

Public Comment: None

Moved: Worthley

Seconded: Case

Ayes: Baines, Barba, Bomprezzi, Brazil, Case, Couch, Elliott,
Hanson, O'Brien, Walsh, Wheeler, Worthley, Barwick

Nays: None

Motion unanimously carried to elect Supervisor Hub Walsh as Chair and Supervisor Tom Wheeler as Vice Chair of the 2014 Governing Board.

4. END OF THE YEAR ADDRESS BY THE OUTGOING CHAIRMAN OF THE BOARD, COUNCILMEMBER BARWICK - Councilmember Skip Barwick stated he came to this Governing Board with a totally different attitude than he has now. He stated that serving on the Board and having the opportunity to Chair it, has been the most rewarding opportunity of his political career. He stated it has been a real honor to serve with the distinguished individuals who make up the Board, as well as the hard working and dedicated staff. He stated the Board's vision, along with the greatest staff one could ask for, has led to many ground-breaking, clean air strategies that make the District the model for the rest of the state and the region. He stated regardless of the opinions of environmental groups, the District's attainment of the 1-Hour Ozone Standard is nothing short of fantastic. He stated he wanted to give a big thanks to those who made it happen, including farmers, dairymen, business leaders, and individuals who paid a big price to reach this achievement. Councilmember Barwick stated he would be remiss to not mention the hard work by Mr. Sadredin and his staff, their vision which made this happen. He stated he would like to honor them and thank them very much.

He stated in 2013, the Valley saw significant improvements with respect to other air pollutants, namely the lowest number of 8-Hour Ozone violations – 33 compared to 62 in 2012, and 114 in the year 1996. He stated the Valley had the highest number of good air quality days this winter, when PM concentrations usually peak – overall 329 good air days, which is nearly twice as many as 5 years ago. He reported due to its strong regulatory programs and active incentive programs, the District has brought in millions of dollars which has allowed us to execute over 5,000 contracts for \$106 million dollars which has resulted in an overall reduction of 11,000 tons of total emissions. He noted in 2013, at the request of the state, we also administered grant programs for an additional 18 air districts. He gave credit to Mr. Sadredin and staff for handling additional workload brought on by these programs.

Councilmember Barwick stated the District continues to strive for improvement in good governance and customer service, noting in 2013, an Ad Hoc Committee was formed at the staffs' request to look into reorganization and processes whereby expenses may be reduced by the District. He reported the result was a \$97,000 reduction in overall expenses and commended Mr. Sadredin and staff for their efforts. He thanked Supervisors O'Brien and Worthley along with the Board members who volunteered to help with this committee. He noted in 2013,

the Board passed a balanced budget, with strict adherence to the District's zero-based budgeting principles, and with a great deal of innovation and streamlining, took on additional unfunded mandates without raising fees or increasing staff.

Looking ahead, Councilmember Barwick stated the Valley faces continuing changes in federal standards which are becoming more and more difficult to attain. He noted the District will need to begin developing a new attainment plan for EPA's most recent Ozone Standard. He stated the new standard will encroach upon naturally occurring ozone concentrations in the Valley. He said the District will do its best to meet these standards however, we must also be vigilant in our efforts to bring common sense changes to the federal Clean Air Act. He noted economic health is just as important as physical health. He encouraged common sense in the ongoing process. In closing, Councilmember Barwick thanked the Board and District staff for their hard work and dedication throughout this past year.

5. APPROVAL OF CONSENT CALENDAR – (Item Numbers 17 - 20) *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.*

17. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, NOVEMBER 14, 2013

18. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2014

19. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR NOVEMBER 2013

20. RECEIVE AND FILE BUDGET STATUS REPORT AS OF OCTOBER 31, 2013 AND NOVEMBER 30, 2013

Public Comment: None

Moved: Wheeler

Seconded: Barba

Ayes: Baines, Barba, Bompreszi, Brazil, Case, Couch, Elliott,
Hanson, O'Brien, Walsh, Wheeler, Worthley, Barwick

Nays: None

Motion unanimously carried to approve Consent Calendar Items 17-20.

6. PUBLIC COMMENT: *The following persons provided comment at this meeting:*

- Cesar Campos, Central CA Environmental Justice Network
- Manuel Cunha, Nisei Farmers League
- Roger Isom, California Cotton Ginners and Growers Association, Western Agricultural Processors Association

7. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Citizens Advisory Committee (CAC) Fresno County Industry/Ag Primary Member, gave the report on highlights from the CAC meeting of December 3, 2013. He reported CAC members received an update on recent ARB and District activities to help small fleet operators reduce their truck emissions ahead of the upcoming January 1, 2014 deadline under the state's truck regulation. He also reported CAC members from all three interest groups voted unanimously to support the proposed amendments to Rule 4621 (Gasoline Transfer into Stationary Storage Containers, Delivery Vessels, and Bulk Plants) and Rule 4622 (Gasoline Transfer into Motor Vehicle Fuel Tanks).

