

District's Governing Board, saying it would probably be one of the toughest boards they will serve on. Seyed Sadredin, Executive Director/APCO, welcomed both and clarified that the meeting agenda only listed Supervisor Olsen as a new Board member because at the time the agenda was published, Supervisor Pareira was unsure if he would be able to attend the meeting.

Supervisor Olsen said she has never felt so welcomed on a first day, as she arrived to find flowers and cake to celebrate her birthday. She thanked the staff saying she loved them already. She said she was very excited to see Supervisor Wheeler as a member of the Board and felt honored to serve alongside him and the rest of the Board members. As an elected official, she said she is available to address questions or concerns from the public at any time.

Supervisor Pareira said he was honored to serve on this Board and constituent services are very important to him as well so he is always available to answer questions or concerns from residents along with the District's very capable staff. He also wished Supervisor Olsen a happy birthday.

4. END OF THE YEAR ADDRESS BY CHAIRMAN OF THE BOARD, COUNCILMEMBER OLIVER BAINES – Mr. Baines said this is one of the more challenging boards of the many that he serves on, and it is also may be some of the most important work he has ever done outside of his role as City Councilmember for the City of Fresno. Being a public health advocate is a new role for him, but because of his service on the Board it is very important to him. He also thanked his colleagues on the Board for allowing him to serve as Chairman once again this year, saying this was a fantastic Board and he was honored to serve them all.

He said 2016 was a critical year in the District's journey towards clean air, as we continued our progress while identifying and beginning to address a number of important issues that have long-term impact on the Valley's future. Once again last year, we fulfilled or exceeded all state and federal mandates in a timely fashion with ingenuity and creativity we were able to minimize the costs to Valley businesses while meeting or exceeding the emission reductions goals necessary for improving public health for Valley residents. The District's effectiveness and efficiency was well documented by the State Auditor, reaffirming the long held position that the District, despite having very low fees, maintains an active and effective air pollution control program. He said much of that credit goes to District staff and the fantastic work they do to ensure that happens. EPA declared the Valley now meets the long-sought 1-Hour Ozone Standard, becoming the first region in the nation to meet a standard after having been classified as extreme non-attainment. With that, the Valley has now reached attainment of the federal health-based Standards for Carbon Monoxide, PM10 and 1-Hour Ozone, a great achievement that all Valley businesses and residents should and can be proud of.

Looking back, he said it is extremely gratifying to see that the work of the Board and staff has resulted in meaningful improvements in the quality of life for Valley

residents throughout the eight county region that they serve. For the first time in recorded history, in 2016, the Valley experienced zero violations of the 1997 Daily PM2.5 Standard anywhere in the Valley. Last year, the Valley had the highest number of days with good air quality and the lowest number of days with unhealthy air quality throughout the Valley. In fact, he said 2016 was the cleanest year on record in history for PM2.5, and that was despite a large number of wildfires.

He reiterated that the District's top priority is protecting public health by reducing air pollution. On that front, he said the District continues with implementation and enforcement of its strong regulatory measures. The District also brought significant financial resources to the Valley and implemented a number of effective, voluntary incentive-based measures. In 2016, the District provided more than \$91 million in grants to Valley residents and businesses for over 28,000 projects, which will reduce Valley emissions by over 6 thousand tons. He said he is especially proud of the District's work to directly assist Valley residents, such as the Burn Cleaner program where to date they have replaced almost 12,000 wood burning devices, and the Tune In Tune Up program which has repaired or replaced nearly 20,000 vehicles.

He congratulated the Board and staff for not only going full speed with design and implementation of all reasonable measures to reduce air pollution, but also taking a critical look at the overarching federal mandates, then developing solutions and pursuing strategies to bring about common sense changes. He said that with several decades worth of experience implementing mandates under the Clean Air Act, the District had to take a leadership role in educating Congress and other states with respect to well-intentioned provisions in the Act that are leading to unintended consequences. Last year, the District's efforts were partially successful in educating the legislative body and beginning a meaningful dialogue at the national level. He said the District also petitioned the federal government to do its fair share by adopting national standards on mobile sources that make up over 85% of the Valley's ozone and PM2.5 causing pollutants. Given the enormous complexity of the laws, and the divisiveness that dominates the political landscape, effecting meaningful change requires much more work moving ahead. He said he believes it is the right fight and the Board and staff have to do everything they can in the interest of public health and air quality. If it means fighting the federal government to have them participate in this process, it should be done.

