman, Vierra
Nays: None
Abstain: O'Brien

Motion carried 12-0 with one abstention to adopt revised proposed amendments to Rule 4692 (Commercial Charbroiling) and establish an incentive grant program for under-fired charbroilers.

8. APPROPRIATE \$7,261,000 IN UNANTICIPATED REVENUE FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO FUND SCHOOL BUS RETROFITS, OFF-ROAD REPOWER PROJECTS AND ON-ROAD HEAVY-DUTY TRUCK RETROFITS – Mr. Sadredin reported the District submitted American

Recovery and Reinvestment Act grant proposals totaling \$180 million over the past six months. He stated the District has been awarded a total of \$7.2 million dollars from the EPA as part of the National Clean Diesel Funding Assistance Program to be used in the following manner: \$4 million dollars for school bus retrofits throughout the Valley; \$2 million dollars for repowering agricultural equipment and \$1.2 million dollars for advancing new technology for controlling diesel emissions. He stated the District is not asking for additional staffing at this time. However, he noted if additional ARRA funds are awarded to the District to administer there will be a need for additional resources. He also noted the grants pay for the administrative portion of the programs.

Public Comment – None

Moved: Case
Seconded: Barba
Ayes: Worthley, Gamboa, Barba, Dominici, Case, Watson
Nelson, Ayers, Telles, Forman, O'Brien, Ornellas, Vierra
Nays: None

Motion unanimously carried to appropriate \$7,261,000 in unanticipated revenue from the American Recovery and Reinvestment Act from the United States Environmental Protection Agency to fund school bus retrofits, off-road repower projects and on-road heavy duty truck retrofits.

9. ADOPT PROPOSED RULE 4695 (BRANDY AGING AND WINE AGING OPERATIONS) – George Heinen, Supervising Air Quality Engineer gave the presentation on this Rule which would require controls to reduce Volatile Organic Compound emissions generated from larger wine and brandy aging operations. He noted the Federal Clean Air Act requires Reasonably Available Control Technology (RACT) controls at all major stationary sources, including Volatile Organic Compounds.

Supervisor Dominici asked if this rule exempts small winemakers. Mr. Heinen confirmed that is true. Supervisor O'Brien noted the reductions seem small compared to what the District usually proposes. Mr. Sadredin noted that the RACT controls proposed in this Rule meet the base-level requirements established by the federal law, and many times the Board has adopted more stringent rules than RACT requires.

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

- Chris Savage, Wine Institute of California

Moved: Dominici
Seconded: Barba
Ayes: Case, Ornellas, Ayers, Forman, Telles, Nelson
Watson, Barba, Worthley, Gamboa, Dominici, Vierra
Nays: O'Brien

Motion carried 12-1 to adopt proposed Rule 4695 (Brandy Aging and Wine Aging Operations).

10. APPROPRIATE \$140,000 IN UNANTICIPATED REVENUE FROM THE KERN COUNTY AIR POLLUTION CONTROL DISTRICT IN ACCORDANCE WITH MEMORANDUM OF UNDERSTANDING AMENDMENT #09-028-2009a – Mr. Sadredin stated in May 2008 the Board entered into a Memorandum of Understanding with Kern County Air Pollution Control District (KCAPCD) to administer their low-emission school bus program. He noted this \$140,000 in unanticipated revenue will help the District assist KCAPCD with replacing their pre-1977 school buses. He stated the funds will supplement Proposition 1B monies designated for school bus retrofits and replacements to reduce children's exposure to diesel exhaust.

Public Comment – None

Moved: Case
Seconded: Nelson
Ayes: Barba, Gamboa, Dominici, Forman, Ayers, Worthley,
Telles, Ornellas, O'Brien, Nelson, Watson, Case, Vierra
Nays: None

Motion carried unanimously to appropriate \$140,000 in unanticipated revenue from the Kern County Air Pollution Control District in accordance with Memorandum of Understanding Amendment #09-028-2009a.

11. ADOPT PROPOSED AMENDMENTS TO RULE 4602 (MOTOR VEHICLE ASSEMBLY COATINGS), RULE 4603 (SURFACE COATING OF METAL PARTS AND PRODUCTS), RULE 4653 (ADHESIVES) AND RULE 4684 (POLYESTER RESIN OPERATIONS) – Mr. Sadredin introduced George Heinen, Supervising Air Quality Engineer who gave the presentation on these amendments that incorporate new federal Control Technique Guideline requirements for lower coating and adhesive material VOC limits and emission-reducing work practices. He noted existing Valley operations are already compliant with these requirements.

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

- Andrew Stephens, PCL Industrial Services Inc.

Moved: Worthley
Seconded: Nelson
Ayes: Case, Ayers, Dominici, Worthley, Gamboa, Barba,
Forman, Telles, Ornellas, O'Brien, Nelson, Watson, Vierra
Nays: None

Motion unanimously carried to adopt proposed amendments to Rule 4602 (Motor Vehicle Assembly Coatings), Rule 4603 (Surface Coating of Metal Parts and Products), Rule 4653 (Adhesives) and Rule 4684 (Polyester Resin Operations).

