

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, November 14, 2013
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, Councilmember Barwick called the meeting to order at 9:04 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Oliver L. Baines III, Councilmember	City of Fresno
Tony Barba, Supervisor	Kings County
Skip Barwick, Councilmember, Chair	City of Tulare
Sally Bomprezzi, Councilmember	City of Madera
Judy Case, Supervisor	Fresno County
David Couch, Supervisor**	Kern County
Bob Elliott, Supervisor*	San Joaquin County
William O'Brien, Supervisor*	Stanislaus County
Dr. Alexander Sherriffs	Appointed by Governor
Hub Walsh, Supervisor, Vice Chair*	Merced County
Tom Wheeler, Supervisor	Madera County
J. Steven Worthley, Supervisor***	Tulare County

* Attended meeting in Northern Region Office

**Attended meeting in the Southern Region Office

***Attended meeting in the Southern Region Office; Arrived at 9:20 a.m.

Absent:

Dennis Brazil, Mayor	City of Gustine
Harold Hanson, Councilmember	City of Bakersfield

3. APPROVAL OF CONSENT CALENDAR – (Item Numbers 18 - 22) *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.*
18. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, SEPTEMBER 19, 2013
19. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2013 AND 2014
20. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR SEPTEMBER AND OCTOBER 2013
21. RECEIVE AND FILE BUDGET STATUS REPORT AS OF SEPTEMBER 30, 2013
22. AMEND 2013-14 ADOPTED BUDGET TO ADJUST ESTIMATED AMOUNTS TO ACTUAL AND TO RE-APPROPRIATE OUTSTANDING ENCUMBRANCES AT 6/30/2013

Supervisor O'Brien requested Consent Item #22 be pulled for separate consideration.

Tom Frantz, Shafter resident, requested Consent Item #20 be pulled for separate consideration.

Public Comment: None

Moved: Wheeler

Seconded: Bomprezzi

Ayes: Baines, Barba, Bomprezzi, Case, Couch, Elliott,
O'Brien, Sherriffs, Walsh, Wheeler, Barwick

Nays: None

Motion unanimously carried to approve Consent Calendar Items 18, 19, and 21.

20. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR SEPTEMBER AND OCTOBER 2013
22. AMEND 2013-14 ADOPTED BUDGET TO ADJUST ESTIMATED AMOUNTS TO ACTUAL AND TO RE-APPROPRIATE OUTSTANDING ENCUMBRANCES AT 6/30/2013

Supervisor O'Brien and Supervisor Case requested clarification on Item #22. Mr. Sadredin responded there was no change in the approved Budget with this item. He noted the purpose of this item is to true up the Budget to make sure the expenditures match the estimates previously submitted to the Board. Mehri Barati, Administrative Services Director, explained these expenditures were paid after the prior year Budget closed and therefore shifted to the adjusted Budget for the following year. Supervisor O'Brien and Supervisor Case suggested staff include these expenditures in future reports. Mr. Sadredin responded affirmatively. Ms. Case asked for further clarification on the estimates of District expenditures and zero based budgeting. Mr. Sadredin suggested staff would include the requested information in future reports and the Governing Board Budget Subcommittee could address this item during the next year's budget process.

Public Comment: *The following persons commented on these items:*

- Tom Frantz, Shafter resident

Moved: Wheeler

Seconded: Barba

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

Nays: None

Motion unanimously carried to approve Consent Calendar Items 20 and 22.

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

- Tom Frantz, Shafter resident
- Cesar Campos, Central CA Environmental Justice Network, FERN

Taken out of order

6. AUTHORIZE SUBMISSION OF REQUESTS TO EPA FOR ATTAINMENT DETERMINATION FOR 1-HOUR OZONE STANDARD AND LIFTING OF SECTION 185 FEDERAL NONATTAINMENT PENALTY MANDATE –

Mr. Sadredin reported for the first time in recorded history, the San Joaquin Valley in 2013 had zero violations of the hourly ozone standard established under the federal Clean Air Act. He introduced Samir Sheikh, Strategies and Incentives Director, who explained with the conclusion of the official ozone season that runs from March through October, staff is proposing the District now submit a formal request to the federal Environmental Protection Agency to declare the Valley in attainment of the standard and lift the \$29 million penalty mandate that Valley residents have been paying since late 2010.