In the coming year, he said the Board and staff would work diligently to build bipartisan support for reasonable changes that guard Valley residents and businesses from unfair sanctions resulting from inaction by the federal government. He said the District would leave no stone unturned to do its part and the biggest legislative action facing the District in the coming year being the adoption of an integrated plan to address multiple PM2.5 standards that will come before the Board in August. He said many of these standards will be extremely challenging for the District and the Board must marshal support from the state and federal government and seek continued investment and sacrifices

from Valley businesses and residents. Lastly, he sincerely thanked his colleagues on the Board for their leadership and commitment to good government. He said he is also very grateful to District staff for their dedication, commitment and creativity. He said he is proud to say that when it comes to providing excellent customer service and efficiency, this agency serves as a role model for all others. He said he looks forward to working with his colleagues on the Board as they continue their important work and thanked them again for electing him as Chair for 2017.

5. 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, DECEMBER 15, 2016
17. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2017
18. RECEIVE AND FILE OPERATION STATISTICS SUMMARIES FOR DECEMBER 2016
19. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF DECEMBER 31, 2016
20. NO-COST AMENDMENT TO AGREEMENT WITH AIR RESOURCES BOARD FOR DISTRICT ENFORCEMENT OF STATE REFRIGERANT MANAGEMENT PROGRAM REGULATION

Public Comment: None

Moved: Mendes
Seconded: Wheeler
Ayes: Ayers, Capitman, Couch, Mendes, Olsen, Pareira,
Pedersen, Sherriffs, Wheeler, Worthley, Baines
Nays: None

Motion unanimously carried to approve Consent Calendar Items 16 – 20

6. PUBLIC COMMENT – None
7. S.T.A.R. RECOGNITION (Service, Teamwork, Attitude, Respect) – Chenecua Dixon, Director of Personnel, formally recognized District employees who reached a service milestone during the second quarter of 2016.

Five Years of Service

Joshua Fine, Air Quality Instrument Technician

Ten Years of Service

Peter Biscay, Air Quality Specialist
Renee Chavez, Supervising Air Quality Inspector
Leonard Contreras, Maintenance Worker
Nannette Diaz, Senior Office Assistant
Erin Green, Personnel Technician
Claire Gottschalk, Air Quality Inspector
Guadalupe Jauregui, Supervising Air Quality Inspector
Jonathan Klassen, Program Manager
Wai-Man So, Air Quality Engineer

Fifteen Years of Service

Brant Botill, Senior Air Quality Specialist
Timothy Bush, Air Quality Engineer
Aleksandr Krivobok, Network Systems Analyst
Iona Safavardi, Air Quality Inspector
Manuel Salinas, Air Quality Engineer

Twenty Years of Service

Dorothy Forbes, Air Quality Assistant

8. ACCEPT AND APPROPRIATE \$4,954,500 IN ADDITIONAL REVENUE FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO FUND THE REPLACEMENT OF HEAVY-DUTY TRUCKS AND WOOD BURNING DEVICES – Mr. Sadredin said it is important to point out that this funding was brought to the Valley as a direct result of the District’s advocacy efforts in Washington over the past several years. A few years ago when Congress did away with earmarks, staff felt there were projects in the Valley that deserved targeted funding and advocated for Targeted Air Shed funding to be appropriated by Congress. This year in Region IX, he said a total of \$10 million in funding was available and the District submitted six grant proposals to the United States Environmental Protection Agency (EPA). The six applications proposed to do the following: replace agricultural tractors that have uncontrolled Tier 1 or Tier 2 engines with new agricultural tractors that have Tier 3 or cleaner engines; replace on-road heavy duty class 5 to 8 trucks that have 2006 or older engines with trucks that have 2015 or newer engines; repair high polluting passenger vehicles using the District’s award winning Tune In Tune Up Program; replace a switcher locomotive at the Port of Stockton, replace a short-line locomotive that operates in and around the city of Stockton and change out open-hearth fireplaces or old wood burning devices with new cleaner gas or wood-burning devices using the District’s highly successful Burn Cleaner Program.

