

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 16, 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 9:02 a.m. He announced that Supervisor Dominici on his way to the meeting. He also announced that the Governing Board meeting would take place prior to the San Joaquin Valleywide Air Pollution Study Agency Meeting.

This Item was taken out of turn.

3. RECOGNITION OF OUTGOING BOARD MEMBERS; DR. JOHN G. TELLES AND COUNCILMEMBER MICHAEL LANE

– Supervisor Worthley noted that neither Dr. Telles nor Former Councilmember Lane were able to attend today's meeting. He expressed gratitude to both for serving on the Governing Board and thanked Dr. Telles for serving as the District's representative to the Air Resources Board. He directed staff to forward the plaques to Dr. Telles and Mr. Lane.

2. ROLL CALL was taken and a quorum was present.

Present:

Judy Case, Supervisor	Fresno County
Ronn Dominici, Supervisor	Madera County
Ann Johnston, Mayor, Vice Chair*	City of Stockton
Randy Miller, Mayor**	City of Taft
William O'Brien, Supervisor*	Stanislaus County
Leroy Ornellas, Supervisor*	San Joaquin County
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:

Tony Barba, Supervisor	Kings County
Dr. Henry Jay Forman, Ph.D.	Appointed by Governor
Chris Vierra, Mayor	City of Ceres

4. APPROVAL OF CONSENT CALENDAR – (Item numbers 24 – 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.*

24. APPROVE ACTION SUMMARY MINUTES OF THE SPECIAL PUBLIC HEARING HELD ON MAY 19, 2011 FOR REVIEW OF THE 2011-12 RECOMMENDED BUDGET

25. ADOPT THE DISTRICT'S 2011-12 RECOMMENDED BUDGET

26. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, MAY 19, 2011

27. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2011

28. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR MAY 2011

29. RECEIVE AND FILE BUDGET STATUS REPORT AS OF MAY 31, 2011

Public Comment: None

Moved: Case
Seconded: Johnston
Ayes: Miller, Watson, Ornellas, Johnston, O'Brien,
Dominici, Walsh, Case, Worthley
Nays: None

Motion unanimously carried to approve Consent Calendar Items 24-29.

This item was taken out of turn.

19. CONSIDER OPTIONS AND APPROVE AN ACTION PLAN FOR IMPLEMENTING A PAPERLESS AGENDA FOR GOVERNING BOARD MEETINGS – Mr. Sadredin stated he brought a proposal to the Board a couple of months ago to implement a paperless Agenda for Governing Board meetings which would save the District quite a bit of money. He expressed his gratitude to the District's Information Technology Services (ITS) Department for developing a system that will meet the Board Members' needs in a relatively short period of time. He introduced Ken Pretzer, ITS Director, who gave an overview on the paperless agenda system and Alex Aftanas, ITS Supervisor, who gave a demonstration of the system. Mr. Pretzer stated the goals of the paperless system include providing the functionality of the paper-based Agendas without the paper, and reducing Agenda packet production costs.

Supervisor Case complimented the ITS group on the paperless Agenda application setup and for making the system user-friendly. Supervisor Ornellas asked about insurance for damaged or stolen tablet computers. Mr. Sadredin responded the District will insure the tablet computers, subject to prescribed deductibles. Supervisor O'Brien stated he is a strong supporter of the paperless Agenda, provided the tablet computers are not to be used for personal business. He suggested adding a policy to address air card limits, making

users personally responsible for overages. Supervisor Dominici remarked on the ease of use of this system. Supervisor Watson stated that the tablet computers should be used for District business only.

Public Comment: None

Supervisor Case left at 9:40 a.m.

Moved: O'Brien
Seconded: Johnston
Ayes: Watson, Miller, Dominici, Walsh,
Ornellas, Johnston, O'Brien, Worthley
Nays: None

Motion unanimously carried to approve an action plan for implementing a paperless Agenda for Governing Board meetings with the following stipulations: the tablet computers are used for District business only and not for personal business, and users are personally responsible for wireless air time overages.