Mr. Sheikh reported that reaching this milestone has been the key focus of the Valley's air quality-management strategies for more than two decades. He noted in 2004, EPA classified the Valley as "Extreme" non-attainment for this standard, meaning that reaching the standard, at that time, was deemed impossible. He

reported the San Joaquin Valley is the first and only region in the nation with “Extreme” classification to meet the standard.

Mr. Sadredin noted given the enormity of this achievement, he wanted to express gratitude to the individuals and groups who made this possible. He pointed out that meeting the 1-hour Standard is in some ways harder than the 8-hour Standard. He stated this day would not be possible without the investment and sacrifice that Valley businesses, farmers and dairy families have made, including spending over \$40 billion to modernize their facilities and fleets and comply with District regulations. He also thanked them for the great working relationship they have maintained with the District. Mr. Sadredin also recognized the Valley’s residents for providing support for air quality measures, citing air quality as a top concern even during tough economic times. He also thanked residents for embracing the District’s Air Alert Program as suggested by Supervisor O’Brien. Mr. Sadredin also voiced appreciation for local, state and federal agencies that have partnered with the District to help improve air quality in the Valley. He also thanked the Valley’s environmental organizations for calling attention to the air quality issues in the Valley and highlighting the District’s strengths through their requests of several audits by outside agencies. Lastly, Mr. Sadredin thanked the Board for their great insight, skill and knowledge in making decisions on tough measures that achieved the critical balance between public health, environmental needs, and economic welfare.

Supervisor Case stated his has been a long hard road to this achievement. She expressed gratitude to Manuel Cunha of the Nisei Farmers League for helping the Board understand the Valley’s agriculture issues; Roger Isom of the Western Agricultural Processors Association for his tireless efforts; Suzanne Noble and Les Clark representing the oil industries; and Mr. Tom Frantz, Association of Irrigated Residents and Sarah Sharpe of Fresno Metro Ministries for their efforts. Lastly, she thanked Mr. Sadredin and especially District staff for their tireless efforts in reaching Valley residents with air quality improvement efforts.

Supervisor Walsh congratulated everyone for their efforts to reach the Standard. He asked staff about the next steps to remove the non-attainment penalty. Mr. Sadredin responded the Board crafted an innovative approach so the penalty dollars stayed in the Valley to be invested in areas that help improve Valley air quality. He stated the Board will decide at a future meeting, whether or not there is a need for a DMV fee or not. Supervisor Walsh asked about the timeframe for EPA approval. Mr. Sadredin responded in the past it has taken years for EPA to take action on items such as this. Mr. Sadredin added that there may also be litigation resulting from this action that could cause further delays.

Supervisor Worthley expressed gratitude to District staff for their efforts with federal, state and local agencies while implementing these rules. He noted the District was perhaps the most hated/beloved government agency in the Valley, because they have showed a willingness to work with businesses while allowing them to come into compliance. He also thanked Valley businesses for their numerous contributions and investments towards air quality improvement efforts.

Supervisor O'Brien echoed the other Board members' comments and thanked the public for responding to the District's Air Alert Program, which was the final push toward this achievement. He noted everyone's help is still needed in the air pollution battle. He also asked for the public's help to request the federal delegation to ask the EPA to make a decision on the District's request in a timely manner. Supervisor Barba noted this is a huge accomplishment and stated he was proud to wrap up his career on the Board with such an achievement. He thanked Mr. Cunha, Dennis Tristao, Mr. Clark, Ms. Noble, Colby Morrow from Southern CA Gas Company for their efforts. Councilmember Barwick stated this accomplishment proves we are much stronger as a unit than we are as individuals, noting the efforts of the District, businesses and environmentalists. He stated if all continue to work together as a unit, these types of achievements in the Valley will continue to be possible.

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

- Tom Frantz, Shafter Resident
- Abre' Conner, Center for Race, Poverty and the Environment
- Nick Ortiz, WSPA
- Les Clark, IOPA
- Dennis Tristao, Kings County Farm Bureau
- Sarah Sharpe, Fresno Metro Ministries
- Kevin Abernathy, Dairy CARES
- Manuel Cunha, Nisei Farmers League
- Colby Morrow, Southern CA Gas Company
- Cesar Campos, Central CA Environmental Justice Network
- Dolores Weller, Central Valley Air Quality Coalition

Moved: Worthley

Seconded: Couch

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

Nays: None

Motion unanimously carried to authorize submission of requests to EPA for attainment determination for 1-Hour Ozone Standard and lifting of Section 185 Federal Nonattainment Penalty Mandate.