He reported on November 17, 2016, EPA informed the District that the Heavy-Duty Truck Replacement proposal and the Wood Burning Device Change Out proposal for the Targeted Air Shed Grant Program were each selected for funding in the amount of \$2,477,450 for a total award of \$4,954,500. He said these awards represent fifty percent of the total that was available in EPA Region IX. He said if approved today, staff would use the existing District incentive program guidelines to administer the two Targeted Air Shed grants.

Supervisor Wheeler asked about the total number of wood burning devices replaced by the District's program so far. Mr. Sadredin responded the District has replaced approximately 12,000 devices. Dr. Capitman congratulated Mr. Sadredin and staff for attracting these funds through an effective multi-year process. He asked if there would be tracking of the distribution of funds for the Burn Cleaner program. Mr. Sadredin responded affirmatively saying this information is routinely presented to the Board and public for all funding sources. Supervisor Worthley congratulated Mr. Sadredin and staff for their efforts toward lobbying for these funds and successfully completing the comprehensive application process.

Public Comment: None

Moved: Worthley
Seconded: Sherriffs
Ayes: Ayers, Capitman, Couch, Mendes, Olsen, Pareira,
Pedersen, Sherriffs, Wheeler, Worthley, Baines
Nays: None

Motion unanimously carried to accept and appropriate \$4,954,500 in additional revenue from the United States Environmental Protection Agency to fund the replacement of heavy-duty trucks and wood burning devices

9. CONSIDER AMENDMENTS TO DISTRICT'S AGRICULTURAL TRACTOR REPLACEMENT INCENTIVE PROGRAM – Todd DeYoung, Program Manager presented this item, explaining how this program along with the District's other incentive programs fit into the District's attainment strategy. He asked the Board to approve the following amendments to the District's Agricultural Tractor Replacement Program to reflect increased equipment costs and ensure a continued high level of program participation:
- a. Increase incentive levels for agricultural tractors to reach between 50% to 60% incentive funding level in all funding categories, with funding cap of 60% to ensure program cost-effectiveness.
 - b. Split the current 25-109 engine horsepower category into two new categories to better reflect engine costs within this broad horsepower range. New engine horsepower categories will be as follows:

- i. 25-74 horsepower
 - ii. 75-109 horsepower
- c. Create new incentive levels for specialty agricultural equipment to reflect actual equipment costs and provide meaningful, cost-effective incentives for the purchase of this equipment.

Supervisor Worthley asked about minimum horsepower to qualify for the program. Mr. DeYoung responded the minimum used to be 50 horsepower but it has now broadened to 25 to include the smaller equipment. Supervisor Pedersen asked if the District allocated a percentage of the funding to certain types of equipment. Mr. DeYoung said funding is typically available on a first come, first serve basis and said there is plenty of funds still available. Supervisor Mendes congratulated staff for doing a great job and modernizing the program where needed. He said he has never heard of anyone being turned down for funding, noting the District has a great relationship with major equipment dealers in the Valley.

Dr. Sherriffs thanked staff for implementing a very successful and model program that not only helps reduce emissions but also engages the agricultural community. He asked how far current funding goes to meet the 150 applications in the queue, does the District do anything to support smaller farming operations versus large operations, and if there were any way to target that increased incentive to higher use equipment to enhance the efficiencies of the program. Mr. DeYoung said staff believes the remaining funds are sufficient to meet the current demands of the program, and the budgeting process will determine how much money goes into this program next year. Another District program, the innovative Ag Tractor Trade Up program, is targeted at the smaller farmers who may not be able to afford to purchase a new tractor, but may be eligible to trade up their equipment for newer, cleaner burning models. He said the District's program is based on cost-effectiveness, and there is a recognition of higher-use tractors in the cost calculations.

Supervisor Wheeler complimented staff on their fine-tuning of this program and asked if the proposed incentive levels were adequate. Mr. DeYoung responded that staff conducted an extensive study on types of equipment and incentive levels and found that the proposed incentive levels will get them right around 50-60%, which is the optimal level for the program. Supervisor Olsen asked if the program was reviewed regularly to determine if 50-60% is an appropriate funding level and when would be the next opportunity for staff to revisit this item with the Board if necessary. Mr. Sadredin assured Supervisor Olsen that it has always been the policy of the Board to continuously look for opportunities for enhancement, improvement and redirection when necessary. He said this program would be evaluated again in August as part of the integrated plan for PM2.5 standards where staff will be looking at a whole host of measure to reduce air pollution from various source categories and find out whether it is necessary to go even further beyond the current incentive level given the emission reductions needed. He also voiced hope that ARB would create an incentive

from a regulatory perspective for farmers to participate in this program, encouraging them to take advantage of this program. He said initially the state's plans were to get 5-10 tons of reductions through a planned regulatory measure. These reductions were achieved without a regulation due to the success of the District's incentive program.

