

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 18, 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 9:13 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Sally Bompreszi, Councilmember	City of Madera
Oliver L. Baines III, Councilmember, Vice Chair	City of Fresno
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
Buddy Mendes, Supervisor	Fresno County
Craig Pedersen, Supervisor	Kings County
Dr. Alexander Sherriffs	Appointed by Governor
Hub Walsh, Supervisor*	Merced County
Tom Wheeler, Supervisor, Chair	Madera County
J. Steven Worthley, Supervisor	Tulare County

* Attended meeting in Northern Region Office

**Attended meeting in the Southern Region Office

Absent:

Harold Hanson, Councilmember	City of Bakersfield
William O'Brien, Supervisor	Stanislaus County

3. APPROVAL OF CONSENT CALENDAR – (Item Numbers 15 – 22) *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.*

15. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT SPECIAL PUBLIC HEARING: REVIEW OF 2015-16 RECOMMENDED BUDGET ON THURSDAY, MAY 21, 2015
16. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, MAY 21, 2015
17. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2015
18. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR MAY 2015
19. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF MAY 31, 2015
20. AMEND CONFLICT OF INTEREST CODE
21. CLAIM FOR DAMAGES AGAINST SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
22. APPOINT MEMBER TO THE DISTRICT'S ENVIRONMENTAL JUSTICE ADVISORY GROUP

Public Comment: None

Moved: Worthley

Seconded: Walsh

Ayes: Baines, Bomprezzi, Brazil, Capitman, Couch, Elliott, Gurrola
Mendes, Pedersen, Sherriffs, Walsh, Worthley, Wheeler

Nays: None

Motion unanimously carried to approve Consent Calendar Items 15 - 22

4. PUBLIC COMMENT: *The following persons provided public comment:*

- Tommy Hastings, Frazier Park resident

5. ADOPT THE DISTRICT'S 2015-16 RECOMMENDED BUDGET – Seyed Sadredin, Executive Director/APCO, expressed gratitude to members of the Governing Board Ad Hoc Subcommittee for Budget and Finance who provided guidance to staff preparing the budget and for the Board's guidance in terms of the District's fiduciary responsibility and ongoing pursuit of zero-based budgeting to minimize the costs despite increased workload associated with new mandates. He said the Board received a detailed presentation on the proposed 2015-16 Recommended Budget at their May 21, 2015 Budget Hearing and set today's meeting to consider adoption of the Budget. Reviewing the extensive public engagement process, Mr. Sadredin said prior to that hearing, the District mailed individual notices to all businesses subject to District permit fees, informing them of the May 21st hearing and inviting them to attend and comment on the Budget. The same notice was published in major newspapers throughout the Valley.

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

- Manuel Cunha, Nisei Farmers League

Moved: Pedersen

Seconded: Bomprezzi

Ayes: Baines, Bomprezzi, Brazil, Capitman, Couch, Elliott, Gurrola
Mendes, Pedersen, Sherriffs, Walsh, Worthley, Wheeler

Nays: None

Motion unanimously carried to adopt the District's 2015-16 Recommended Budget

This item was taken out of order

9. APPROVE VOLUNTARY EMISSION REDUCTION AGREEMENT WITH CALIFORNIA RESOURCES PRODUCTION CORPORATION TO RECEIVE FUNDS IN THE ESTIMATED AMOUNT OF \$186,701 TO MITIGATE AIR QUALITY IMPACTS OF THE PROPOSED BUENA VISTA NOSE AREA APPRAISAL PROJECT – Dave Warner, Deputy APCO, gave the presentation on this item which proposed the Board approve the Voluntary Emission Reduction Agreement (VERA) with California Resources Production Corporation to mitigate construction criteria pollution impacts associated with the Buena Vista Nose Area Appraisal Project.