7. ADJOURN MEETING FOR TEMPORARY RECESS

Meeting adjourned at 10:38 a.m.

Meeting reconvened at 11:22 a.m. A Quorum was present.

Taken out of order

5. S.T.A.R. RECOGNITION (SERVICE, TEAMWORK, ATTITUDE, RESPECT) – Adriana Myovich, Director of Personnel, gave the presentation on this item which acknowledged service milestones reached by District staff during the third

quarter of 2013.

Five Years of Service

Yvette Ciotti, Air Quality Assistant
Joseph Estrada, Air Quality Inspector I
Michael Hamaguchi, Senior Air Quality Inspector
Theresa Haywood, Senior Office Assistant
Kher Her, Air Quality Inspector II
Steve Miller, Air Quality Inspector II
Cristina Padilla, Operations Support Supervisor
Nai Saelee, Accountant I
Aleah Zaph, Air Quality Inspector II

Ten Years of Service

Steve Roeder, Air Quality Engineer II
Jeff Voorhees, Air Quality Specialist II

Fifteen Years of Service

Patrick Houlihan, Senior Air Quality Specialist
Errol Villegas, Program Manager

Twenty Years of Service

Ester Davila, Supervising Air Quality Specialist

8. **ADOPT PROPOSED AMENDMENTS TO RULE 4308 (BOILERS, STEAM GENERATORS, AND PROCESS HEATERS-0.075 MMBTU/HR TO LESS THAN 2.0 MMBTU/HR)** – Anna Myers, Senior Air Quality Specialist and Mr. Sheikh, gave the presentation on this item which proposed amendments to Rule 4308 (Boilers, Steam Generators, and Process Heaters—0.075 MMBtu/hr to less than 2.0 MMBtu/hr). Ms. Myers reported proposed rule amendments would lower the NOx emission limit for instantaneous units from 55 parts per million by volume (ppmv) to 20 ppmv, effective on and after January 1, 2015. The 2015 effective date would provide retailers with sufficient time to sell their remaining 55 ppmv compliant units. This proposed amendment would satisfy the commitment included in the *2012 PM2.5 Plan* to make the amendments by 2013. She also reported in addition to amending the NOx emission limit for instantaneous units, the District is proposing several administrative amendments to Rule 4308 to clarify rule applicability and to remove outdated and redundant language.

Supervisor Elliott asked about the cost effectiveness numbers. Mr. Sadredin responded with every rule, staff tries to quantify the costs per tons of emissions reduced. Dr. Sherriffs asked about the enforceability of this rule. Mr. Sadredin noted the District and ARB both have point of sale ordinances and utilize random

inspections of retailers as a method for enforcement.

Public Comment – None

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

Motion unanimously carried to adopt proposed Amendments to Rule 4308 (Boilers, Steam Generators, and Process Heaters-0.075 MMBTU/HR to Less Than 2.0 MMBTU/HR).

9. ADOPT PROPOSED AMENDMENTS TO RULE 4702 (INTERNAL COMBUSTION ENGINES) – Errol Villegas, Strategies and Incentives Program Manager, gave the presentation on this item which proposed to update the existing rule language to express the intended emissions limitations for waste gas fueled engines. He reported the proposed amendments would not change existing emissions limitations or result in any detrimental impact on air quality.

Public Comment: None

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

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

10. LEVERAGE \$3 MILLION IN INCENTIVE FUNDING FROM THE DISTRICT'S PUBLIC BENEFITS PROGRAM WITH \$3 MILLION FROM VALLEY SCHOOL DISTRICTS FOR BUS REPLACEMENTS – Mr. DeYoung explained the District has provided more than \$47 million in incentive funding to retrofit and replace aging school buses in the San Joaquin Valley (Valley). He reported to date, the District has replace 240 school buses and retrofitted an additional 995 school buses. However, because the Valley is home to the oldest school bus population in California, he reported the Valley continues to have a large population of older, high-polluting school buses operating throughout the District that are chronic self-polluters, putting children at risk. He reported Valley school districts have been requesting funding assistance to upgrade aging school bus fleets.