Supervisor Olsen commented that everyone wins if regulatory mandates can be avoided through incentives. She said in some respects it is great news that the District has never had to turn down an application, however she suggested there might be a need to do more to get the word out, raise the incentive further, or determine if the state is releasing more funding than is necessary. Mr. Sadredin responded that the Board's action today would increase the incentive funding levels, which hopefully would partially address that issue. Moving forward, he said staff would have to look at incentive levels and the outreach necessary to engage farmers. He mentioned the District is currently working with farm bureaus across the Valley, not only to educate them on Conservation Management Practices (CMPs) but also to make them aware of the District's incentive programs. He asked Board members to help make their constituents aware of the District's programs and said staff distributes highlights from each Governing Board meeting to cities and counties across the Valley after each meeting, which would help get the word out.

Supervisor Pereira asked if a grant recipient would be allowed to replace an engine and not the entire piece of specialty equipment. Mr. DeYoung responded this program is designed to replace an entire piece of equipment, saying unfortunately with the emission control technologies of tier 4 equipment it is mostly cost prohibitive to simply replace an engine. Supervisor Wheeler commented that it might be helpful to assess the percentage of tractors in the Valley that have been replaced by this program. Mr. Sadredin responded that staff would do their best to get an estimate of these numbers. Dr. Capitman commented that questions remain whether this program is big enough, do we need much higher incentives, or if some regulatory action on the part of the state is needed. He said he supports the idea of increasing incentive funds and he would like to see more attention paid to these other factors. He also said he supports a small exploration study on further action needed. Mr. Sadredin responded affirmatively, saying the District quantifies emissions inventories for each source category on a regular basis. Based on those theoretical estimates, he said he would guess that 50% of available tractors have been replaced and said the threat of regulations is a good incentive to participate in this program. Dr. Capitman made a motion to accept staff's recommendation.

Councilmember Baines asked if there was a way to capture the additional information requested in today's motion. Mr. Sadredin suggested the Board could direct staff to present information at a future meeting on the estimated number of tractors and how many have been replaced by the District's programs to date. Mr. Sadredin affirmed this item would be addressed in the integrated plan.

Supervisor Pedersen commented that timing is everything for a farmer noting the higher likelihood of participation toward the end of the year and said that it is important to ensure the program is as useful and streamlined as possible. Mr. DeYoung responded staff have extensive experience working with those types of scenarios and have great communication with applicants and equipment dealers, and noted the quick turnaround time for program applications. Supervisor Worthley commented that it would be very difficult to get a precise inventory of how many tractors exist, as they are not registered vehicles. He said this item is an adjustment to keep the program in balance. Mr. Sadredin responded that is why he suggested looking at this program as part of the PM planning process, saying staff would take all of these items into account during this process.

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

- Dennis Tristao, Kings County Farm Bureau
- Ted Strauss, USDA-NRCS
- Kevin Hamilton, CCAC
- Manuel Cunha, Nisei Farmers League
- Dolores Weller, CVAQ

Moved: Capitman

Seconded: Worthley

Ayes: Ayers, Capitman, Couch, Mendes, Olsen, Pareira, Pedersen, Sherriffs, Wheeler, Worthley, Baines

Nays: None

Motion unanimously carried to approve amendments to District's Agricultural Tractor Replacement Incentive Program.

10. APPROVE THE DISTRICT'S 2017 LEGISLATIVE PLATFORM – Mr. Sadredin said each year the Board adopts a legislative platform that guides the District's advocacy in Sacramento and Washington, DC with respect to the Board's priorities. Given that the Board meets once per month, sometimes legislative deadlines and issues come up that staff must be able to respond to and this Platform serves as a guide for staff and legislative advocates to take positions on various pieces of legislation. He noted staff does not take position on matters not covered under the Legislative Platform without direction from the Board. He introduced the District's Lobbyists – Paul Yoder who represents the District in Sacramento, and Andrew Lund, who represents the District in Washington, D.C. who gave an overview of the current legislative climate in both the state and federal capitol.