5. PUBLIC COMMENT – *The following persons provided testimony during the public comments portion of the meeting:*
 - Tom Frantz, Association of Irritated Residents
6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Chair of the CAC gave a report on their meeting held on June 7, 2011. Highlights included: a report from Mr. Sadredin on the District's concept of a risk-based approach to meeting the very strict federal ozone and particulate matter standards expected in the future; current and future Governing Board vacancies and recent legislative advocacy trip to Washington D.C. He also reported the CAC endorsed the proposed amendments to Rule 4401 (Steam Enhanced Crude Oil Production Wells), Rule 4684 (Polyester Resin Operations) and Rule 4605 (Aerospace Assembly and Component Coating Operations). The CAC also voted to support the adoption of proposed new Rule 2410 (Prevention of Significant Deterioration). In addition, Mr. Cunha reported the CAC received an update of recent Environmental Justice Advisory Group (EJAG) activities, including appointments to their Grant Recommendations Subcommittee. Lastly, Mr. Cunha reported the CAC received an informative report from their ARB representative on California's ozone progress and federal air quality standards.
7. DISTRICT'S 2008 PM2.5 PLAN PROGRESS REPORT – Jessi Fierro, Supervising Air Quality Specialist, gave the presentation on the District's 2008 PM2.5 Plan implementation progress and the Valley's PM2.5 air quality trends. The report included information regarding the adoption of regulatory measures, implementation of incentive programs and resulting emissions reductions. The report also documented recent measured improvements in PM2.5 air quality, such as lower than annual average PM2.5 concentrations and more "Good" Air Quality Index (AQI) days. The report noted that, in remaining PM2.5 air quality challenges, including increasingly stringent federal standards, the District will pursue a multi-faceted, risk-based approach to prioritize control measures

that maximize health benefits while assuring expeditious attainment.

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

- Elizabeth Jonasson, Coalition for Clean Air
- Tom Frantz, Association of Irrigated Residents

Moved: Dominici
Seconded: Johnston
Ayes: Johnston, O'Brien, Ornellas, Walsh,
Dominici, Watson, Miller, Worthley
Nays: None

Motion unanimously carried to receive and file the District's 2008 PM2.5 Plan Progress Report.

Supervisor Ornellas left at 10:26 a.m.

8. PRESENTATION OF RESEARCH FINDINGS FROM A DISTRICT-FUNDED EPIDEMIOLOGICAL STUDY OF HEALTH IMPACTS ASSOCIATED WITH ELEVATED PM2.5 AND OZONE IN BAKERSFIELD, FRESNO AND MODESTO – Dr. David Lighthall, Health Science Advisor, reported with District funding, the Central Valley Health Policy Institute, CSU-Fresno and USCF-Fresno used emergency room, hospitalization, air quality and meteorological data to assess the statistical correlations between elevated daily concentrations of ozone and PM2.5 and key respiratory and cardiovascular health impacts. He commented it's important to put this study into context of the District's risk-based policy model and one of the hallmarks of this policy is that we know health science continues to proceed faster than the Clean Air Act. He noted that given the kind of challenges in this region, it is extremely important to ensure the best science is available so this policy can be put into place to achieve the greatest amount of health risk reductions for the greatest number of people and places that it matters the most.

Supervisor Worthley noted there was a report in Tulare County which stated the annual burning that occurred in the forested part of Tulare County had an average historical burning of 132,000 acres a year. He commented the studies are very important in terms of zeroing in on the actual health based problems because it will lead to make prudent decisions on land use management of our national parks and forests because those impacts on public health are enormous. Supervisor Worthley noted the fire in Arizona that has at this point consumed almost 400,000 acres of land. He commented the particulate matter that has been generated is a direct result of poor management of our national lands.

