

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, June 17, 2010
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, Tony Barba called the meeting to order at 9:08 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

| | |
|---|-----------------------|
| David G. Ayers, Councilmember | City of Hanford |
| Tony Barba, Supervisor, Chair | Kings County |
| Ronn Dominici, Supervisor** | Madera County |
| Ann Johnston, Mayor* | City of Stockton |
| Mike Lane, 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* | City of Ceres |
| J. Steven Worthley, Supervisor, Vice Chair | Tulare County |

*Attended meeting in Northern Region Office

**Supervisor Dominici arrived at 9:22 a.m.

Absent:

| | |
|-----------------------------|-----------------------|
| Judy Case, Supervisor | Fresno County |
| Henry J. Forman, Ph.D. | Appointed by Governor |
| Randy Miller, Councilmember | City of Taft |
| Raymond Watson, Supervisor | Kern County |

3. APPROVAL OF CONSENT CALENDAR – Item numbers 13 – 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.*
 13. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, MAY 20, 2010

14. APPROVE ACTION SUMMARY MINUTES OF THE SPECIAL PUBLIC HEARING HELD ON MAY 20, 2010 FOR REVIEW OF THE 2010-11 RECOMMENDED BUDGET
15. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2010
16. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR MAY 2010
17. RECEIVE AND FILE BUDGET STATUS REPORT AS OF MAY 31, 2010
18. APPROVE CONTRACT WITH GARCIA CONSTRUCTION TO RELOCATE THE FORMER BAKERSFIELD – GOLDEN AIR MONITORING STATION TO THE NEW BAKERSFIELD – MUNICIPAL AIRPORT LOCATION
19. APPROVE CONTRACT WITH HOV SERVICES, FOR PLAN AND RULE DEVELOPMENT PROGRAM DOCUMENT CONVERSION SERVICES FOR AN AMOUNT NOT TO EXCEED \$85,505
20. APPROVE CONTRACT WITH AIRX TESTING TO PROVIDE PARTICULATE MATTER SOURCE TESTING FOR A TOTAL OF \$125,000
21. APPROVE AGREEMENT WITH SIFF & LAKE, LLP FOR FEDERAL LEGISLATIVE ADVOCACY FOR AN AMOUNT NOT TO EXCEED \$89,250

Supervisor O'Brien asked to pull Item #21 for a separate vote.

Moved: Worthley
Seconded: Nelson
Ayes: Ayers, Worthley, Lane, Telles, Nelson
Ornellas, O'Brien, Vierra, Johnston, Barba
Nays: None

Motion unanimously carried to approve Consent Calendar Items 13-20

21. APPROVE AGREEMENT WITH SIFF & LAKE, LLP FOR FEDERAL LEGISLATIVE ADVOCACY FOR AN AMOUNT NOT TO EXCEED \$89,250

Supervisor O'Brien expressed concerns regarding the fact that the proposed contract was being recommended without soliciting bids. Tom Jordan, Senior Policy Advisor stated that Siff & Lake, LLP has represented the District since 2006. He stated they are very familiar with District issues and are very cost-effective. Supervisor O'Brien noted in his county, due to these economic times, they re-bid almost every contract each year and are surprised by the results due to the competitive environment. Mr. Sadredin cited the District's legislative success and the firm's familiarity with Valley issues and ability to gain success as the reason for sole-sourcing the contract. He stated at the Board's desire, in the future, this item could go through a competitive process for a multi-year contract.

Mayor Johnston stated she was unfamiliar with this firm and asked for information on important District issues they have previously worked on. Mr. Sadredin enumerated the major federal legislative accomplishments including \$5-10 million designated funding for the District in the last 3 years, \$150 million in the Farm Bill for clean air grants, and the Air Quality Empowerment Zone legislation. He noted the firm of Siff & Lake, LLP has met virtually every District goal as laid out for them with the help of staff and Board Members. Councilmember Vierra, who represented the Board on the most recent advocacy trip to Washington, D.C., complimented Siff & Lake, LLP for their great work representing the District and the many successes that we have had at the federal legislative level.

Public Comment – None

Moved: Worthley
Seconded: Lane
Ayes: Nelson, Ayers, Worthley, Lane, Telles
Vierra, Johnston, Ornellas, Barba
Nays: O'Brien

Motion carried 9-1 to approve Consent Calendar Item 21.

4. PUBLIC COMMENT – None

5. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Les Clark, CAC Industry/Ag Member from Kern County, gave the report of highlights from the CAC meeting held on June 1, 2010. He reported the CAC received a verbal report from Lucille Van Ommering of the California Air Resources Board, on the development of the State Greenhouse Gas Cap and Trade Program. He also stated the CAC received an update on efforts to develop a CAC Action Plan for assistance with eTRIP Rule 9410 implementation and an update on efforts to develop additional fast track measures to expedite attainment of air quality standards. Lastly, he noted that three CAC members were appointed to a new Joint CAC/EJAG Ad Hoc Committee, which is being formed to plan a CAC/EJAG teambuilding workshop to be held in the fall. He stated it was hoped that this teambuilding workshop will help foster the relationship between the CAC and EJAG and help both groups move forward in achieving their goals as set forth by the Governing Board.