Tom Jordan, Senior Policy Advisor, gave an overview of the District's Legislative Platform, including the proposed approach to federal mandates, that will guide the District's legislative advocacy efforts.

RECOMMENDED LEGISLATIVE PRIORITIES:

- 1. (Federal) Fair Application of Clean Air Mandates:** The District has left no stone unturned in promulgating and implementing measures to reduce emissions from sources of air pollution under its regulatory authority. The District has also deployed innovative measures to reduce emissions from mobile and indirect sources of air pollution that fall outside its traditional regulatory authority with stationary sources. We have reached a point where the Valley cannot attain the health-based standards established under the Federal Clean Air Act without significant reductions in emissions from mobile sources that fall under federal jurisdiction. With the newly established federal standards many other regions throughout the nation will find themselves in a similar situation.

It is unfair that under the current law, local jurisdictions will be subject to devastating federal sanctions even though failure to attain the standards is due to emissions from sources under federal jurisdiction. These federal sanctions include:

- De facto ban on new and expanding businesses (2:1 offset requirement)
- Loss of federal highway funds (\$2.5 billion and numerous jobs lost in the San Joaquin Valley)
- Federal takeover and loss of local control
- Expensive federal nonattainment penalties

Therefore, the District asks that an overriding provision be included in federal law to prohibit imposition of federal sanctions on local regions where their inability to attain federal standards is due to pollution from sources outside their regulatory authority. This fairness doctrine may be incorporated into federal law through various means without amending the Federal Clean Air Act.

- 2. (Federal) National standards for on-road heavy-duty trucks and locomotives under federal jurisdiction:** Despite achieving significant emissions reductions through decades of implementing the most stringent stationary and mobile regulatory control program in the nation, nitrogen oxide (NO_x) emissions, the primary precursor for both ozone and fine particulates (PM_{2.5}) in the San Joaquin Valley, must be reduced by an additional 90% in order to attain the latest federal ozone and PM_{2.5} standards that now encroach on natural background levels. The District has jurisdiction over stationary and area sources, which make up less than 15% of the total NO_x emissions inventory. With over 85% of the Valley's remaining ozone and PM_{2.5} precursor emissions now coming from mobile sources under federal jurisdiction, the Valley cannot reach attainment even if all stationary sources were to be shut down.
- 3. (Federal/State) Air Quality Funding:** Increase existing and provide new funding sources for clean air programs that protect public health and ensure attainment of air quality standards. The State Implementation Plans for meeting new federal standards will contain significant reductions from regulatory measures on stationary and mobile sources. However, the needed reductions cannot be obtained expeditiously, prior to the federal attainment deadlines, with

regulations alone. To close this gap, the District needs significant additional funding to reduce air pollution through incentive-based measures. Such incentive-based measures will also be needed for source categories where additional EPA regulations are not obtainable and expeditious reduction in emissions can only be achieved through incentives.

4. **(Federal) Exceptional Events:** Under current EPA policy the extreme drought conditions experienced in 2013/14 in the San Joaquin Valley and other regions in California are not eligible to be declared “exceptional events” since stagnation and lack of precipitation are not considered eligible events. Although the policy can be modified through administrative means working with EPA, greater clarity may be necessary through legislative changes. Furthermore, additional legislation might be helpful by requiring exceptional event demonstrations to be based upon established criteria and evidence, allowing for judicial appeals of EPA decisions, and instituting timelines to provide regulatory certainty for the states.
5. **(State) Cap and Trade Revenues:** The cap and trade program implemented by ARB sets up a mechanism by which affected sources can procure allowances or offsets to meet specified and declining caps on their greenhouse gas emissions. In other words, affected sources will be allowed to invest in reductions in other areas as mitigation for their local emissions. This scenario can potentially lead to adverse impacts in areas that are already disproportionately impacted by criteria pollutant emissions. The state allocates these funds to programs across a number of state agencies. The following overarching policies should be applied as the state considers funding projects and programs from the Greenhouse Gas Reduction Fund:

Projects funded with Cap and Trade revenues should achieve greenhouse gas reductions, with priority given to projects that achieve reductions in criteria pollutants as well.

