

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, April 16, 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 Vice Chair, Councilmember Baines called the meeting to order at 9:07 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Oliver L. Baines III, Councilmember, Vice Chair	City of Fresno
Sally Bompreszi, Councilmember	City of Madera
Dennis Brazil, Mayor*	City of Gustine
John Capitman, Ph.D.	Appointed by Governor
Bob Elliott, Supervisor*	San Joaquin County
Harold Hanson, Councilmember**	City of Bakersfield
Buddy Mendes, Supervisor	Fresno County
William O'Brien, Supervisor*	Stanislaus County
Craig Pedersen, Supervisor	Kings County
Dr. Alexander Sherriffs	Appointed by Governor
Hub Walsh, Supervisor*	Merced County
J. Steven Worthley, Supervisor	Tulare County

* Attended meeting in Northern Region Office

**Attended meeting in the Southern Region Office

Absent:

David Couch, Supervisor	Kern County
Tom Wheeler, Supervisor, Chair	Madera County

3. APPROVAL OF CONSENT CALENDAR – (Item Numbers 16 – 20) *These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public was given the opportunity to comment on any consent item.*
16. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, MARCH 19, 2015
17. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2015
18. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR MARCH 2015
19. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF MARCH 31, 2015
20. APPROVE CONTRACT WITH BGV INTERNATIONAL TO BUILD A NEAR-ROAD NO2 AIR MONITORING STATION IN BAKERSFIELD FOR A TOTAL OF \$145,239

Public Comment: None

Moved: Mendes
Seconded: Worthley
Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott,
Hanson, Mendes, O'Brien, Pedersen, Sherriffs,
Walsh, Worthley
Nays: None

Motion unanimously carried to approve Consent Calendar Items 16 - 20

4. PUBLIC COMMENT: *The following persons provided public comment:*
- Mario Ramirez
 - Pam Nickely
5. S.T.A.R. RECOGNITION (Service, Teamwork, Attitude, Respect) – Adriana Myovich, Director of Personnel, formally recognized District employees who reached a service milestone during the first quarter of 2015.

Five Years of Service

Kelly Taylor, Supervising Accountant
Catherine Williams, Air Quality Inspector II

Ten Years of Service

Jessi Fierro, District Counsel
Jagmeet Kahlon, Air Quality Engineer II

Fifteen Years of Service

Debra Johnson, Air Quality Specialist II
Tom Martinez, General Services Foreman
Samir Sheikh, Deputy Air Pollution Control Officer

6. **END-OF-SEASON REPORT ON THE 2014-15 WOOD-BURNING SEASON** – Seyed Sadredin, Executive Director/APCO, said that each year staff provides the Board with an End-of-Season report at the conclusion of Wood-Burning Season. He said the report would include the District's experience from last season, and noted in the near future staff will bring a set of recommendations to fine-tune the Burn Cleaner grant incentive portion of this strategy. Mr. Sadredin introduced Jon Klassen, Program Manager and Jaime Holt, Chief Communications Officer, who gave the presentation on this item. The presentation detailed the weather conditions that influenced air quality during the 2014-15 wood burning season; the results of the first winter season under the recently amended wood burning rule; the public health benefits from implementation of the rule; the Check Before You Burn outreach efforts; an overview of updates to and results of the District's Burn Cleaner Wood Stove Change-out Program; and enforcement and compliance assistance activities.

Supervisor Worthley asked if there is a larger percentage of particulate coming from ammonia or carbon-based species. Mr. Klassen responded on peak days ammonia nitrate is much larger percentage than organic carbon. He noted organic carbon has decreased over time with the implementation of District control strategies. Supervisor Worthley suggested perhaps reporting this information to the public as it demonstrates the effectiveness of District programs that are aimed primarily at carbon as a public health issue. Mr. Sadredin added that unfortunately, according to the current Clean Air Act, all PM is treated the same. Supervisor O'Brien noted the \$12.50 registration cost will barely cover the staff cost of inputting the information. He suggested empowering the registered wood burning/heater professionals to register the devices for the public. Ms. Holt acknowledged Mr. O'Brien's suggestion and responded that this is an avenue the District will explore.