In order to address this need, he reported staff was proposing to appropriate \$3 million in incentive funding from the District's Public Benefits Program to leverage an additional \$3 million from Valley school districts by providing up to 50 percent of the cost of a new school bus.

Supervisor Worthley suggested adding criteria to ensure the new buses are getting regular use. Mr. Sadredin suggested perhaps adding age and mileage combinations to the criteria to determine which school districts receive funding. Dr. Sherriffs commented this is an important health issue. He asked if this money could also be used to address the upcoming statewide Truck and Bus regulation. Mr. Sadredin responded affirmatively. He noted this item was to address the health risk to the children who are riding the school buses. Dr. Sherriffs agreed and also noted the economic impact of the upcoming Truck and Bus regulation. Mr. Sadredin noted the funding source for this item is the DMV penalty assessment, he noted when the Board adopted this assessment, a commitment was made that a good portion of the funds would go to areas where the public would see the greatest benefit. He noted school bus replacement is at the top of the list of what the public would like to see.

Supervisor Elliott asked for a cost analysis of the effectiveness of replacing small trucks versus school buses. Mr. Sadredin noted replacing trucks is much more cost effective if looking at NOx emissions. Supervisor Elliott suggested putting this money where it would be most effectively used. Mr. Sadredin responded it is a balancing act of attainment versus health risk reduction to the children. Councilmember Baines noted this is a great discussion and stated the positive impact to the health of children is an important consideration. Mr. Sadredin noted the District has already spent over \$100 million on truck replacements. Supervisor Case asked about the current status of the small fleet truck funding program. Mr. Sadredin noted the program has been very successful and is currently oversubscribed. Ms. Case noted the January 1, 2014 deadline for implementation of the rule. Mr. Sadredin noted funds can no longer be used for bus replacements once the requirement is in place and the 50 percent funding threshold will be tough for some school districts to meet.

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

- Colby Morrow, So Cal Gas
- Dennis Tristao, Corcoran, CA

Supervisor Wheeler made a motion to postpone funding the school bus program until next year and to utilize this \$3 million dollars for the small fleet truck replacement program. Mr. Sadredin noted the District is working with ARB to separate grant eligibility from compliance with the rule, so that those who are not in compliance can still apply for grant funding. Supervisor Elliott seconded the motion.

Supervisor Couch stated he was prepared to support the staffs proposal and asked if any school districts have approached the District for this funding. Mr. Sadredin responded affirmatively. Supervisor Case noted the difficulty of allocating scarce resources to two competing interests with a lot of value. She asked about the availability of additional ARB assistance. In order to address both issues, Mr. Sadredin suggested the Board could allocate an additional \$3

million from the Public Benefits Program to small truck replacement, in addition to the current staff proposal. Supervisor Case voiced support for this suggestion. Supervisor Worthley suggested allocating an additional \$3 million for small truck replacement. Supervisor O'Brien voiced support for this suggestion. Supervisor Wheeler amended his motion to allocate \$3 million as proposed, with an added mileage requirement, and an additional \$3 million from the District's Public Benefit program, which was previously targeted for mass transit, to go into the small truck replacement program. Lastly, he stated if the school districts have not taken full advantage of their funds by January 1, 2014, any leftover monies would shift to the truck replacement program.

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

Motion unanimously carried to allocate \$3 million as proposed, with an added mileage requirement and an additional \$3 million from the District's Public Benefit program, which was previously targeted for mass transit, to go into the small truck replacement program. In addition, if the school districts have not taken full advantage of their funds by January 1, 2014, any leftover monies will shift to the truck replacement program.

11. CONSIDER POTENTIAL APPROACH TO ASSESSING WOOD SMOKE IMPACT IN FOOTHILL COMMUNITIES – Jaime Holt, Chief Communications Officer, gave the presentation on this item which proposed a field study to assess wood smoke concentrations in the air basin's foothill communities. She reported the study will use smoke assessment by field inspectors and computerized modeling to quantify potential wood smoke concentrations and identify geographic areas likely impacted. She noted the study would be done in lieu of more costly, less effective ambient air quality monitoring, and would avoid an unnecessary burden on the Valley's stationary sources under the Clean Air Act.

Supervisor Wheeler noted perhaps the biggest problem in these communities is burning of wet leaves and other trimmings. Mr. Sadredin responded that the first part of this process would be to identify the source of the problem. Supervisor Case commented this is a growing problem and identifying the significance of the smoke impact in these communities is key. Supervisor Walsh asked if these foothill communities are currently within the District. Mr. Sadredin responded affirmatively.