Also, Mr. Cunha reported CAC received an update on the District's Indirect Source Review Program Annual Report. Lastly, he provided updates on recent activities by the District's Environmental Justice Advisory Group (EJAG).

8. ADOPT PROPOSED AMENDMENTS TO RULE 4621 (GASOLINE TRANSFER INTO STATIONARY STORAGE CONTAINERS, DELIVERY VESSELS AND BULK PLANTS) AND RULE 4622 (GASOLINE TRANSFER INTO MOTOR VEHICLE FUEL TANKS) – Jim Swaney, Permits Services Manager, gave the presentation on this item which proposed amendments to streamline regulations for Valley gas stations. He reported as part of ongoing efforts to review and continuously improve District rules and policies, staff was proposing changes to two existing District rules that are aimed at controlling emissions from gas stations. He reported one proposed change will eliminate the need for vapor control systems on gas pumps that dispense the alternative ethanol-based fuel known as "E85". He noted requiring emissions controls on these pumps would be redundant since all new flex-fueled cars using E85 have on-board vapor controls. He explained the other proposed rule amendment will reduce the frequency for performing system blockage testing for gas dispenser from once per year to once per five years. He noted while the blockage testing is important, it is also costly and invasive and may increase emissions if performed too frequently. He stated both of these proposed changes are consistent with state and federal requirements, and neither change is expected to significantly impact emission levels.

Public Comment – None

Moved: Worthley
Seconded: Barba
Ayes: Baines, Barba, Bompreszi, Brazil, Case, Couch, Elliott,
Hanson, O'Brien, Walsh, Wheeler, Worthley, Barwick
Nays: None

Motion unanimously carried to adopt proposed amendments to Rule 4621 (Gasoline Transfer Into Stationary Storage Containers, Delivery Vessels and Bulk Plants) and Rule 4622 (Gasoline Transfer Into Motor Vehicle Fuel Tanks).

9. RECEIVE AND FILE THE 2013 ANNUAL REPORT ON THE DISTRICT'S INDIRECT SOURCE REVIEW PROGRAM – Arnaud Marjollet, Permit Services Manager, gave the presentation on this item regarding the Annual Report on the District's Rule 9510 (Indirect Source Review), which was adopted by the Board in 2005 to reduce the impacts of growth in emissions resulting from new land development in the Valley. He reported the rule requirements establish a path for developers to reduce and mitigate the impact of emissions that occur during and after construction of new land development projects, either through onsite improvements or through the payment of fees that the District then uses for offsite mitigation.

Mr. Marjollet reported in 2012-13, the District ISR program experienced a 10% increase in the number of impact assessment applications compared to the prior year, and an 87% increase compared to the lowest year of the recession, 2009-10. He noted the amount of off-site mitigation fees collected decreased by 33%, to \$1,262,861. He stated this reduction in off-site fees resulted from project proponents more frequently using clean construction fleets and incorporating better project design elements resulting in lower emissions. This trend toward lower offsite mitigation fees is consistent with the intent of the ISR rule, which is to compel air-friendly onsite design choices that add value to residential and commercial projects, and to encourage the use of low-emitting construction fleets.

Supervisor O'Brien asked about the difference in cost effectiveness between an ISR and a Voluntary Emission Reduction Agreement (VERA). Mr. Sadredin responded there is really no difference in the cost of emission reductions, noting VERA came to life before ISR and therefore use a different unit of measure. Supervisor Case noted developers in Fresno County are utilizing zero impact environment planning and smart development standards. She noted this rule has been highly beneficial in encouraging this movement. Supervisor Wheeler noted Madera County developers are also utilizing the same and asked about the use of funds toward locomotives. Mr. Sadredin noted these funds go into the District's incentive program and can be used to replace locomotive engines to reduce emissions. He noted it is a requirement that these locomotives operate within in the Valley.

Public Comment – None

Moved: Wheeler
 Seconded: Barba
 Ayes: Baines, Barba, Bompreszi, Brazil, Case, Couch, Elliott,
 Hanson, O'Brien, Walsh, Wheeler, Worthley, Barwick
 Nays: None

Motion unanimously carried to receive and file the 2013 Annual Report on the District's Indirect Source Review Program.