Supervisor Pedersen asked if the mitigation fees are collected only for the duration of the project. Councilmember Gurrola commented on the potential lifetime reductions of the proposed VERA. Mr. Sadredin responded that reductions that are generated as a result of VERAs last a lifetime even though the project may only take place for a limited time. Mr. Sadredin added Board approval of this item is for mitigation if the project is built, and not approval of the project itself. Dr. Capitman voiced appreciation for these agreements noting that reductions are based on actual numbers and not projected. He asked about the reporting process. Mr. Warner responded that a reporting and verification

mechanism is created for each VERA and the District must agree with the final reporting. Dr. Capitman also mentioned that he appreciated that mitigation efforts are focused near the area where emissions are created.

Supervisor Worthley commented in this case there is an added benefit, as the project will cause a temporary increase in pollutants but the reductions achieved as a result of this VERA will be permanent. Dr. Sherriffs asked if the reporting mechanism is user friendly for the public. Mr. Sadredin responded these agreements impose requirements for the projects to quantify emissions and have those emissions verified by the District so there is a paper trail. Dr. Sherriffs declared this process as a win-win situation for the Valley and said more businesses should be encouraged to enter into these agreements. Supervisor Worthley suggested directing attention to planning departments at Valley cities and counties to make them aware of these agreements. He said it is a tool that was designed by industry in an effort to avoid litigation and recommended keeping the program voluntary. Supervisor Wheeler voiced agreement with Supervisor Worthley's comments.

Mr. Sadredin noted the Board laid out a set of actions to pursue additional agreements at the recent Study Session. Mr. Sadredin also referred to the example in Kern County where the District is fully engaged with Kern County in establishing a new permitting process for oil and gas exploration where VERA-type mitigation will be standard for all future projects.

Supervisor Elliott asked if there are cases where the proposed mitigation costs less than the estimate and if so, does the developer get a refund? Mr. Sadredin responded if the actual cost is less than the developer would pay less. He said however, if the money is spent by the District and the project does not get completed then no refund is given to the developer.

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

- Dolores Weller, CVAQ
- Dennis Champion, California Resources

Moved: Mendes

Seconded: Worthley

Ayes: Baines, Bomprezzi, Brazil, Capitman, Couch, Elliott, Gurrola, Mendes, Pedersen, Sherriffs, Walsh, Worthley, Wheeler

Nays: None

Motion unanimously carried to approve Voluntary Emission Reduction Agreement with California Resources Production Corporation to receive funds in the estimated amount of \$186,701 to mitigate air quality impacts of the proposed Buena Vista Nose Area Appraisal Project

6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Fresno County Industry/Ag Primary Representative reported on highlights from the Citizens Advisory Committee (CAC) meetings of April 21, 2015 and June 2, 2015. He said at their April 21st meeting, CAC members provided feedback on the District's new Public Engagement Initiative for the 2016 Ozone Plan which was approved by the Board at their May 2015 Study Session. In addition to the legally required and extensive public meetings and workshops, this new public engagement initiative will help ensure that the 2016 Ozone Plan benefits fully from the input and suggestions of all stakeholders and subject matter experts. In addition, he reported CAC members provided input regarding the proposal for EJAG to report directly to the Governing Board for a one-year pilot period.

At their June 2nd meeting, Mr. Cunha reported CAC members provided input regarding the formation of the new Ozone Plan Workgroup, which will include 3 members from each CAC interest group. He said the CAC unanimously supported that both primary and alternate CAC members be eligible for participation and that the process for soliciting interest from members be kept as simple as possible. In addition, he said members received updates on Cap and Trade funding and emergency drought relief actions. Lastly, Mr. Cunha reported CAC members expressed support for the District's application for competitive federal DERA grant funding. Mr. Cunha gave accolades to the District for their tremendous efforts to bring additional funding to the Valley.