Councilmember Lane asked about response to outreach efforts to fill vacant EJAG seats. Mr. Sadredin stated the response has not been encouraging. He noted staff has placed articles in newspapers, sent out notices, etc. He asked for Board assistance in getting the word out to any community members who may be interested in serving on EJAG.

6. PUBLIC HEARING TO ADOPT THE DISTRICT'S 2010-11 RECOMMENDED BUDGET AND CHANGE TO GRANT POLICY – Mr. Sadredin stated this item was before the Board for the first legally mandated public hearing last month, after review and guidance was provided by the Board's Ad-Hoc Budget Subcommittee. He stated by law, two hearings must be held, including one during which public comments are heard and the Board is not permitted to take action. He stated the purpose of today's second hearing is for the Board to take final action. He thanked the Ad-Hoc Budget Subcommittee for their work on this item.

Mr. Sadredin addressed questions and concerns which came up at the first hearing, including a request for historical information about actual expenditures and appropriations for the previous years. He noted this information is included in today's Staff Report. He stated if the 2010-11 Recommended Budget is adopted today, those items would become part of the Budget documents. He noted staff also will include these items as part of future Budget documents. He reminded everyone that the Board has advocated for a zero-based budgeting process and staff has followed this directive. Mr. Sadredin also addressed Supervisor O'Brien's questions on incentive grant appropriations and available funds. Mr. Sadredin presented a line by line detail on the items in question.

Mayor Johnston expressed concerns with the growing pension costs and suggested examining ways to bring retirement costs under control. Mr. Sadredin stated that potential remedies will be pursued in the next round of labor negotiations. He also noted that the Board hired an actuarial firm at the last meeting to examine retirement system costs and options for reducing future costs.

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

- Tom Frantz, Association of Irrigated Residents

Moved: Worthley
Seconded: Dominici
Ayes: Nelson, Worthley, Ayers, Lane, Dominici,
Vierra, Johnston, Ornellas, Barba
Nays: O'Brien, Telles

Motion carried 9-2 to adopt the District's 2010-11 Recommended Budget and Change to Grant Policy.

7. RECEIVE AND FILE THE DISTRICT'S 2010 OZONE MID-COURSE REVIEW– Mr. Sadredin noted the Mid-Course Review fulfills a commitment that the Board made when the 2007 Ozone Plan was adopted, for routine and complete disclosure to the public regarding the District's efforts to reach attainment. He noted this review supplements the Board's Report to the Community which is prepared and distributed on an annual basis. He stated this report is highly technical and provides a detailed analysis of the status of various measures and challenges.

Samir Sheikh, Strategies and Incentives Director, gave an overview of the various

rules adopted by the District which contributed to the significant progress towards meeting the ozone standards and reducing public exposure to elevated ozone concentrations. Jaime Holt, Chief Communications Officer, gave a summary of the District's outreach efforts in public education. Also, Scott Nester, Senior Projects Manager, gave an overview of the District's Fast Track measures towards attainment.

Dr. Telles suggested that staff add further information on slide 9, showing the efforts of the District's partner businesses. Mr. Sadredin responded staff will update this table before the item is submitted to the EPA. Dr. Telles also suggested adding health-related data if possible, to show the impact of reductions on public health. Mr. Sadredin noted the District is currently funding clinical studies on the health impacts of pollution in the Valley. He also encouraged everyone to attend the upcoming Board Retreat in September. Supervisor Ornellas expressed concern at the possibility of increased wildfires this year, which impact the Valley's air quality. Mr. Sadredin noted staff is working closely with land managers to adopt a more proactive stance with regards to potential wildfires. He noted this issue affects not only the Valley, but the entire state. Mayor Johnston asked when most exceedances occur. Mr. Sadredin stated most ozone exceedances occur in the summertime. Supervisor Worthley asked about reductions achieved through USDA/NRCS programs and how they are reported. Mr. Sadredin responded that these reductions are reflected in the emissions inventory statements and noted staff will add information on the USDA/NRCS programs to this report before it is submitted to the EPA.

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

- Tom Frantz, Association of Irrigated Residents
- Roger Isom, California Cotton Ginners and Growers Association

Moved: Telles

Seconded: Nelson

Ayes: Johnston, Ornellas, Vierra, O'Brien, Ayers,
Worthley, Dominici, Lane, Telles, Nelson, Barba

Nays: None

Motion unanimously carried to receive and file the District's 2010 Ozone Mid-Course Review and authorize the Executive Director/APCO to forward the 2010 Ozone Mid-Course Review to ARB for submittal to the United States EPA.