10. APPROVAL OF PROJECT SELECTIONS FOR THE DISTRICT'S PUBLIC BENEFIT GRANTS PROGRAM SOLICITATION FOR ALTERNATIVE FUEL INFRASTRUCTURE PROPOSALS – Mr. Sadredin introduced Nhia Vu, Supervising Air Quality Specialist, who gave the presentation on this item. She reported the Public Benefits Grants Program was developed to assist local public agencies and educational institutions to bring to fruition emission reduction projects that provide broad benefits to Valley residents. She reported in response to a competitive Request for Proposals for alternative fuel infrastructure projects released on July 1, 2013, the District's Governing Board approved project selections totaling \$5,000,000 for projects throughout the Valley. She noted project recommendations were made in strict adherence to the selection criteria and funding formulas established by the District's Governing Board

She reported staff recommended the following project selections to the Board for funding consideration:

Region:	Project:	Lifetime Emission Reductions (tons of NOx, PM, and VOC):	Funding Requested by Applicant:	Recommended Funding:	Cost-effectiveness (\$/ton) Based on Recommended Funding:
North	City of Lathrop – Clean Energy Lathrop Public-Access L/CNG Fueling Station (New Station)	384	\$975,000	\$975,000	\$2,967
	Lodi Unified School District – CNG Upgrade Fueling Station (Expansion)	143	\$612,148	\$511,454	\$4,170
Regional Total:		527	\$1,587,148	\$1,486,454	
Central	Southwest Transportation Agency – Southwest Transportation L/CNG Station Upgrade (Expansion)	108	\$798,411	\$798,411	\$8,665
	Fresno Unified School District – CNG Fuel Station Expansion Project	91.6	\$819,000	\$804,123	\$10,253
Regional Total:		200	\$1,617,411	\$1,602,534	
South	City of Visalia – CNG Station Expansion	210	\$700,000	\$700,000	\$3,888
	Kern County Superintendent of Schools – Expansion of Existing CNG Infrastructure	191	\$1,493,000	\$1,211,012	\$7,418
Regional Total:		401	\$2,193,000	\$1,911,012	
Grand Total for Recommended Projects:		1,128	\$5,397,559	\$5,000,000	

Supervisor Walsh left at 10:23 a.m.

Supervisor O'Brien commended staff for a great process and congratulated all jurisdictions who received funding and noted the cost effectiveness per ton is very good compared to what was seen in the past. Supervisor Worthley stated he appreciated the emphasis on CNG projects, noting the Valley has become a major natural gas producer in this country. He stated the emissions are much improved over traditional gasoline, making this a great place to utilize District funds.

Public Comment: *The following persons commented on this item:*

- Kirk Hunter, Southwest Transportation Agency
- Reginald Ruben, Fresno Unified School District
- Mary Gonzalez, Fresno Unified School District

Moved: Wheeler

Seconded: Case

Ayes: Baines, Barba, Bomprezzi, Brazil, Case, Couch, Elliott, Hanson, O'Brien, Wheeler, Worthley, Barwick

Nays: None

Motion unanimously carried to approve project selections for the District's Public Benefits Grants Program solicitation for Alternative Fuel Infrastructure Proposals.

11. APPROVE NEW SOLICITATION AND FOCUS AREAS FOR THE DISTRICT'S PUBLIC BENEFIT GRANTS PROGRAM AND ASSESS FEASIBILITY OF ADDITIONAL PROGRAM COMPONENTS – Todd DeYoung, Strategies and Incentives Program Manager, gave the presentation on this item. He reported the District's Public Benefit Grants program has proven successful in assisting local public agencies to implement clean-air projects that provide benefits to Valley residents. He stated to remain responsive to the Valley's needs, staff recommended the Board approve \$8 million in additional funding for a competitive solicitation for Mass Transit, Park and Ride, and Alternative Commute projects. Additionally, staff recommended assessing the feasibility of developing several new first-come first-served grant components under the Public Benefits Grants Program, including small-scale electric vehicle charging infrastructure, and alternative fuel infrastructure repair. He reported after completing their assessment of these new potential grant components, staff will return to the Governing Board with final recommendations.

Supervisor Worthley asked if matching funds would be required for these projects. Mr. DeYoung responded affirmatively. Supervisor Wheeler asked if the facilities would be public agencies. Mr. Sadredin responded the facilities would need to be accessible to the public.

Public Comment: None

Moved: Worthley
Seconded: Bomprezzi
Ayes: Baines, Barba, Bomprezzi, Brazil, Case, Couch, Elliott,
Hanson, O'Brien, Wheeler, Worthley, Barwick
Nays: None

Motion unanimously carried to approve new solicitation and focus areas for the District's Public Benefits Grants Program and assess feasibility of additional program components.