Supervisor Worthley asked if emergency dust control measures were being communicated to appropriate persons across the Valley. Mr. Cunha responded affirmatively, acknowledging numerous efforts by the agricultural industry to control water usage. Mr. Sadredin said based on the Board's direction, the District has come up with an enforcement discretion approach requiring less water-intensive measures and establishing a penalty to be paid to mitigate these emissions.

Public Comments - None

7. APPROVE NEXT STEPS FOR ADDRESSING EMISSIONS FROM UNDER-FIRED COMMERCIAL CHARBROILERS AT VALLEY RESTAURANTS – Errol Villegas, Program Manager, gave the presentation on this item which proposed the Board appropriate \$1.5 million for the Restaurant Charbroiler Technology Partnership program, which would fund particulate emission control technology demonstration projects for under-fired charbroilers at Valley restaurants. He said despite extensive efforts by California air districts, other states, and federal EPA, feasible control technologies for reducing particulate emissions from under-fired charbroilers have remained elusive. If these efforts are successful in identifying cost-effective technologies that can accommodate real life operating conditions, the District can then adopt a rule that would require utilization of such controls.

Mr. Sadredin said District staff has been working with a restaurant in Stockton

along with other businesses that are interested in this program. He commented that at this point it seems very unlikely that a cost-effective technology can be created that will apply to a broad range of restaurants as initially hoped. Supervisor Pedersen asked how monitoring would be conducted. Mr. Villegas said the District is looking to partner with the technology creator or restaurant operator to gain an understanding of what is involved in operating these systems. Mr. Sadredin commented the systems are essentially high-efficiency filters and as long as they are operational they should capture 80-90% of the emissions. Dr. Sherriffs commented this seems like a large amount of money for a small impact. He suggested spending the money to clean up the diesel engines used for agricultural purposes. Acknowledging the health impact, he suggested a potential approach to charbroilers similar to the residential wood burning rule where the use is prohibited under certain conditions. Acknowledging there are more effective ways to spend this money, Mr. Sadredin responded unfortunately environmental groups and EPA are willing to disapprove the District's PM2.5 Plan if this area remains unaddressed. He commented if approved, this program would take technologies that are showing promise in the laboratory and apply them in real world settings to see if they can actually perform.

Dr. Capitman suggested lowering the number of projects and reserving some funds to explore the public health impacts of the use of charbroilers. Supervisor Walsh commented if information can be gained from this program for the District to use moving forward, then it seems like a reasonable use of funds. Mr. Sadredin explained there are currently 3 projects that are ready to go and can be funded for less than \$500,000. He said at the Board's direction, the other funds could be used for research purposes. Mayor Brazil acknowledged this is a lot of money but said this is a great project and the District has a duty to look at all available technologies to lessen the impact of these emissions.

Councilmember Baines voiced support for Mr. Sadredin's suggestion of funding the 3 existing projects and using some funds for research. Supervisor Elliott asked how staff can be sure the District's PM2.5 Plan would be disapproved by EPA if this area was not addressed. Mr. Sadredin said throughout the process this subject has been a big source of contention with EPA and they have made it clear that if this source category is not covered then they will have difficulty approving the plan. Supervisor Elliott said it makes sense to address this on a smaller scale and use the rest of the money for research and education.

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

- Dolores Weller, CVAQ

Dr. Sherriffs said \$500,000 would be a generous start for this program. Supervisor Worthley made a motion to approve up to \$750,000, and to direct staff to return to the Board to seek additional funding if necessary. Councilmember Baines suggested in addition, to direct staff to return to the Board with a plan for research and potential public outreach. Supervisor

Worthley amended his motion as such. Councilmember Gurrola asked if different technologies would be able to be funded with the proposed new dollar amount. Mr. Sadredin responded affirmatively, noting staff would return to the Board to request funding if additional promising technologies were found.

