

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

**SPECIAL PUBLIC HEARING:**  
**REVIEW OF 2015-16 RECOMMENDED BUDGET**

Thursday, May 21, 2015  
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 Wheeler, called the meeting to order at 9:00 a.m.
2. ROLL CALL was taken and a quorum was present.

*Present:*

Sally Bomprezzi, Councilmember	City of Madera
Dennis Brazil, Mayor*	City of Gustine
John Capitman, Ph.D.	Appointed by Governor
David Couch, Supervisor**	Kern County
Bob Elliott, Supervisor*	San Joaquin County
Virginia R. Gurrola, Councilmember	City of Porterville
Harold Hanson, Councilmember**	City of Bakersfield
Buddy Mendes, Supervisor	Fresno County
Craig Pedersen, Supervisor	Kings County
Hub Walsh, Supervisor*	Merced County
Tom Wheeler, Supervisor, <b>Chair</b>	Madera County
J. Steven Worthley, Supervisor	Tulare County

\* Attended meeting in Northern Region Office

\*\*Attended meeting in the Southern Region Office

*Absent:*

Oliver L. Baines III, Councilmember, <b>Vice Chair</b>	City of Fresno
William O'Brien, Supervisor	Stanislaus County
Dr. Alexander Sherriffs	Appointed by Governor

Supervisor Couch said a member of the public would like to provide comment during the Public Comment Item on the regular Governing Board Meeting Agenda, scheduled to begin immediately following the Budget Hearing. Mr. Sadredin suggested the Chair could adjourn the Budget Hearing and convene the regular Governing Board meeting so the gentleman could provide his public comment.

*The Chair adjourned the Budget Hearing to convene the Governing Board meeting at 9:07 a.m.*

*The Chair reconvened the Budget Hearing at 9:18 a.m. following the adjournment of the Governing Board meeting*

3. PUBLIC HEARING FOR REVIEW AND COMMENT ON THE DISTRICT'S 2015-16 RECOMMENDED BUDGET – Seyed Sadredin, Executive Director/APCO, explained this was the first of two Public Hearings required by law to adopt the District's 2015-16 Budget. He explained the purpose of today's hearing was to allow the public the opportunity to comment on the Recommended Budget. He thanked the members of the Board's Ad Hoc Subcommittee for Budget and Finance for their guidance and oversight, including Chairman Wheeler, Mayor Brazil, Councilmember Hanson, Supervisor Pedersen, and Dr. Sherriffs. He also introduced District staff who would assist with the Budget presentation, including: Morgan Lambert, Deputy APCO, who presented details on the new workload; Dave Warner, Deputy APCO, who provided information on the District's streamlining and efficiency measures to absorb the new workload, as well as staffing changes; Samir Sheikh, Deputy APCO, who shared the District's proposed Spending Plan for Emission Reduction Incentive Grants; Mehri Barati, Administrative Services Director, and Charlie Hemphill, Controller, who compiled the budget documents and ensured the Board's wishes and policy priorities could be implemented with proper accounting and resources.

In the spirit of zero-based budgeting, the Board has made it a practice to review what the District was able to accomplish over the past year with their given resources. Mr. Sadredin said staff would provide an overview of the past year's accomplishments, the guiding principles laid out by the Board for preparing the budget, and a summary of the District's financial and strategic outlook for 2015-16. As presented, the budget highlights included:

- Total operating budget only up 1%
- Significant increase in mandated workload absorbed through efficiency and streamlining
- 7% salary savings through position control
- Two new positions to staff the Governing Board's direction to establish local Air Quality Modeling Center
- \$725,728 increase in pension contribution primarily due to lowering the rate of return from 7.75% to 7.5% by KCERA

- \$137 million in funding for incentive grants for wide range of emission reduction projects (over \$15.7 million in Community Incentives for Valley residents)
- \$300,000 for Valley-specific scientific studies
- \$3.3 million in funding for technology advancement
- Continued assistance to local municipalities in meeting clean-air and climate change mandates
- Continue work on automation and remote control for District's air monitoring network
- Strong public education and outreach
- Balanced budget with adequate reserves and contingencies