12. APPROVE THE DISTRICT'S 2014 LEGISLATIVE PLATFORM – Tom Jordan, Senior Policy Advisor, gave the presentation on this item which highlighted the District's 2014 Legislative Platform. He reported the platform will provide guidance in the District's efforts to inform legislators at both the state and federal level of the air quality challenges that we face, and the need for additional resources and policy tools to continue to bring cleaner air to Valley residents. He explained the key provisions of the platform include:

- (Federal) Seek legislative common sense improvements to the Federal Clean Air Act. In addition to our legislative proposals, the District has worked with EPA to advance administrative changes that can address certain issues with the Clean Air Act. These efforts have been productive, as EPA included many of the District's suggestions in their proposed implementation rule for the 8-hour Ozone Standard which was recently published for public comments.
- (State) As the state develops updated policies/guidelines for the Carl Moyer program, the District will pursue policies that continue to focus the program on public health, maintain formulas that take air quality challenges into consideration, and that utilize cost-effectiveness surplus emission reductions as the primary eligibility criteria.
- (State) The compliance regiment under the state's Cap and Trade program may lead to increases in criteria and toxic emissions or missed opportunities to reduce such emissions in certain areas. Therefore, the District will advocate for policies that target a portion of Cap and Trade revenues to regions that are already overly impacted by criteria pollutant emissions with a greater focus on environmental justice communities.
- (State/Federal) The District will oppose greenhouse gas measures that are detrimental to public health due to increases in criteria pollutant or toxic emissions, and support greenhouse gas measures that achieve criteria pollutant and toxic emissions reductions.
- (State) Support measures that streamline the California Environmental Quality Act (CEQA) by reducing unnecessary litigation, allowing credit for compliance with environmental regulatory requirements, and minimizing red tape.

- (State/Federal) When assessing state/federal policies concerning disadvantaged communities, the District considers poverty as a key factor contributing to diminished public health. The District will oppose efforts that lead to “redlining” these communities and inhibit economic growth. The District will support measures that improve quality of life and economic welfare by providing new state and federal resources. The District will oppose measures that dilute local control by diverting local revenues or the authority over the expenditure of local resources to the state or federal government.
- (Federal) Support the establishment of an Air Quality and Health Empowerment Zone designation that would provide financial assistance to regions that have significant air quality, health, and economic challenges.
- (State/Federal) Seek funding and other support from the State Air Resources Board and federal Environmental Protection Agency (EPA) to install and operate additional air quality monitoring instruments throughout San Joaquin Valley.
- (State/Federal) Support efforts that provide for cost-effective alternatives to agricultural burning including subsidies and/or preferential utility rates for power produced from biomass and additional research to identify other technologically and economically feasible alternatives.
- (State/Federal) Support energy efficiency/alternative energy policies and initiative that will result in emissions reductions and cost effective alternatives to burning agricultural waste.
- (State/Federal) Support adequate resources and policies to reduce the impact of wildfires and their attendant public health impact.
- (Federal) Support the continuation of air quality funding in the Farm Bill that is designed to accelerate the replacement of agricultural equipment.

Mr. Jordan introduced Lynn Jacquez with C.J. Lake, LLC, who represents the district’s interests in Washington, D.C. Ms. Jacquez stated that it has been a very active year in Washington, noting numerous opportunities to advance the District’s objectives. Ms. Jacquez noted that the District’s planned fall delegation visit was cancelled due to the government shutdown and would be rescheduled in the future. The following is a summary of the District’s efforts to advance the issues contained in the 2013 Legislative Platform:

- A significant amount of effort has gone into maintaining air quality funding in the Farm Bill. Currently, the Valley receives between \$19 million and \$28 million in air quality funding from the farm bill. Ms. Jacques has worked with the District and other Valley interest to develop a strategy to garner support for the air quality funding in other states. Additionally, Ms.

Jacques has met with the EPA Administrator and the US Department of Agriculture to encourage them to weigh in on the air quality funding in the Farm Bill.

- The Interior Appropriations bill is particularly important to the District and currently includes \$19 million in funding for the Diesel Emissions Reductions Act as well as resources for brush clearing. This bill should be acted upon in January with the Omnibus budget bill.
- Significant progress has been made in educating Congress Members and their Staff about the antiquated provisions in the Clean Air Act. It has been difficult to find a legislative vehicle to move these issues given the fact that the Clean Air Act is a hot button issue and there is much trepidation in opening the act. The District has had success in getting EPA to make administrative changes to minimize some of these issues.
- Ms. Jacques mentioned that with the District's incentive programs there may be opportunities to work with the Department of Energy to become an "Ambassador" for its EV Everywhere Program.