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

Motion unanimously carried to approve next step for addressing emissions from under-fired commercial charbroilers at Valley restaurants

8. APPROPRIATE \$4,000,000 FOR CONTINUED OPERATION OF THE TUNE IN TUNE UP VEHICLE REPAIR PROGRAM – Brian Dodds, Supervising Air Quality Specialist, gave the presentation on this item which proposed the Board approve \$4,000,000 for the continuation of the Tune In Tune Up Vehicle Repair Program for Valley residents. Since 2011, the District has partnered with Valley Clean Air Now (CAN) to operate the ground-breaking and extremely successful Tune In Tune Up vehicle repair assistance program which provides primarily low income Valley residents with the opportunity and necessary funding to make emissions-related repairs to their vehicles, significantly reducing emissions in environmental justice communities and throughout the Valley.

Supervisor Worthley asked about the ability to use different dealers across the Valley for the vehicle replacement component. Mr. Sadredin responded the pilot program was limited to Carmax, but the new program is open to other dealerships provided they register with the District and meet appropriate guidelines. Supervisor Worthley suggested notifying Valley dealerships of this program and how they can participate. Councilmember Gurrola commented these events also bring other agencies together to assist Valley residents. She asked about STAR-certified smog centers and ways to increase their availability in some outlying areas. Mr. Dodds responded that shop owners are referred to the Bureau of Automotive Repair (BAR) if they express interest in becoming STAR-certified.

Dr. Sherriffs expressed appreciation for this great program which brings valuable resources to environmental justice communities. He asked about plans to augment the program with Cap and Trade funds. Mr. Sadredin responded that this program is receiving recognition from many state agencies and the District hopes to bring additional funding through Cap and Trade to expand this program in other areas. Supervisor Walsh asked if the vouchers are good at STAR-certified shops that do not show up at these events. Mr. Dodds responded affirmatively.

Public Comment: None

Moved: Walsh
Seconded: Baines
Ayes: Baines, Bomprezzi, Brazil, Capitman, Couch, Elliott, Gurrola,
Mendes, Pedersen, Sherriffs, Walsh, Worthley, Wheeler
Nays: None

Motion unanimously carried to appropriate \$4,000,000 for continued operation of the Tune In Tune Up vehicle repair program

10. RECEIVE AND FILE HIGHLIGHTS AND ACTION ITEMS FROM THE 2015 GOVERNING BOARD STUDY SESSION – Mr. Sadredin detailed highlights and action items from the agenda topics discussed at the May 2015 Study Session, including:

1. Review and Approve Action Plan for Promoting the Use of Natural Gas Technology for Goods Movement in the San Joaquin Valley
2. Approve New Strategy for Recruiting Healthy Air Living Partners and Consider New Incentives for Participation
3. Explore the Feasibility and Provide Direction on Pursuing a “Hot-Spot-Based” Strategy for Attaining the Federal Ambient Air Quality Standards for Ozone and Particulate Matter
4. Public Engagement Initiative for the Development of the 2016 Ozone Plan
5. Review, Reaffirm, and/or Fine-Tune the District’s Mission Statement, Vision Statement, Core Values, and Associated Material for Sharing the District’s STAR Work Culture
6. Accept \$170,130 in Unanticipated Revenue for the Carl Moyer Memorial Air Quality Standards Attainment Program from the Eastern Kern Air Pollution Control District
7. Review and Approve Action Plan for Securing San Joaquin Valley’s Fair Share of the State’s Cap and Trade Funds
8. Environmental Justice Advisory Group (EJAG) Reporting Structure
9. Review the District’s Comprehensive Public Education and Outreach Program Elements and Provide Direction on any Changes or Additions as Necessary
10. Assess the Feasibility and the Means by which the District May Pursue a Broader and more Uniform Utilization of Voluntary Emission Reduction Agreements throughout the Valley

11. Review the Current State of the Drought, Potential Air Quality Impacts, and Additional Emergency Relief Actions that the District May Need to Pursue

Public Comment: None

Supervisor Wheeler thanked staff for organizing such an informative and valuable event.

11. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs reported highlights of recent California Air Resources Board (ARB) meetings. On April 23, 2015, ARB staff presented an update to the Board and the public on the development of the California Sustainable Freight Strategy, including potential integration with other state freight planning efforts. On May 21, 2015, ARB staff presented to the Board the 2015 San Joaquin Valley PM2.5 State Implementation Plan (SIP), which updates the state’s 2008 submittal. This latest submittal contains the Air District’s and the ARB’s regulatory commitments to attain the 1997 PM2.5 standards by no later than 2018 for the 24-hour standard and 2020 for the annual standard. In addition, the Board approved five research proposals that were developed in response to the Board’s Fiscal Year (FY) 2015-16 Annual Research Plan. Lastly, he reported on upcoming matters before the ARB Board, including: considering adoption of a new Low Carbon Fuels Standard (LCFS) regulation to replace the existing LCFS regulation adopted in 2009; considering adoption of a proposed regulation governing the commercialization of diesel fuel substitutes for mobile vehicles; and considering adoption of a new regulatory effort to reduce GHG emissions from the oil and gas production and processing industries by establishing a series of operating practices, equipment design standards, and control strategies.
12. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin said he was happy to report that so far this summer, the Valley has enjoyed a much better ozone season in terms of the peak concentrations and number of exceedances, which are down about 30% for the 8-hour ozone standard along with no violations of the 1-hour ozone standard. Regarding the District’s efforts to modernize the federal Clean Air Act, he said staff is expecting a bill to be introduced and a number of legislators have expressed interest in co-sponsoring or working together on this issue. He said other stakeholders have looked at the District’s proposal and expressed interest in providing support.

Mr. Sadredin said that back in April when the Board adopted the PM2.5 Plan, there was a great deal of discussion about the potential of EPA disapproving the Plan or not approving the Plan by the end of December 2015. If this were to happen, it would trigger an irreparable sanction to the Valley in the form of a requirement to reduce emissions by five percent per year, which everyone agrees is an impossible mandate in the Valley. As a part of the motion, the Board directed District staff to return to the Board in August with a set of potential

actions to take if EPA does not approve the Plan. Under this so-called “Nuclear Option”, the District would turn over the enforcement and regulation of PM2.5 mandates to the federal EPA. Mr. Sadredin stated there is not any good reason for EPA not to approve the Plan and he is beginning to get signals that EPA is heading in the right direction. Given this progress, he requested flexibility to work with the Chair to determine when and if it would be an appropriate time to bring this item back to the Board depending on where EPA is in the process. The Chair responded affirmatively.

13. GOVERNING BOARD MEMBER COMMENTS – Supervisor Pedersen asked for a brief history on the use of the term “environmental justice communities”. Mr. Sadredin responded a more common term these days is “disadvantaged communities” for areas that have below average or low-income and a high percentage of minority residents. Dr. Capitman commented there is a great resource from Cal EPA that maps these disadvantaged and “environmentally overburdened” communities called the CalEnviroScreen. He asked that the link to the map be available for use by the Board and other interested parties.

Councilmember Bomprezzi thanked the District for grant money provided to the City of Madera to purchase 5 new CNG vehicles and improve traffic flow on a major street.

14. CLOSED SESSION – District Counsel, Annette Ballatore-Williams, announced the Board would adjourn to Closed Session to discuss the following:

- Existing Litigation. Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case:

1. HPS Mechanical, Inc. v. Biogas & Electric, LLC, Kern Co. Sup. Ct. Case No. S-1500-CV-284789, *pending*

Public Comment: None

Jessi Fierro, Assistant District Counsel, reported out of Closed Session that the Board voted unanimously to give approval to District Counsel to defend the District in the above-mentioned case, followed by adjournment.

ADJOURN

Meeting adjourned at 11:20 a.m.

The next scheduled meeting of the Governing Board is: Thursday, August 20, 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.