Dr. Lighthall commended Tim Tyner at UCSF and John Capitman, Director of the Central Valley Health Policy Institute for an enormous amount of work. He commented over the past 12 months no stone went unturned; they kept at it and were not satisfied with a quick and dirty analysis.

Mr. Tyner reported the basis of the study was to look for a potential correlation between environmental factors, specifically PM and ozone, and health endpoints. He explained the focus was in three cities Modesto, Fresno and Bakersfield. He pointed out that a limitation

of all epidemiological studies is while the factors that are being looked at are important, there are always numerous factors that cannot be included. Mr. Tyner explained some of those factors include respiratory infections, bio-allergens like pollen and quality of care.

Supervisor Worthley asked if pollen can be eliminated as a contributing factor. Mr. Tyner responded that it can't be eliminated as a contributing factor. Mr. Sadredin asked if there was a scientific medical study that showed there is a link between air pollution and pneumonia and acute bronchitis. Mr. Tyner responded there have not been any studies to look for how air pollution impacts these other conditions. Supervisor Watson commented he understands that asthma is increasing in children and asked if there was a study that showed a correlation between the condition and PM. Dr. Lighthall stated that the study is not looking at the cause of asthma, but how air pollution may exasperate existing conditions. Mr. Sadredin noted that asthma is increasing even in the coastal areas which have clean air, so air pollution may not cause but exasperate the condition.

Mr. Tyner reported that overall, researchers found several health outcomes appeared to be correlated with increased daily PM2.5 concentration levels and the daily rate of ER and/or hospital admissions, particularly for asthma among children and adults. Less clear-cut associations were found for elevated ozone exposure.

Mr. Sadredin commented this study will be valuable for the risk based strategy to pinpoint what pollutants and speciation need to be addressed. He stated there is a follow up study to see what specific components of particulates are responsible for violation of the ambient air quality standards. Mr. Sadredin thanked all those that were involved in the study. Supervisor Worthley thanked all those that were involved and commented that he remembers a study that eliminated the pollen factor. Supervisor Worthley stated his concern that this study included pollen. Mr. Tyner noted that although pollen was not excluded, this study was completed in months that do not normally have high pollen counts.

9. ADOPT PROPOSED AMENDMENTS TO RULE 4401 (STEAM-ENHANCED CRUDE OIL PRODUCTION WELLS) –Mr. Errol Villegas, Strategies and Incentives Program Manager, reported the amendments remove an administrative requirement for approval of alternative testing and listing specific conditions allowing local approval and streamlining alternative testing process. He reported Amendments will end an EPA 18-month sanction clock.

Public Comment: None

Moved: Dominici
Seconded: Johnston
Ayes: Johnston, O'Brien, Miller, Watson,
Walsh, Dominici, Worthley
Nays: None

Motion unanimously carried to adopt proposed amendments to Rule 4401 (Steam-Enhanced Crude Oil Production Wells)

10. ADOPT PROPOSED AMENDMENTS TO RULE 4684 (POLYESTER RESIN OPERATIONS) – Mr. Villegas explained the amendments add new specialty coating categories, lower some VOC limits and raise control system effectiveness limits to match existing limits in other air districts. He reported EPA approved the rule for boat manufacturing operations but additional review was needed to evaluate Reasonably Available Control Technology (RACT) for non-boat manufacturing operations. Mr. Villegas reported the amendments will end an EPA 18-month sanction clock.

Public Comment: None

Moved: Walsh
Seconded: Dominici
Ayes: Walsh, Dominici, Johnston, O'Brien,
Watson, Miller, Worthley
Nays: None

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

11. ADOPT PROPOSED AMENDMENTS TO RULE 4605 (AEROSPACE ASSEMBLY AND COMPONENT COATING OPERATIONS) – Mr. Villegas explained the amendments will be adding new coating categories and lowering two existing VOC limits to match the federal Control Techniques Guidelines. He reported EPA approved the rule for existing categories, but recommended additional limitations for a number of specialty coating categories with limited applicability in the Valley. Mr. Villegas reported amendments will end an EPA 18-month sanction clock.