12. VERBAL REPORT BY JOHN G. TELLES, M.D. – Dr. Telles reported on highlights from the June 25-26th 2009 California Air Resources Board Meeting. He stated ARB adopted a regulation to reduce emissions of methane, a greenhouse gas, from municipal solid waste landfills. He also reported ARB adopted an amended proposal to reduce greenhouse gas emissions from light- and medium-duty vehicles by setting standards for vehicle window glazing. In addition, he reported ARB adopted a proposed AB118 Enhanced Fleet Modernization (Car Scrap) Program Regulation under which solicited individuals could retire their vehicle at a dismantler and receive both immediate compensation for vehicle retirement and additional incentives in the form of a voucher redeemable at participating dealerships.

Dr. Telles also reported on highlights from the July 23rd Board Meeting during which ARB and National Oceanic and Atmospheric Administration staff provided an update on CalNex 2010, which is an air quality and climate science field study. In addition, he reported ARB adopted amendments to in-use off-road diesel vehicle regulations, which were originally adopted in 2007 and primarily affect existing fleets of California construction equipment. He also noted ARB staff provided a status report on the implementation of a February 2000 regulation requiring transit fleets to demonstrate the use of zero-emissions buses. Lastly, Dr. Telles reported on upcoming matters before the ARB.

Mr. Sadredin raised concerns about an item on the September ARB Board Meeting Agenda. He stated ARB is proposing to charge a carbon fee for their cost of administering the Climate Change Program. He stated the part that concerns the District is as it relates to the mandatory GHG reporting provision in this Bill, which would affect many of the Valley's businesses. He noted ARB has been resistant to using existing District infrastructure for reporting and is proposing bypassing the District and collecting the data on their own. He noted at the Board's direction, he will testify against this item at the September ARB Board Meeting. Supervisor Worthley voiced strong support for the District on this issue. Supervisor Case noted duplicate reporting makes no sense at all. Dr. Forman concurred.

13. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin congratulated Dr. Forman for his confirmation in the Senate. He also stated the District is engaged in a major outreach effort throughout the Valley regarding Rule 9410 (Employer Based Trip Reduction Programs). He asked for Board Members' assistance in encouraging

their respective cities and counties to meet with the District to hear about the program. He also noted the District has worked hard to minimize the administrative burden and bureaucratic red tape that potentially could be associated with this type of rule.

Mr. Sadredin also reported a Multi-District Meeting will take place in the District's Modesto office on September 30th. He noted many Board Members along with representatives from Bay Area Air Quality Management District, Sacramento Air District, Yolo-Solano Air District, Monterey Air District and Northern Sonoma Air District will meet to discuss potential projects they can work on together to help clean the air and improve transportation. He also noted at the Board's direction, the District achieved LEED certification for the new Bakersfield office building. He noted this is quite an achievement as this is only the third building in Bakersfield to achieve this certification. Lastly, he reported that Roger McCoy, Administrative Services Director has announced his retirement from the District effective November 5, 2009. He added that Mr. McCoy has over 30 years of public service and will be missed.

14. GOVERNING BOARD MEMBER COMMENTS – Supervisor Case distributed the Draft Minutes from the San Joaquin Valley Regional Planning Agency's Policy Council. She stated this is a regional board, comprised of elected officials from cities and counties in the San Joaquin Valley, which considers various transportation issues. She stated they held an urgent meeting this past Monday regarding the California High Speed Rail Authority. She reported they are preparing to submit applications for the American Recovery and Reinvestment Act for high speed rail components. She noted the proposed project would install tracks from Merced to Fresno or Fresno to Bakersfield and would meet requirements for ARRA money and also be used for Amtrak. She asked for the Board's support on this issue on the recommendation of the High Speed Rail Authority's staff. Mr. Sadredin noted in the past the Board has supported the High Speed Rail as part of the Dual Path: Fast Track Strategy. He suggested the Board direct the Chair to sign a letter in support of this issue. Supervisor Case stated it would be helpful to have staff draft a letter of support. Supervisor Nelson noted a letter signed by the Chairman of the Board would be helpful. Councilmember Gamboa noted the City of Visalia has been trying to get a station in the Tulare/Kings area and will speak in support of the High Speed Rail staff recommendation but also note that the alignment has not been decided yet. Councilmember Ayers stated there is a little competition for the alignment as Hanford is also interested in having a station in their area. Supervisor Case clarified this letter will only support staff recommendation that tracks should be laid versus building station to station as the Chairman of the High Speed Rail has proposed.

Dr. Telles reported he attended a scientific conference on small particle pollution and the heart at Good Samaritan Hospital in Los Angeles. He stated in the future he would be happy to participate in providing an update on the health effects of small particle pollution along with Dr. Lighthall and Dr. Forman. Supervisor Worthley reported Jim Maples, who served on the Tulare County Board of Supervisors for 15 years, passed away this morning.

Supervisor Watson left at 11:40 a.m.

15. CLOSED SESSION –

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
Initiation of litigation pursuant to Government Code section 54956.9: one potential case

ADJOURN

Meeting adjourned at 11:42 a.m.

*Next scheduled meeting of the Governing Board: Thursday, November 5, 2009.
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.*