Public Comment: None

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

Motion unanimously carried to approve the field study to assess wood smoke concentrations in the air basin's foothill communities.

12. RECEIVE AND FILE DISTRICT'S ANNUAL OFFSET EQUIVALENCY REPORT TO THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY – Mr. Sadredin gave the presentation on this item which proposed to receive and file the District's annual offset equivalency report as submitted to the federal Environmental Protection Agency (EPA) for the 12-month period from August 20, 2012 through August 19, 2013.

Public Comment: None

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

Motion unanimously carried to receive and file District's Annual Offset Equivalency Report to the Federal Environmental Protection Agency.

13. VERBAL STATUS REPORT ON THE IMPLEMENTATION OF STATE AIR RESOURCES BOARD'S TRUCK REGULATION – Mr. Sadredin provided an update to the Board on the upcoming January 1, 2014 deadline in the state's Truck and Bus regulations. He reported the District has expressed a number of concerns regarding the potential economic and air quality impacts of these regulations. He stated specifically, the District offered a number of suggestions to the state's Air Resources Board to provide additional flexibility and assistance to small fleets and owner/operators subject to the upcoming deadline. He noted ARB is acting on the recommendations of the District and other stakeholders by providing the following flexibility and regulatory relief:

1. Recognize small fleet's "good faith efforts" to comply with the January 1, 2014 regulatory deadline through a compliance advisory. This advisory provides small fleets access to Proposition 1B incentive funding and provides six months for small fleets to take steps to purchase new vehicles, while being considered in compliance with the regulation.
2. Provide additional funding opportunities to assist truck fleets with compliance. This includes a recommendation proposed by the District to prioritize up to \$40 million in Proposition 1B grant funding and loan assistance for small fleets.

3. Provide additional outreach to truck fleets and ongoing compliance assistance to build up ARB's existing efforts to maximize the reach of their outreach and compliance assistance strategies.
4. Allowing additional trucks to use existing flexibility options including re-opening the low-use agricultural vehicle option and low-mileage construction vehicle option. Additionally, ARB staff recommended increasing the low-mileage exemption from 1,000 miles to 5,000 miles per year through 2020.

Mr. Sadredin expressed gratitude to Dr. Sherriffs who worked with the State Air Resources Board and staff to make these changes. He recommended taking an additional look at this issue after January 1st.

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

- Manuel Cunha, Nisei Farmers League
- Mark Joseph Castro, Castro & Castro Trucking

Supervisor Wheeler asked for updated numbers for the truck replacement program. Mr. Sadredin reported the Board allocated \$7 million and has received applications for \$50 million.

14. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs gave the report on this item which provided highlights of the ARB meetings of September 26, 2013 including ARB staff providing an update on efforts to obtain more funding for the State Air Quality Improvement Program. He noted the Board also approved changes to consumer product regulations that will cut statewide VOC emissions by about four tons per day by 2017. In addition, Dr. Sherriffs reported at their meeting on October 24 and 25, 2013, the ARB Board made the changes to the State Truck Rule as previously explained by Mr. Sadredin during Item #12.

Supervisor Worthley commented on the amount of funding allocated for clean vehicle rebates versus the small truck replacement program.

15. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin thanked the Board for helping with the big celebration and work that still remains for attainment of other Ozone Standards. He stated based on the Board's guidance, he feels it is important to highlight the benefits of the efforts of the community toward improving air quality. He stated that he will reach out to Board members to identify reporting needs related to the District's Budget document format in the coming weeks.
16. GOVERNING BOARD MEMBER COMMENTS – None

17. CLOSED SESSION:

- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
Initiation of litigation pursuant to Government Code section 54956.9(c)
(2 potential cases)

Annette Ballatore-Williamson, Interim District Counsel, reported the Board met in Closed Session and in the first case, gave its unanimous approval to initiate a lawsuit. She noted the particulars of which shall be given to any person upon inquiry once the action has formally commenced. She reported in the second case, the Board has voted not to take any action at this time. Followed by adjournment.

ADJOURN

Meeting adjourned at 12:55 p.m.

The next scheduled meeting of the Governing Board is: Thursday, December 19, 2013. 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.