Public Comment: None

Moved: Walsh
Seconded: Dominici
Ayes: Walsh, Dominici, Johnston, O'Brien,
Watson, Miller, Worthley
Nays: None

Motion unanimously carried to adopt proposed amendments to Rule 4605 (Aerospace Assembly and Component Coating Operations).

12. ADOPT PROPOSED NEW RULE 2410 (PREVENTION OF SIGNIFICANT DETERIORATION) – Mr. Dave Warner, Permit Services Director, reported the District will begin to administer the Prevention of Significant Deterioration (PSD) permitting program once EPA approves Rule 2410 into the State Implementation Plan. He explained PSD addresses preconstruction review requirements from the federal Clean Air Act to pollutants for which the San Joaquin Valley is in attainment of the federal National Ambient Air Quality Standards. Mr. Warner commented currently, EPA, Region IX, administers the PSD program for major stationary sources in the District by reviewing applications, issuing PSD permits and performing inspections. By taking delegation of PSD, the District will be able to improve service and eliminate duplicative efforts.

Supervisor Worthley asked if the EPA charged a fee for the applications. Mr. Warner stated there was no charge.

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

- Ray Arthur, City of Fresno
- Sarah Sharpe, Fresno Metro Ministry
- Philip Newell, Guardian Industries Corp

Moved: Johnston
Seconded: Watson
Ayes: Miller, Watson, Johnston, O'Brien,
Dominici, Walsh, Worthley
Nays: None

Motion unanimously carried to adopt proposed new Rule 2410 (Prevention of Significant Deterioration).

The presentations for Item Number 13 and 14 were combined.

13. VERBAL UPDATE ON DEVELOPMENT OF NEW RULE 4566 (COMPOSTING AND RELATED OPERATIONS) – Mr. Sadredin explained there is a plan to bring both rules for Board consideration in August 2011. Mr. Villegas reported there are efforts to obtain additional stakeholder input and address their concerns. He explained this new rule would implement a control measure in the District 2007 Ozone Plan. Mr. Villegas explained the rule would control VOC emissions from stockpiling and composting of organic material. He commented the 2007 Ozone Plan's emission reduction estimate is 9 tons per day of VOC or 16% of the baseline emissions. He commented 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.

Mayor Johnston asked for the locations of the largest facilities. Mr. Villegas explained the largest facility is in Kern County and the second largest facility is located in the Northern Region in Vernalis and the third largest is in the city of Bakersfield.

14. VERBAL UPDATE ON DEVELOPMENTS OF AMENDMENTS TO RULE 4702 (INTERNAL COMBUSTION ENGINES, PHASE 2) – Mr. Villegas reported there are efforts to obtain additional stakeholder input and address their concerns. He explained rule amendments would implement a control measure in the Ozone Plan and PM2.5 Plan. He commented staff will consider the feasibility of lowering the current NOx limits and establishing other emission requirements for stationary engines covered by this rule. Mr. Villegas reported the Ozone Plan did not quantify emission reductions but they will be estimated during the rule development process.

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

- Colby Morrow, Southern California Gas Company
- Ray Arthur, City of Fresno
- Elizabeth Jonasson, Coalition for Clean Air

15. APPROVE UP TO \$1.4 MILLION TO LEVERAGE PUBLIC AND PRIVATE MATCH FUNDING FOR THE PURCHASE AND DEPLOYMENT OF FIFTY LOCALLY-MANUFACTURED ZERO-EMISSION DELIVERY VEHICLES IN THE SAN JOAQUIN VALLEY – Mr. Todd DeYoung, Strategies and Incentives Program Manager, reported UPS contacted the District for funding to deploy up to 50 electric delivery vehicles using reserved incentive vouchers. He commented the benefits from this program would be the Valley being represented in the deployment of these types of vehicles, extraordinary leveraging opportunity with a public/private partnership, addressing the largest source of emissions in the Valley, and supporting the local economy, since the vehicles are produced locally.

