

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, August 18, 2011
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, Supervisor Worthley, called the meeting to order at 9:08 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Tony Barba, Supervisor	Kings County
Judy Case, Supervisor	Fresno County
Dr. Henry Jay Forman, Ph.D.	Appointed by Governor
Ann Johnston, Mayor, Vice Chair*	City of Stockton
Randy Miller, Mayor**	City of Taft
William O'Brien, Supervisor*	Stanislaus County
Chris Vierra, Mayor*	City of Ceres
Hub Walsh, Supervisor	Merced County
Raymond Watson, Supervisor**	Kern County
J. Steven Worthley, Supervisor, Chair	Tulare County

* Attended meeting in Northern Region Office

**Attended meeting in Southern Region Office

Absent:

Ronn Dominici, Supervisor	Madera County
Leroy Ornellas, Supervisor	San Joaquin County

3. IMPLEMENTATION OF PAPERLESS AGENDA FOR GOVERNING BOARD MEMBERS

Sayed Sadredin, Executive Director/APCO, explained the Board is beginning the process to go paperless by using iPads to review the agenda packet, which will save the District approximately \$25,000 per year. He introduced Alex Aftanas, Information Technology Services Supervisor, who gave the Board a quick refresher on the new technology. Supervisor Worthley thanked Mr. Aftanas for his hard work while helping to implement the paperless agenda process.

4. APPROVAL OF CONSENT CALENDAR – (Item Numbers 23 - 29) *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.*
23. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, JUNE 16, 2011
24. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2011
25. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR JUNE AND JULY 2011
26. RECEIVE AND FILE BUDGET STATUS REPORT AS OF JULY 31, 2011
27. AMENDED RESEARCH CONTRACT WITH UC DAVIS REGARDING LONG RANGE TRANSPORT OF AIR POLLUTION TO THE SAN JOAQUIN VALLEY
28. APPROVE PROPOSED AMENDMENT TO ADOPTED SILVER CREEK PLAZA VOLUNTARY EMISSION REDUCTION AGREEMENT
29. APPROVE RENEWAL OF AGREEMENT WITH CALIFORNIA AIR RESOURCES BOARD (ARB) FOR PILOT PROGRAM FOR DISTRICT ENFORCEMENT OF STATE ANTI-IDLING REGULATIONS FOR TRUCKS AND BUSES

Public Comment: None

Moved: Case
Seconded: Johnston
Ayes: Watson, Miller, Barba, Walsh, Case, Forman,
Johnston, O'Brien, Vierra, Worthley
Nays: None

Motion unanimously carried to approve Consent Calendar Items 23-29.

5. PUBLIC COMMENT – *The following persons provided testimony during the public comments portion of the meeting:*
- Tom Frantz, Association of Irrigated Residents
6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Chair of the CAC, gave the report on their meeting held on August 2, 2011. He reported the CAC voted unanimously to recommend that the Governing Board adopt proposed amendments to District Rule 4702 (Internal

Combustion Engines), and adopt proposed new Rule 4566 (Organic Material Composting Operations). He also reported that CAC received an update from Robert Fletcher, ARB Deputy Executive Officer, on ARB's implementation of AB 32. Lastly, he stated the CAC received an update on current Environmental Justice Advisory Group (EJAG) activities from Melissa Kelly-Ortega, the recently elected Chair.

Mr. Cunha thanked Mr. Sadredin and District staff for their efforts working with stakeholders on both Rules which were supported by CAC. He also thanked Mr. Sadredin for working with both CAC and EJAG. Supervisor Case thanked the CAC, on behalf of the Board, for their volunteer hours spent working on outreach with industry, interest groups and the public.