Regarding District's innovative Rule 9610 (State Implementation Plan Credit for Emission Reductions Generated through Incentive Programs), Supervisor Walsh asked if the EPA's approval was being challenged. Mr. Sadredin responded affirmatively, saying that environmental groups do not believe that incentive-based programs should be given the same weight as other measures within State Implementation Plans. He said that by using public funds with matching dollars, the District is achieving significant emissions reductions in various areas that are beyond the District's regulatory authority. Annette Ballatore-Williamson, District Counsel, said there has been a challenge to the District's incentive-based reductions as part of the contingency strategy in the PM2.5 Plan that is pending in the 9<sup>th</sup> Circuit. She said the deadline for challenging EPA's specific approval of Rule 9610 is June 8, 2015.

*The Governing Board adjourned for a break at 10:20 a.m.  
The Governing Board reconvened at 10:28 a.m.*

Dr. Capitman asked about the District's role in Kern County's Environmental Impact Report for new or expanded oil and gas operations. Mr. Sadredin responded Kern County has a new process where they permit every well drilling or expansion. As the subject matter experts in air quality, the District is involved in the process to quantify emission impacts and ensure mitigation for any increased emissions.

Dr. Capitman asked if the Transboundary Ozone research project at Chews Ridge was completed in the past year or if additional funding is allocated in the Recommended Budget. Mr. Sadredin responded if additional funding is needed for the Transboundary Ozone research project, staff will need to return to the Board for approval.

*Councilmember Hanson left at 11:02 a.m.  
Supervisor Couch left at 11:07 a.m.*

Mr. Sadredin said by law, the Board cannot take action on this budget today, as the purpose of this Public Hearing is to obtain comments and feedback. He said the final budget will contain a change as a result of the approval of the MOUs with the District's employees during the Governing Board meeting earlier today, with salary savings being reduced from 7% to approximately 3%. This will also shift retirement costs lower over time as employees will be paying a higher portion of the normal retirement costs. All changes will be handled this fiscal year through the change in salary savings and next year will be detailed in the salaries and benefits.

Noting the popularity of the Burn Cleaner program, Supervisor Worthley asked if additional funding could be allocated for the program if it is oversubscribed again next fiscal year. Mr. Sadredin responded affirmatively, stating that additional funding could be added through potential shifting of funds in the Spending Plan or through transferring funds from the District's reserves. He said staff is planning to return to the Board in the near future with additional recommendations regarding this program.

Dr. Capitman said it was difficult for him to understand the funding constraints regarding the District's Spending Plan for Emission Reduction Incentive Grants. He said he would appreciate a way to make this information clearer. Mr. Sadredin responded various funding sources have constraints on where the money can be spent. He said the Board has the greatest discretion on where the funds are spent with DMV funds. Carl Moyer, School Bus and Prop 1B funds have specific restrictions on where monies can be spent. Mr. Sadredin voiced hope that the District will be able to secure additional dollars from Cap and Trade funds which will come with added constraints. He said additional information could be sent to Dr. Capitman at his request.

Councilmember Gurrola commended District staff for the comprehensive and detailed information they provided regarding the District's 2015-16 Recommended Budget. She said she is looking forward to seeing the modeling center grow and said anything that can be done to get Valley agencies and communities to apply for available Cap and Trade funding would be helpful.

Public Comment: None

Supervisor Walsh made a motion to set June 18, 2015 for the Public Hearing to consider adoption of the District's 2015 -16 Recommended Budget.

Moved: Walsh  
Seconded: Mendes  
Ayes: Bompreszi, Brazil, Capitman, Elliott, Gurrola,  
Mendes, Pedersen, Walsh, Worthley, Wheeler  
Nays: None

***Motion unanimously carried to set June 18, 2015 for the Public Hearing to Consider Adoption of the District's 2015-16 Recommended Budget***

**ADJOURN**

Meeting adjourned at 12:13 p.m.

*The next scheduled meeting of the Governing Board is: Thursday, June 18, 2015. The 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.*