Dr. Capitman voiced support for the detailed report and the building of evidence over time of the importance and effectiveness of the rules put in place by the Board. He suggested broadening residents' understanding of the different fog conditions and their effect on the Valley's air quality. He articulated the challenge of targeting the District's incentive dollars to get the largest PM reductions and corresponding health benefits. He suggested perhaps doubling the penalty for first time wood burning violators to attempt to recover enforcement costs. Mr. Sadredin responded that will be a future change to the enforcement program, however he said he believed it was best to focus this initial season under the new

rule on educating Valley residents on the changes in the wood burning rule. He thanked the Outreach and Communications team along with District clerical staff for continuing to provide outstanding customer service to Valley residents who support and oppose the wood burning rule.

Dr. Sherriffs thanked staff for the presentation and voiced agreement with Dr. Capitman's comments about targeting future incentives. He suggested looking at ways to encourage more residents to convert to natural gas burning appliances. Mr. Sadredin urged caution regarding localized targeting for this rule, noting the goal of this rule is public health risk reduction at all neighborhoods. Dr. Sherriffs suggested lowering the incentive amount to get the most bang for the buck. Mr. Sadredin responded staff is working to find the sweet spot, but noted it only took 3 months to get 4 thousand dirty units replaced, as opposed to the 4 years it took to achieve the same amount previously. Mayor Brazil commented the monetary incentive is one of the driving forces of this program. He suggested keeping the focus on incentive dollars to ensure the program's success and to keep residents engaged. Supervisor Pedersen asked about the high levels of pollution in Kings County. Mr. Sadredin responded Corcoran has been the hot spot for particulate matter for many years because of its location and geography, until recently when Bakersfield became the hot spot. He said Kings County does not have a lot of pollution sources, and receives pollution via transport from other Valley counties.

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

- Steve Goldstein, Hearth Retailer
- Cesar Campos, Central CA FERN

Moved: Walsh

Seconded: Bompreszi

Ayes: Baines, Bompreszi, Brazil, Capitman, Elliott,
Hanson, Mendes, O'Brien, Pedersen, Sherriffs,
Walsh, Worthley

Nays: None

Motion unanimously carried to receive and file the End of Season Report on the 2014-15 Wood-Burning Rule

7. ADOPT 2015 PLAN FOR THE 1997 PM2.5 STANDARD, INCLUDING REQUEST TO EXTEND ATTAINMENT DEADLINE; APPROVE ASSOCIATED COMMITMENTS TO CONTINUE TO LEAVE NO STONE UNTURNED IN ASSESSING FUTURE AMENDMENTS TO DISTRICT RULES THAT MAY PROVIDE ADDITIONAL FEASIBLE REDUCTIONS; APPROVE COMMITMENTS TO ACHIEVE FURTHER REDUCTIONS IN PARTICULATE EMISSIONS AND ITS PRECURSORS THROUGH INCENTIVE-BASED STRATEGIES TO REPLACE HEAVY DUTY TRUCKS AND RESIDENTIAL WOOD BURNING DEVICES; APPROVE RESOLUTION 15-4-7B TO AMEND RESOLUTION 10-10-14 TO CONTINUE NECESSARY AB 2522 DMV FUNDING FOR INCENTIVE-BASED COMMITMENTS IN THE PLAN TO REDUCE MOBILE SOURCE EMISSIONS – Mr. Sadredin said this item has created a great deal of frustration at the staff level, noting that the tortured path that has led to this juncture where the District has to rewrite an attainment plan for an old standard illustrates the need for modernizing the antiquated provisions of the federal Clean Air Act.

Mr. Sadredin provided an overview the District's numerous PM Plans, highlighting a total of 4 plans for the same pollutant would be coming to the Board for consideration over the next year or two. He acknowledged Kerry Drake, EPA Region IX Associate Director Air Division, who was in the audience, noting he is the voice of reason at EPA and thanked Mr. Drake and his staff for working closely with the District to find a workable path through issues that no other air district has ever experienced. He introduced Sheraz Gill, Strategies and Incentives Director and Errol Villegas, Program Manager, who gave the presentation on this item which asked the Board to:

1. Adopt the Proposed *2015 Plan for the 1997 PM2.5 Standard*; and
2. Authorize the Chair to sign Resolution 15-4-7A adopting the Proposed *2015 Plan for the 1997 PM2.5 Standard* and requesting an extension of the attainment deadline from December 31, 2015 to December 31, 2018 for the 24-hour PM2.5 standard and December 31, 2020 for the annual PM2.5 standard; and
3. Authorize the Chair to sign Resolution 15-4-7B to authorize the use of existing AB 2522 DMV revenues to support commitments for further reductions in emissions required by the U.S. Environmental Protection Agency (EPA) to grant a one-time five year extension of the attainment deadline, and retain local control to revoke imposition of the DMV surcharge fees under AB 2522 upon finding by the Governing Board that such revenues are no longer necessary to fulfill mandates under the federal Clean Air Act (CAA); and
4. Direct staff to forward the adopted *2015 Plan for the 1997 PM2.5 Standard* and attached Resolution 15-4-7A to the California Air Resources Board (ARB) for approval and submittal to EPA.

Mr. Sadredin commented this approvable plan has been designed with guidance from EPA, achieves more reductions to make up for the shortfall from the federal government for locomotive emissions. In the unlikely event that EPA does not approve this plan by the end of this year, he said there would be dire consequences in the form of sanctions and an impossible requirement to reduce emissions by 5% each year from every source category.

Supervisor Walsh asked who decides the Most Stringent Measures that can be feasibly implemented. Mr. Sadredin responded ultimately EPA would decide, but based on current discussions and review of the Clean Air Act, the District's controls meet those stringent standards. Supervisor Walsh asked if EPA has provided additional suggestions in the area of modeling and control measures. Mr. Sadredin responded staff has engaged extensively with EPA throughout the process. He said at this point, the areas that EPA wanted strong commitment in the Plan included an openness to look for further reductions as we move down the road in the context of the next plan as opposed to holding up the current plan with irreparable consequences. In terms of consequences, Supervisor Walsh asked if the 5% reduction included federal and state mobile sources reductions as well. Mr. Sadredin responded the 5% applies to everything, but the responsibility and penalty fall on the District even though the District has no authority over mobile sources.

Supervisor O'Brien asked if today's action would continue the collection of DMV fees after EPA determines that the Valley is in attainment with the 1-hour ozone standard and no longer has to pay the federal Section 185 penalties. Mr. Sadredin said that if approved, it would be up to the Board to identify when the DMV fees would no longer be needed to meet current and future mandates. Noting the District is at a crossroads, Supervisor O'Brien suggested adding a 5th recommendation to direct staff to report back to the Board in August with options and the consequences for turning over the responsibility for regulating PM2.5 to the EPA if this plan is not approved by EPA. He said it is time for the federal government to act and for legislators to realize modernization of the Clean Air Act is needed.

Supervisor Worthley voiced support for Supervisor O'Brien's recommendation. Regarding the DMV fees, Supervisor Worthley clarified that no alternative funding is in place to support the plan commitments for further reductions in emissions required EPA if these fees do not continue. Mr. Sadredin responded affirmatively, saying the funding decision to meet the plan commitment will be up to the Board through the budgeting process. Supervisor Worthley commented on the Most Stringent Measure requirements, stating there is a danger in simply requiring something that works somewhere with unlimited resources to an area faced with the many challenges faced by the Valley. Supervisor Pedersen voiced his frustration at the government policies that have idled many thousands of acres in California and created more air pollution. He commended staff for trying to meet these standards that are not feasible in the realistic world and create impossible scenarios.

Supervisor Elliott voiced support for the remarks made by Supervisors O'Brien and Worthley. He said the Board has expended its best efforts to inject common sense in the Clean Air Act, and noted staff received a reasonable hearing during their recent legislative trip to Washington, D.C. He said if EPA does not approve this plan, the consequences that would occur will drive the Valley off the cliff leaving no way to achieve the requirements that will result. The District's legislative contingent advocated for consideration by EPA whether any proposed plan is achievable, feasible and attainable. He commented the District's plan takes a common sense approach and proposes a path for meeting the requirements that is possible to achieve.

Supervisor Elliott left at 11:29 a.m.