7. S.T.A.R. RECOGNITION (Service, Teamwork, Attitude, Respect) – Mr. Sadredin introduced Marissa Gonzales, the District's new Personnel Director, and noted the District had a large pool of candidates to choose from for this position and Ms. Gonzales rose to the top with her positive attitude, which is consistent with the work culture promoted by the District. He stated she has lots of great new ideas for the District. Supervisor Worthley welcomed Ms. Gonzales to the District. Ms. Gonzales then presented this item recognizing the following individuals for their years of service:

Five Years of Service

Chris Kalashian, Air Quality Specialist II
Seng Lee, Programmer/Analyst II
David McDonough, Air Quality Specialist II
Kou Thao, Air Quality Specialist II
Maricela Velasquez, Senior Air Quality Education Rep
Yu Vu, Air Quality Specialist II
Kevin Wing, Air Quality Specialist II
Imran Yousaf, Programmer/Analyst II

Ten Years of Service

Morgan Lambert, Director of Compliance
Arnaud Marjollet, Permit Services Manager
Robert Rinaldi, Air Quality Engineer II
Stephanie Shaw, Legal Technician
Lori Sheridan, Air Quality Inspector II

Fifteen Years of Service

Denise Holmes, Air Quality Inspector II
Supervisor Worthley added his hearty thanks to staff for their service and all they do to help accomplish the District's goals.

8. VERBAL REPORT: DISTRICT'S NEW AIR ALERT SYSTEM – Mr. Sadredin and Jaime Holt, Chief Communications Officer, gave the presentation on this item. Mr. Sadredin stated this idea was championed by Supervisor O'Brien and supported and approved by the Board, in an attempt to bring the Valley into attainment and avoid future non-attainment penalties. Mr. Sadredin stated unfortunately, despite significant improvement in air quality, the Valley is subject to a non-attainment penalty fee under Section 185 of the Clean Air Act for a standard that has actually been revoked and replaced with a much tougher standard. He noted to date this year, there have been no exceedances. He noted that the increase in back to school vehicle traffic, along with heat and stagnant conditions has historically led to exceedances, and the Air Alert Program aims to provide outreach to Valley residents to ask them to assist with voluntary efforts to reduce emissions.

Mr. Sadredin stated under this program, an Air Alert would be called during stagnant conditions with high temperatures, which are essential to the buildup of air pollution and the chemical formation of ozone. He commented that adding an increase in emissions to these conditions, such as back to school traffic, could lead to an exceedance. He stated the Air Alert episodes may last for 3 to 7 days. He noted in addition to the serious health impacts of poor air quality, violations of the standard mean millions of dollars in additional fees for Valley drivers and businesses.

Ms. Holt explained the Air Alerts will promote voluntary actions by the public to reduce air pollution such as carpooling, avoiding drive-throughs, trip linking and using alternative transportation such as biking or walking. Ms. Holt stated residents will be notified through traditional media, web-based media, and social networking. She encouraged residents to sign up to receive an Air Alert notification by email, by visiting the District's website at www.valleyair.org.

Supervisor O'Brien complimented staff and thanked them for creating the Air Alert Program, stating it was very in-depth and thorough. He noted the whole premise behind this suggestion was the \$29 million fee and letting the public know how their actions could help get rid of this fine. Supervisor Watson echoed Supervisor O'Brien's comments, stating it was a terrific program which will make a huge difference. He suggested staff provide the Board members with a list of potential businesses they could contact to sign them up to receive notifications for this program. Mr. Sadredin responded it was a great suggestion and also encouraged Board members to notify their city and county employees about this program. Supervisor Walsh asked if there would be any regional Air Alerts as opposed to District-wide. Mr. Sadredin responded that poor air quality affects the entire Valley and therefore, Air Alerts would be called for the entire air district. Supervisor Walsh suggested including transit districts in the Air Alert program. Mr. Sadredin stated that was a great suggestion. Mayor Johnston noted schools in the Northern Region have adopted modified school schedules, to stagger their back to school dates. Supervisor Case asked about the possibility of sending text alerts. Mr. Sadredin responded the District is creating a smart phone application to address this. He noted the application should be ready for next

year's Air Alert season. Supervisor Case suggested staff encourage parents to walk their children to school when possible. Ms. Holt noted staff is working with school districts to notify them about the Walking School Bus Program, which encourages that activity.