Councilmember Vierra left at 11:12 a.m.

8. ADOPT REVISED PROPOSED AMENDMENTS TO RULE 4570 (CONFINED ANIMAL FACILITIES) – Supervisor Ornellas recused himself from this item as a member of the Board because he owns a dairy that may be subject to this rule. He then joined the audience as a member of the public.

Mr. Sadredin recommended to continue this hearing to the October, 2010 Governing

Board meeting. He stated he received a request from EPA–Region 9 for more time to understand the scientific data that has become available and to further evaluate the rule. Mr. Sadredin noted the business community is fine with this extension and the environmental community also welcomes the additional time to review and understand this rule. Mr. Sadredin stated he asked EPA for a detailed schedule for the period leading up to the October meeting date. Mr. Sadredin noted the plan commits the Board to take action now. However, he stated he doesn't believe there is any legal jeopardy to the District given that the continuance is at EPA's request and the commitment is included in a plan not yet approved by EPA. Phil Jay, District Counsel, concurred with Mr. Sadredin.

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

- Leroy Ornellas
- Tony Lo Presti, Center on Race, Poverty and the Environment
- Tom Frantz, Association of Irrigated Residents
- Catherine Garoupa White, Central Valley Air Quality Coalition
- J.P. Cataviela, Dairy CARES
- Sarah Sharpe, Fresno Metro Ministry
- Kevin Abernathy, California Dairy Campaign
- Ted Greidanus, California Cattlemen's Association

Dr. Telles suggested using updated economic analysis information which seems to show the dairy industry is experiencing major distress for the meeting in October. Mr. Sadredin responded staff will add that information to the report.

Moved: Lane
Seconded: Worthley
Ayes: Johnston, O'Brien, Dominici, Worthley
Nelson, Lane, Ayers, Telles, Barba
Nays: None
Abstain: Ornellas

Motion carried to continue Adopt Revised Proposed Amendments to Rule 4570 (Confined Animal Facilities) until October 2010 Governing Board meeting.

9. PROPOSED AMENDMENT TO THE 2008 PM2.5 PLAN TO EXTEND THE RULE AMENDMENT SCHEDULE FOR RULE 4905 (NATURAL GAS-FIRED, FAN TYPE RESIDENTIAL CENTRAL FURNACES) – Jessi Fierro, Senior Air Quality Specialist, gave the presentation on this item, which proposed to extend the Rule 4905 (Natural Gas-Fired, Fan-Type Residential Central Furnaces) adoption schedule from the second quarter of 2010 to the fourth quarter of 2014. She reported the low-NOx residential furnace technology necessary for the rule amendment is not yet commercially available. She noted extending the rule amendment will allow the District to incorporate the best and latest-available technology to maximize emissions reductions without delaying rule implementation. Also, Ms. Fierro stated the rule schedule extension will allow the District to contribute to technology advancement. She reported that staff also

recommends the Board authorize the District to partner with the South Coast Air Quality Management District in their residential furnace technology assessment, to be completed in April 2013.

Councilmember Lane commended staff and stated it is a very intelligent strategy.

Public Comment – None

Moved: Worthley
Seconded: Nelson
Ayes: Nelson, Ayers, Worthley, Lane, Telles,
Dominici, O'Brien, Johnston, Ornellas, Barba
Nays: None

Motion unanimously carried to adopt the proposed amendment to the 2008 PM2.5 Plan to Extend the Rule Amendment Schedule for Rule 4905 (Natural Gas-Fired, Fan Type Residential Central Furnaces)

10. VERBAL REPORT BY JOHN G. TELLES, M.D. ON AIR RESOURCES BOARD ACTIVITIES – Dr. Telles reported the major issue affecting the San Joaquin Valley at the ARB meeting held in May was the ag burning issue. He stated Mr. Sadredin did a wonderful job giving valuable information to the ARB on this issue. He reported that ARB concurred with the District's findings and at Mr. Sadredin's suggestion, will reevaluate the concurrence if Senate Hearings were to bring any significant new information to light regarding the economic feasibility of burn alternatives. Mr. Sadredin thanked Dr. Telles for his support on this issue.
11. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin re-introduced Michelle Franco, the new Deputy Clerk of the Boards for the District. He stated some of the duties of the Executive Secretary position, which was eliminated, have been reassigned to Ms. Franco and other individuals from the District's clerical staff.
12. GOVERNING BOARD MEMBER COMMENTS - None

ADJOURN

Meeting adjourned at 11:59 a.m.

Next scheduled meeting of the Governing Board: Thursday, August 19, 2010. Meeting starts at 9:00 a.m., Central Region Office, Governing Board Room, and 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.