Mr. Jordan also introduced Paul Yoder, who represents the District in Sacramento. Mr. Sadredin gave kudos to Mr. Yoder for all of his hard work over the past several years, noting he was the first and only advocate in Sacramento to learn about the movement to extend Carl Moyer funding. Mr. Yoder reported there may be a budget surplus in the Legislature in 2014-15 along with Cap and Trade monies appropriated. He stated there could be \$200-700 million to be appropriated by the Governor, expectedly toward High Speed Rail and rail that potentially would connect to High Speed Rail. He noted money could also be utilized to fund existing programs. He noted the California Transportation Infrastructure Priorities effort will come back, with a possible revisiting of SB 375. He also reported transportation interests are proposing to raise the Vehicle Licensing Fees by 1%, which would raise \$3 billion annually. Mr. Yoder mentioned AB 8 was authored by Assemblyman Perea, which promoted all Central Valley interests. He stated there will be a new Speaker and Pro Tem, with term limits possible extending their term to 8-10 years. Lastly, Mr. Yoder commended District staff for their hard work at leveling the playing field and even surpassing South Coast and Bay Area AQMD in various arenas in Sacramento.

Supervisor Case thanked Ms. Jacques and Mr. Yoder for their hard work on behalf of the District. She asked if South Coast has met the 1-Hour Ozone Standard as the Valley recently had. Mr. Sadredin responded no, the District is the only region classified as Extreme Non-Attainment to attain this standard. Supervisor Case expressed concern about prioritizing advocacy for tractor and single owner operator truck funds for the Valley. She suggested adding to the issue regarding catastrophic fire in terms of promoting logging to reduce density in the state forests. Supervisor Worthley suggested broadening the policy issues related to wildfires to go beyond advocating for funding resources for the associated agencies. He also asked about the need for more air monitors. Mr.

Sadredin responded EPA has started imposing additional monitoring requirements in conjunction with their new standards and the District needs funding assistance to meet the new mandates. Supervisor Elliott asked about greenhouse gas measures and potential tradeoffs as they relate to other pollutants of concern. Mr. Sadredin responded some of the measures that help reduce greenhouse gases can result in an increase in NOx and particulate emissions and the District would oppose these measures as detrimental to public health. He added that the Governing Board's policy has been to prioritize public health over climate change when encountering such tradeoffs.

Public Comment: *The following persons commented on this item:*

- Colby Morrow, Southern California Gas Company
- Manuel Cunha, Nisei Farmers League

In response to a comment by Mr. Cunha, Mr. Sadredin suggested the Board could add highlight of additional funds for independent truckers.

Moved: Wheeler
Seconded: Worthley
Ayes: Baines, Barba, Bomprezzi, Brazil, Case, Couch, Elliott, Hanson, O'Brien, Wheeler, Worthley, Barwick
Nays: None

Motion unanimously carried to approve the District's 2014 Legislative Platform and add highlight of additional funds for independent truckers.

13. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – This item was tabled as Dr. Sherriffs was not in attendance.
14. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin wished everyone a Merry Christmas and Happy Holidays.
15. GOVERNING BOARD MEMBER COMMENTS – Supervisor Wheeler thanked Councilmember Barwick for his work as the Chair over the past year. He asked if improvements can be made to the microphones in the Board Room. Mr. Sadredin responded improvements would be made as part of upgrades to the video teleconferencing recently approved by the Board. Supervisor Worthley thanked Councilmember Barwick for his good work as the Chair. He commended the District for its staff diversity and noted that it was refreshing to have a staff comprised of a variety of backgrounds. Mayor Brazil congratulated Councilmember Barwick on his Chairmanship. He commented the trucking issue is very serious in the Valley, and stated all comments need to be addressed. He wished everyone a Merry Christmas and Happy New Year. Councilmember Barwick wished everyone a Merry Christmas and Happy New Year.

16. **CLOSED SESSION:** Ms. Ballatore-Williamson announced the Governing Board will hold a Closed Session pursuant to Section 54957 and 54957.6 of the Government Code (Ralph M. Brown Act) as follows, followed by adjournment:

- Performance Evaluation: District Counsel
- Performance Evaluation: Executive Director/APCO

ADJOURN

Meeting adjourned at 11:29 a.m.

The next scheduled meeting of the Governing Board is: Thursday, January 16, 2014. Meeting starts at 9:00 a.m., in the 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.