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

- Sarah Sharpe, Fresno Metro Ministries
- Evan Shipp

9. ADOPT REVISED PROPOSED NEW RULE 4566 (ORGANIC MATERIAL COMPOSTING OPERATIONS) – Supervisor Walsh disclosed that he serves on an integrated waste management board that runs a composting operation, and stated he has no financial interest in this operation. He stated he has checked with the District Counsel who has assured him he has no conflict of interest on this item. Mr. Errol Villegas, Strategies and Incentives Manager, presented this item on this revised proposed new rule which fulfills a commitment of the 2007 Ozone Plan, to adopt a regulatory control measure for the reduction of Volatile Organic Compound (VOC) emissions from the composting of green waste.

He reported that consistent with the 2007 Ozone Plan commitments, Revised Proposed New Rule 4566 would establish VOC limits, including operational and administrative requirements, for organic material composting operations. However, he noted with the collaborative efforts of the affected stakeholders and by utilizing the best scientific information available, the proposed rule satisfies the District's commitments for emissions reductions while attempting to minimize the fiscal impacts to this beneficial industry. He noted these feasible, cost-effective measures help achieve significant emissions reductions and satisfy, if not go beyond, Reasonably Available Control Technology (RACT) requirements for this source category.

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

- Bob Horowitz, Cal Recycle
- Matt Cotton, Integrated Waste Management Consulting
- Vince Tye, Recology
- John Jones, Tulare County Recycling

Mr. Horowitz thanked the District's excellent staff for their work on this Rule and thanked management staff for giving staff the time to do their research right. Mr. Cotton echoed Mr. Horowitz' comments. Mr. Tye recognized the diligent efforts of staff and commended District staff and management for their ongoing outreach. He also thanked them for their openness in the spirit of cooperation and collaborative interaction. Mr. Jones commented that staff did a great job which he appreciated.

Moved: Barba
Seconded: Case
Ayes: Miller, Watson, Vierra, Johnston, O'Brien,
Forman, Walsh, Case, Barba, Worthley
Nays: None

***Motion unanimously carried to adopt revised proposed new Rule 4566
(Organic Material Composting Operations)***

10. ADOPT REVISED PROPOSED AMENDMENTS TO RULE 4702 (INTERNAL COMBUSTION ENGINES) – Mr. Samir Sheikh, Strategies and Incentives Director, gave the presentation on this item which implements a control measure of both the 2007 Ozone Plan and the 2008 PM2.5 Plan, aimed at achieving additional emissions reductions from stationary reciprocating internal combustion (IC) engines. He reported these control measures also lower the current NOx limits, add Sox requirements, expand the rule to include a point of sale requirement for engines rated between 25 to 50 bhp, and provide the option to pay an annual fee to achieve equivalent NOx emission reductions through the District's grant program.

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

- Gary Mollot, PG&E
- Colby Morrow, Southern California Gas & Electric
- Sarah Sharpe, Fresno Metro Ministry
- Ray Arthur, City of Fresno
- Joe Miller, West Kern Water District
- John Martin TC Water District
- Mike Kelly, Vector Environmental

Mr. Mollot thanked staff for reviewing and addressing concerns during the rule development process. Ms. Morrow stated she appreciated the effort by Board to give staff more time for outreach. Mr. Miller stated he appreciated time given to staff to review this Rule. Mr. Martin thanked staff for their work on this Rule and noted he felt staff really did listen and incorporate comments into this Rule. Mr. Kelly thanked staff for their hard work and taking time to hold a series of stakeholder meetings and workshops.