Mayor Johnston stated a concern regarding EVI's intention of moving out of the Valley. She suggested if this funding is approved, it should be on the condition of EVI fulfilling its manufacturing and servicing obligations for the project from its Stockton facility. Mr. Sadredin explained this could be added to the motion. Supervisor Worthley commented the subsidy goes to the recipient purchasing the vehicle. Supervisor O'Brien asked if this is part of another program already in place at the District. He also asked if this is a one-time funding request and if other recipients of these vouchers will receive support from the District. Mr. Sadredin explained this will be a one-time funding request for this project. Mr. Samir Sheikh, Strategies and Incentives Director, explained staff will bring recommendations for a similar program at the August 2011 Governing Board meeting for all those that want to participate. Supervisor O'Brien asked if there was a budget recommendation for the new program and stated he would rather wait for the August presentation. Mr. Sadredin responded that the ultimate funding figure will be up to the Board. Mr. Sheikh explained that UPS, EVI and CEC have an immediate need for this funding and explained this is a unique opportunity for the District and the Valley. Supervisor Watson commented this is a good project and asked if the emission reductions calculated are netted against emissions from the facilities generating the electricity needed to run these vehicles. Mr. Sadredin responded the analysis was difficult given California's energy deregulation, which makes it virtually impossible to pinpoint the exact source of energy being used at a given time. Mayor Miller commented that the proposal was a great project and voiced his support.

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

- Ted Harris, Consultant for Electric Vehicle International

Mayor Johnston moved to approve up to \$1.4 million to leverage public and private match funding for the purchase and development of fifty locally manufactured zero-emission delivery vehicles in the San Joaquin Valley with the condition EVI fulfills its manufacturing and servicing obligations for the project from its Stockton facility. Supervisor O'Brien asked if other companies will have ample opportunity to request like funding from the District. Mr. Sadredin explained there is funding available and if there had not been a deadline with CEC it would be the preference of the District to bring this to the Board in August; however the District will lose the opportunity if this funding is not approved. Mr. Sheikh explained the two reasons for low interest in the Valley for the statewide program are: the outreach approach, and not enough incentive. He explained the program the District intends to develop will have better outreach and add incentives which will be broadly opened up to businesses in the Valley.

Moved: Johnston
Seconded: Dominici
Ayes: Johnston, Dominici, Walsh,
Watson, Miller, Worthley
Nays: O'Brien

Motion failed 6-1 to approve up to \$1.4 million to leverage public and private match funding for the purchase and development of fifty locally manufactured zero-emission delivery vehicles in the San Joaquin Valley with the condition EVI fulfills its manufacturing and servicing obligations for the project from its Stockton facility.

Supervisor O'Brien motioned to leverage public and private match funding for the purchase and development of fifty locally manufactured zero-emission delivery vehicles in the San Joaquin Valley with the understanding there will be an agenda item at the next Board meeting on a program with at least the same amount of funding, the same rules as UPS will have and be opened up to the entire District, and with the condition EVI fulfills its manufacturing and servicing obligations for the project from its Stockton facility or within the District boundaries.

Moved: O'Brien
Seconded: Walsh
Ayes: O'Brien, Johnston, Dominici, Walsh,
Watson, Miller, Worthley
Nays: None

Motion unanimously carried to approve up to \$1.4 million to leverage public and private match funding for the purchase and development of fifty locally manufactured zero-emission delivery vehicles in the San Joaquin Valley, with the understanding that there will be an agenda item at the next Board meeting for a program with at least the same amount of funding, the same rules as UPS will have and opened up to the entire District and with the condition that EVI fulfills its manufacturing and servicing obligations for the project from its Stockton facility or within the District boundaries.