Dr. Capitman commented given the importance of making sure EPA approve this plan, it is very important to maintain the recommendation to retain the DMV fees to prove the Board is serious about doing everything possible to reach attainment. Regarding the de minimus determinations associated with the Most Stringent Measures evaluation, he commented the plan does not address everything on that list. He asked about the possibility of looking at amending other rules to achieve reductions. Mr. Sadredin responded the list consists of all areas including those where the District has exhausted all feasible measures. Dr. Capitman asked about the Indirect Source Rule and any potential there to reduce PM. Mr. Sadredin responded every time the District prepares a plan, every rule is back on the table. With respect to the Indirect Source Rule, the District has had a tough time getting EPA to give them credit for reductions achieved through the rule; however, under the Board's previous direction the District will be amending the Indirect Source Rule to enhance the consistency of its implementation throughout the Valley.

Dr. Sherriffs commended staff for developing a very good plan, and mentioned there could be other areas suitable for review. Although the District does not control mobile sources directly, he asked if perhaps the Board should look into more fleet rules. Mr. Sadredin, in response to a similar comment by the public, added that ARB's fleet rule covers this area comprehensively and the District supplements those efforts through ISR and the grants for mobile source reduction. Regarding the ammonia precursors, he suggested looking at ways to leverage technology that exists at dairies and confined animal spaces.

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

- Steve Goldstein, Hearth Retailer
- Heather Reed
- Dolores Weller, CVAQ
- Colby Morrow, So Cal Gas

Supervisor O'Brien made a motion to approve the four staff recommendations and direct staff to report to the Board in August with an in depth report with options and the consequences for turning over the responsibility for regulating PM2.5 to the EPA if this plan is not approved by December 31, 2015.

Moved: O'Brien
Seconded: Pedersen
Ayes: Baines, Bompreszi, Brazil, Capitman, Hanson,
Mendes, O'Brien, Pedersen, Sherriffs, Walsh,
Worthley
Nays: None

Motion unanimously carried to adopt 2015 Plan for the 1997 PM2.5 Standard, including request to extend attainment deadline; approve associated commitments to continue to leave no stone unturned in assessing future amendments to District rules that may provide additional feasible reductions; approve commitments to achieve further reductions in particulate emissions and its precursors through incentive-based strategies to replace heavy duty trucks and residential wood burning devices; approve Resolution 15-4-7B to amend resolution 10-10-14 to continue necessary AB 2522 DMV funding for incentive-based commitments in the plan to reduce mobile source emissions; and direct staff to report back to the Board in August 2015 with an in depth report with options and the consequences for turning over the responsibility for regulating PM2.5 to the EPA if this plan is not approved by December 31, 2015.

8. ACCEPT AND APPROPRIATE \$2,400,000 FROM THE CALIFORNIA AIR RESOURCES BOARD TO ADD A VEHICLE REPLACEMENT COMPONENT TO THE DISTRICT'S ONGOING TUNE-IN TUNE-UP PROGRAM – Mr. Sadredin said the District has run the very successful Tune-In Tune-Up program throughout the Valley. Last year, in anticipation of what was taking place at the state level, the Board approved \$600,000 in funding for a vehicle replacement pilot program that was incorporated into the District's highly successful Tune-In Tune-Up program. The pilot program replaced 108 vehicles in a very short time. He said that the District's pilot program was instrumental in shaping the vehicle replacement program at the state level, which incorporated many aspects of the District's model thanks in large part to Dr. Sherriffs. Due the success of the pilot program, ARB is now providing the District with \$2,400,000 for the implementation of the Enhanced Fleet Modernization Program and the Enhanced Fleet Modernization Plus Up Program to provide incentives for Valley residents to replace 1995 and older high polluting passenger vehicles with 2007 and newer models and a component for low income residents who switch to fuel efficient vehicles.

Public Comment – None

Moved: Worthley
Seconded: Capitman
Ayes: Baines, Bomprezzi, Brazil, Capitman, Hanson,
Mendes, O'Brien, Pedersen, Sherriffs, Walsh,
Worthley
Nays: None

Motion unanimously carried to accept and appropriate \$2,400,000 from the Air Resources Board to add a vehicle replacement component to the Tune In Tune Up Program.