In response to concerns addressed during the Public Comment period regarding incorporating variable load and cyclic load into the Rule, Supervisor Worthley asked about the possibility of amending the Rule today to incorporate these changes. Catherine Redmond, District Counsel responded that even minor changes can trigger a modification provision for additional noticing requirements. Supervisor Worthley suggested adopting the Rule today as is, and have staff bring it back to be amended at a later date. Mr. Sadredin responded the deadline for this Rule was December, 2010 and the Board granted an extension to staff. He noted EPA has now acted to make this a federal requirement and

there is a September deadline to adopt this Rule. Supervisor Case asked about any opportunity to amend this Rule again if the changes are found to be unfeasible by businesses. Mr. Sadredin responded staff is certain that these amendments are feasible, it is a question of cost and the District has incorporated a number of measures to improve the Rule's cost-effectiveness. He stated staff can come before the Board if further changes are required to make this Rule more feasible for affected businesses. Supervisor Watson asked about the availability of incentive funds to help businesses comply with this Rule. Mr. Sadredin responded incentives could be available to help businesses comply before the Rule requirements begin in 2014. He added that funding can be provided for projects in surplus reductions.

Moved: Watson
Seconded: Case
Ayes: Case, Barba, Forman, Walsh, Miller, Watson,
Johnston, Vierra, O'Brien, Worthley
Nays: None

Motion unanimously carried to adopt proposed amendments to Rule 4702 (Internal Combustion Engines)

11. ADOPT PROPOSED AMENDMENTS TO RULE 2020 (EXEMPTIONS) – Mr. Sadredin gave the presentation on this item which proposes amendments to clarify rule requirements by clearly identifying the specific exempted sources/equipment rather than citing the California Health and Safety Code. He noted these amendments end the 18-month EPA sanction clock.

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

- Shirley Batchman, California Citrus Mutual

Moved: Case
Seconded: Barba
Ayes: Johnston, O'Brien, Vierra, Miller, Watson,
Walsh, Forman, Case, Barba, Worthley
Nays: None

Motion unanimously carried to adopt proposed amendments to Rule 2020 (Exemptions).

12. ADOPT PROPOSED AMENDMENTS TO RULE 4684 (POLYESTER RESIN OPERATIONS) – Mr. Sadredin presented this item which proposed amendments which add new specialty coating categories, reduce some VOC limits and raise control system effectiveness limits to match existing limits in other air districts. They also satisfy EPA's RACT requirements and end the August 25, 2011 sanction deadline.

Public Comment: None

Moved: Case
Seconded: Forman
Ayes: Miller, Walsh, Forman, Case, Barba,
Vierra, Johnston, O'Brien, Worthley
Nays: None

Note: Supervisor Watson was absent for this vote.

Motion unanimously carried to adopt proposed amendments to Rule 4684 (Polyester Resin Operations).

13. STATE IMPLEMENTATION PLAN (SIP) SUBMITTAL AMENDMENT FOR RULE 4694 (WINE FERMENTATION AND STORAGE TANKS) – Mr. Sadredin presented this item, which proposed to remove the wine fermentation provisions from EPA consideration and inclusion in the SIP. However, the full requirements of Rule 4694 would remain in effect and are locally enforceable.

Public Comment - None

Moved: Walsh
Seconded: Johnston
Ayes: Walsh, Forman, Case, Barba, O'Brien,
Johnston, Vierra, Miller, Watson, Worthley
Nays: None

Motion unanimously carried to adopt State Implementation Plan (SIP) Submittal Amendment for Rule 4694 (Wine Fermentation and Storage Tanks).

14. APPROVE THE ALLOCATION OF \$750,000 IN EXISTING LOCALLY GENERATED INCENTIVE FUNDS FOR THE PORT OF STOCKTON'S SHORT SEA SHIPPING PROJECT – Mr. Todd DeYoung, Strategies and Incentives Manager, presented this item which would provide \$750,000 to the Port of Stockton for a Short Sea Shipping project to replace existing truck transportation of goods between the Ports of Oakland and Stockton with container-on-barge service. He explained Short Sea Shipping is an important strategy in the District's Fast Track to Air Quality Program.