16. A STUDY OF LONG RANGE TRANSPORT OF AIR POLLUTION TO THE SAN JOAQUIN VALLEY – Dr. Lighthall reported previous research has shown that long-distance ozone from Asia affects the air quality of the Northern Sacramento Valley, and it is likely that it affects ground-level ozone in the San Joaquin Valley, as well. He explained for the study ozone, PM2.5 and carbon monoxide will be recorded at the Monterey Institute for Research in Astronomy's observatory in the coast range mountains. Dr. Lighthall commented the purpose of this project is to establish a foundation for future research to demonstrate correlations in long-distance ozone concentration with ground-level monitors in the Valley.

Supervisor Watson asked if EPA indicated they would consider adjusting the standards based upon the data that is gathered. Mr. Sadredin responded it would be difficult for EPA to change the standard. He explained EPA acknowledged this new information, but stated it came to light after their work developing the proposed new standard had been completed.

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

- Colby Morrow, Southern California Gas Company

Moved: Walsh
Seconded: Watson
Ayes: Dominici, Walsh, Johnston, O'Brien,
Miller, Watson, Worthley
Nays: None

Motion unanimously carried to approve a study of long range transport of air pollution to the San Joaquin Valley.

17. EVALUATING SHORT-TERM HEALTH EFFECTS OF PM2.5 SPECIES ON ACUTE MORBIDITY IN THE SAN JOAQUIN VALLEY – Dr. Lighthall explained this is a follow-up to the epidemiological study which will utilize the same ER and hospitalization data. Dr. Lighthall reported there would be an additional \$50,000 grant to UCSF-Fresno. He explained the study will build on previous experimental and clinical work looking at health effects of PM2.5 species including Organic Carbon, Elemental Carbon and ammonium nitrate on public health.

Public Comment - None

Moved: Dominici
Seconded: Walsh
Ayes: Miller, Watson, Dominici, Walsh,
Johnston, O'Brien, Worthley
Nays: None

Motion unanimously carried to approve a follow-up to the epidemiological study evaluating short-term health effects of PM2.5 species on acute morbidity in the San Joaquin Valley.

18. APPROVE BUDGET TRANSFER IN THE AMOUNT OF \$35,500 FOR RESEARCH ON PARTICULATE MATTER SPECIATION - Mr. Sadredin reported the funds would be utilized for additional PM2.5 speciation at air monitors that are exceeding the standards to determine what particular pollutants are causing the exceedances. He reported this will enable staff to better design the risk-based strategy.

Public Comment - None

Moved: Dominici
Seconded: Johnston
Ayes: Dominici, Walsh, Watson, Miller,
Johnston, O'Brien, Worthley
Nays: None

Motion unanimously carried to approve budget transfer in the amount of \$35,500 for research on Particulate Matter speciation.

20. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Sylvia Zulwanick, Air Resources Board representative, reported the Board received an update on the upcoming Federal 8-hour Ozone Standard along with the progress and challenges regarding 8-hour Ozone in both South Coast and San Joaquin Valley. She explained the Board heard the Valley has made progress in reducing 8-hour ozone levels since 1990 and now one third of the residents of the Valley live in areas that meet the current 8-hour Ozone Standard. She stated the ARB has been focused on rule making activities for the last several years and this year their efforts will be implementing rules, specifically the diesel off road and truck rules. Ms. Zulwanick reported in addition the ARB has been working closely with EPA focusing on attaining approval of the PM2.5 and ozone SIPS. She explained that in April ARB adopted a SIP provision that hopefully will enable EPA to approve the San Joaquin Valley and South Coast PM2.5 SIPs later this month. She stated in July similar changes will be presented to the ARB that will also allow EPA to propose the approval of the Valley's 8-hour ozone SIP.
21. EXECUTIVE DIRECTOR/APCO COMMENTS – None
22. GOVERNING BOARD MEMBER COMMENTS - None
23. CLOSED SESSION – The Closed Session was postponed until the August 18, 2011 meeting.

ADJOURN

Meeting adjourned at 12:29 p.m.

Next scheduled meeting of the Governing Board: Thursday, August 18, 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.