9. APPROVAL OF PROJECT SELECTIONS FOR THE DISTRICT'S PUBLIC BENEFIT GRANTS PROGRAM – Todd DeYoung, Strategies and Incentives Manager, gave the presentation on this item which asked the Board to approve project selections totaling up to \$2,008,730 from the District's Public Benefit Grants Program's September 17, 2014 Request for Proposals for Enhanced Transportation Strategies projects, and to authorize the Executive Director/APCO to execute agreements with the Board Chair's signature for selected projects.

Dr. Sherriffs commented the funding is a small portion of what was asked for and asked if the projects would still move forward. Mr. Sadredin responded the funding amounts are prescribed according to cost effectiveness set by the Board approved funding allocation formula. Staff has asked the applicants if the projects are viable with lower funding levels and they have responded affirmatively. He said if projects are not able to continue, the money would revert to the next round of funding. With respect to the Bakersfield project that was deemed non-qualifying, he said it was part of the Centennial project that Caltrans recently mitigated with the District and therefore not eligible to receive funding.

Public Comment – None

Moved: Sherriffs
Seconded: Bomprezzi
Ayes: Baines, Bomprezzi, Brazil, Capitman, Hanson,
Mendes, O'Brien, Pedersen, Sherriffs, Walsh,
Worthley
Nays: None

Motion unanimously carried to approve project selections for the District's Public Benefits Grants Program

10. ADOPT PROPOSED AMENDMENTS TO DISTRICT FEE RULES – Dave Warner and Morgan Lambert, Deputy APCOs, gave the presentation on this item which recommended that the Board adopt proposed amendments to District fee rules.

The California Health and Safety Code authorizes local air pollution control districts to adopt fees to recover their qualifying operating costs. State law allows

local air districts to impose a 15% fee increase per year to support operational costs. Since 1992, when the District was formed, the Governing Board has only voted twice to increase fees. Historically, the District has absorbed the increased cost associated with unfunded state and federal mandates primarily through efficiency and streamlining efforts, without any staffing increase. In fact, the District has reduced the number of budgeted positions since 2008, when the District instituted the last fee increase. The Board has expressed concern several times about the ability to cover the workload associated with new mandates without increasing staffing levels. In addition, the Board has expressed concern that certain industry sectors may not be covering the costs of related District responsibilities and asked staff to analyze District programs to see if there were any such discrepancies. If approved today, the District will continue to have the lowest fees and corresponding lowest administrative overhead of any air district in the state.

Supervisor Pedersen asked about if there are multiple segments that fall within the excess emissions fee structure. Mr. Sadredin responded that fee structure only relates to the Hearing Board variance fees.

Public Comment – None

Moved: Hanson
Seconded: Pedersen
Ayes: Baines, Bompreszi, Brazil, Capitman, Hanson,
Mendes, O'Brien, Pedersen, Sherriffs, Walsh,
Worthley
Nays: None

Motion unanimously carried to adopt proposed amendments to District fee rules

11. APPOINTMENT OF GOVERNING BOARD MEMBERS TO AD HOC HEARING BOARD MEMBER REVIEW COMMITTEES - Mr. Sadredin reported the six public members of the Regional Hearing Boards are currently scheduled for reappointment and asked for two Governing Board members from each region to serve on the Ad-Hoc Hearing Board Member Review Committees. The following Governing Board members were appointed to serve on this committee: Northern Region: Supervisor Elliott and Mayor Brazil; Central Region: Dr. Sherriffs and Councilmember Bompreszi; Southern Region: Supervisor Worthley and Councilmember Hanson.
12. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs reported there was no meeting in March and the next ARB meeting will include reviewing the Sustainable Freight Strategy.
12. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin reminded the Board about the upcoming Study Session in Bass Lake on May 6 and 7, 2015.

13. **GOVERNING BOARD MEMBER COMMENTS** – Mr. Worthley commented he was asked about the District’s Conservation Management Practices and the use of water for dust control during this period of drought. Mr. Sadredin said that individuals can seek a variance from the requirements, but perhaps the Board may want to take broader action. Mr. Sadredin stated the current drought conditions and potential District actions would be on the agenda for the upcoming Study Session.
14. **CLOSED SESSION** – Annette Ballatore-Williamson, District Counsel, asked for public comment before adjourning to Closed Session.

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

- Kelly Taylor, Supervising Accountant/Employees’ Association President

ADJOURN

Meeting adjourned at 12:26 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.