Supervisor Case asked if any concerns have been raised about possibly competing with private businesses. Mr. Sadredin responded projects such as this or inland ports obviously reduce truck traffic, which from an air quality standpoint will lead to significant reduction in emissions. Supervisor Worthley commented this is a substitution of a different type of private enterprise. Mr. Sheikh added there are some efficiencies achieved for an overall economic benefit such as in the Port of Oakland. Supervisor Watson suggested adding a milestone tied to achieving the volume on the barges that is set forth in the pro forma. Mayor Johnston noted this is a project that takes the Port back to an economical way of bringing goods and services to the inland Valley, while

reducing emissions.

Richard Aschieris, Port of Stockton Director thanked Mr. Sadredin and his staff for their hard and diligent work to get this project completed. He stated this is an exciting and well beyond conceptual project.

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

- Manuel Cunha, Nisei Farmers League

Moved: Johnston
Seconded: Case
Ayes: Miller, Watson, Vierra, Johnston, O'Brien,
Forman, Walsh, Case, Barba, Worthley
Nays: None

Motion unanimously carried to approve the allocation of \$750,000 in existing locally generated incentive funds for the Port of Stockton's Short Sea Shipping Project.

15. APPROVE CREATION OF NEW ZERO-EMISSION/HYBRID HEAVY DUTY VEHICLE INCENTIVE PROGRAM – Mr. DeYoung presented this item which proposed a new incentive program to fund the purchase of hybrid and zero-emission heavy duty fleet vehicles operating in the Valley. He reported two million dollars from locally-generated DMV fees would fund this new component of the District's Heavy-Duty Engine Program. He noted vouchers ranging from \$15,000-\$30,000 will help offset the cost of the more expensive vehicles. Mr. O'Brien complimented staff for putting this program together so quickly.

Public Comment – None

Moved: O'Brien
Seconded: Johnston
Ayes: O'Brien, Johnston, Vierra, Forman, Walsh,
Case, Barba, Miller, Watson, Worthley
Nays: None

Motion unanimously carried to approve creation of new Zero-Emission/Hybrid Heavy Duty Vehicle Incentive Program.

16. APPROPRIATE FUNDING FROM THE CALIFORNIA AIR RESOURCES BOARD IN THE AMOUNT OF \$250,000 AND APPROVE THE DISTRICT'S CORDLESS ZERO-EMISSION COMMERCIAL LAWN AND GARDEN EQUIPMENT ADVANCED TECHNOLOGY DEMONSTRATION PROJECT – Mr. Sadredin presented this item which proposed to approve \$250,000 in funding from the California Air Resources Board (ARB) to implement the District's new Cordless Zero-Emission Commercial Lawn and Garden Equipment Advance Demonstration Project. He reported the two-year project will involve lawn care

operators in hands-on research into the viability of new commercial lawn care equipment technologies with the potential for cost-effective emission reductions.
Public Comment - None

Moved: Case
Seconded: Forman
Ayes: Forman, Walsh, Case, Barba, Vierra,
O'Brien, Watson, Miller, Worthley
Nays: None

Note: Mayor Johnston was absent for this vote.

Motion unanimously carried to approve funding from the California Air Resources Board in the amount of \$250,000 and approve the District's Cordless Zero-Emission Commercial Lawn and Garden Equipment Advanced Technology Demonstration Project.

17. APPROPRIATE \$1,546,000 IN UNANTICIPATED REVENUE FROM THE CALIFORNIA AIR RESOURCES BOARD TO FUND A STATEWIDE SCHOOL BUS RETROFIT PROGRAM – Mr. Sadredin presented this item which proposed to appropriate \$1,546,000 from the ARB to fund a statewide school bus retrofit program. He reported state regulations require school districts to retrofit their buses and while the ARB has given replacement and retrofit grants through its Lower Emission School Bus Program, once funds run out, about 3,400 buses will remain non-compliant. He reported this program will provide additional funding opportunities for school bus operators to retrofit their existing buses. Mr. Sadredin also raised the possibility of asking the California Air Pollution Control Officers Association (CAPCOA) to administer this program for other air districts in the coming years. He then introduced Heather Arias, ARB Program Manager. Ms. Arias commended staff for doing a bang up job with this program and stated they couldn't have picked anyone else to help with the statewide implementation in helping the smaller districts throughout the state. She noted that small children are one of the most vulnerable populations in California and reducing their exposure to diesel particulate is a priority to everyone. She thanked the Board for the District's efforts in their statewide leadership and their School Bus Program. She also thanked Todd DeYoung, Aaron Tarango and their staff for doing a great job and taking the leadership role on this effort as well as previous projects ARB has asked them to take on.

Supervisor Case stated she wanted to give tremendous recognition of the quality of District staff and kudos to how well this agency works and how dedicated its employees are.

Public Comment - None

Moved: Johnston
Seconded: Watson
Ayes: Miller, Watson, Barba, Forman, Case,
Walsh, O'Brien, Johnston, Vierra, Worthley
Nays: None

Motion unanimously carried to appropriate \$1,546,000 in unanticipated revenue from the California Air Resources Board to fund a Statewide School Bus Retrofit Program.

18. APPROPRIATE \$2,000,000 IN UNANTICIPATED REVENUE FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO FUND TWO LOCOMOTIVE ENGINE REPOWERS – Mr. Sadredin gave the presentation on this item which proposed to accept \$2 million in EPA grants to repower two switcher locomotives. He reported that equipment targeted for repower includes locomotives that currently operate in Valley rail yards.

Mayor Johnston asked if staff have identified locomotives for replacement. Mr. Sheikh responded no final selection has been made yet. Mr. Sadredin stated funds would be awarded on a competitive basis.

Public Comment - None

Moved: Johnston
Seconded: Case
Ayes: Forman, Walsh, Case, Barba, Miller,
Watson, Johnston, O'Brien, Vierra, Worthley
Nays: None

Motion unanimously carried to appropriate \$2,000,000 in unanticipated revenue from the United States Environmental Protection Agency to fund two locomotive engine repowers.

19. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Karen Magliano, Chief of the Air Quality Branch of ARB reported at their July Board meeting, ARB approved some minor revisions to the 8-Hour State Implementation Plans for South Coast and the District to account for recent regulatory actions taken by their Board and changes that have occurred due to the economic recession. She stated the fairly minor updates were made to provide technical updates to transportation conformity budgets and reasonable further progress, as well as updating timelines and efforts underway to develop advanced technology measures allowed under the Clean Air Act for extreme areas such as the Valley. She stated the updates have been submitted to EPA and are intended to provide everything EPA needs to propose action on the District's Plan. She reported the Board also approved the funding plan for the AQIP program. She noted the Board also honored the recipients of the Haagen-Smit Clean Air Awards. Finally, she stated the Board would be meeting in August to consider a supplement to the AB 32 Scoping Plans CEQA Analysis.

20. EXECUTIVE DIRECTOR/APCO COMMENTS - None
21. GOVERNING BOARD MEMBER COMMENTS – Mayor Johnston expressed her thanks to District staff for the work they did with the Port of Stockton to bring forward the proposal for the marine highway. She stated there were some questions earlier this week and Port staff reported to her they were impressed by the professionalism and enthusiasm of District staff, while working through the remaining questions.
22. CLOSED SESSION – District Counsel, Catherine Redmond announced pursuant to the Brown Act § 54957.1(a)(1), the Board decided in Closed Session to take the following actions followed by adjournment:

Direction has been given to intervene in *Medical Advocates for Healthy Air et al. v. EPA*, Northern District of California Case No. 11 CV 03515, by a unanimous vote.

Direction has also been given to initiate litigation in one other case by a unanimous vote. That action, the defendants and other particulars shall be available upon request once the action has been formally commenced, unless it will prevent the District from serving the defendants.

Intervention in *National Association of Home Builders v. EPA*, 9th Circuit case no. 11-71905, was affirmed by unanimous vote, consistent with past Board direction in the companion case against the District.

ADJOURN

Meeting adjourned at 12:44 p.m.

Next scheduled meeting of the Governing Board: Thursday, October 20, 2011. 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.