- A. A portion of Cap and Trade revenues should be directed to projects in areas that are already disproportionately impacted by air pollution.
 - B. Policies should be put in place to ensure that programs funded with Cap and Trade revenues meet or exceed the provisions of SB 535 that require a minimum of 25% of the Cap and Trade revenue be spent to benefit disadvantaged communities and that 10% of the revenue be spent in those communities. In determining what communities are disadvantaged, the state is required to prioritize communities that face significant environmental challenges as well as economic challenges.
6. **(State/Federal) Oppose Climate Change Measures that Result in Public Health Detriment Due to Increases in Criteria or Toxic Air Emissions:** Although climate change measures provide for many co-benefits in reducing both greenhouse gasses and criteria pollutant emissions, there are some measures that may lead to increases in criteria pollutant or toxic emissions.

Therefore the District will support reasonable climate protection measures that reduce greenhouse gas emissions as well as toxic and criteria pollutants. The District will oppose climate change measures that are detrimental to public health by leading to increases in toxic or criteria pollutant emissions in already impacted areas.

- 7. (State) Support Legislation Extending District's Existing Authority for DMV Fees to Match Applicable Federally Mandated Attainment Deadlines:** The District's current authority relating to DMV fees under California Health and Safety Code Sections 40610 through 40613 sunsets in 2024. The current sunset date was set to correspond to the District's attainment date for the latest ozone standard at the time the enabling legislation was enacted (1997). Since then EPA has adopted more restrictive standards with attainment dates ranging from 2031 through 2037. The Valley cannot reach attainment with regulatory measures alone and incentive-based measures are necessary to ensure expeditious reductions in emissions cost-effectively while investing in the local economy. Therefore, the District supports legislation extending the District's authority to match attainment deadlines for federally mandated health standards for which incentive funding is necessary.
- 8. (State/Federal) Disadvantaged Community Policies:** The San Joaquin Valley is home to a number of disadvantaged communities that deserve care and attention. The District will adhere to the following principles in pursuing efforts to identify and address the needs of these communities:
 - A.** The District will support measures that improve quality of life and economic welfare. In identifying communities of need, both socioeconomic and environmental impacts should be considered. The District supports CalEPA's California Communities Environmental Health Screening tool (CalEnviroScreen) as the appropriate tool for identifying disadvantaged communities.
 - B.** The District considers poverty as a key factor contributing to diminished public health and will oppose efforts that lead to "redlining" these communities and inhibit economic growth.
 - C.** The District will support efforts to target additional state and federal resources to mitigate issues faced in disadvantaged communities.
 - D.** 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. Reduced local control will weaken local enforcement programs. Local agencies are better suited to efficiently and effectively identify and address community needs.
- 9. (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: The District operates one of the most extensive air monitoring networks in the nation. Data from these monitors is utilized to measure progress and assess the need for further reductions needed to attain ambient air quality standards established by EPA. Moreover, the District is also committed to providing accurate and timely air quality information to educate and empower the public to protect themselves during poor air quality episodes. This is accomplished utilizing the air monitoring data through the District's first-in-the-nation Real-Time Air Advisory Network (RAAN).

Installation, operation and maintenance of the Districts air monitoring network is resource intensive. The District's annual operating appropriation for air monitoring is approximately \$2.9 million. The increase in federal mandates relating to air monitoring (more monitors and more labor intensive QA/QC and reporting procedures for existing monitors) combined with the need for more monitoring capabilities to satisfy the District's initiative to provide neighborhood by neighborhood air quality information require additional resources.

- 10. (State/Federal) Support efforts that provide for cost-effective alternatives to open burning of agricultural waste:** In 2003, state law was amended to require the District to the limit open burning of agricultural material in accordance with a phased-in schedule of deadlines. In addition to those requirements, the state law authorizes the District to postpone the burn prohibition dates for specific types of agricultural material if the District makes three specific determinations and the Air Resources Board (ARB) concurs. The determinations are: (1) there are no economically feasible alternatives to open-burning of the specific type of material; (2) open-burning the specific type of material will not cause or substantially contribute to a violation of a National Ambient Air Quality Standard (NAAQS); and (3) there is no long-term federal or state funding commitment for the continued operation of biomass facilities in the Valley or the development of alternatives to burning. Working closely with the stakeholders over the years to identify economically feasible alternatives to open burning of various agricultural materials, the District has achieved an 80% reduction in agricultural burning.

Given current energy policy in California, biomass power facilities, which are one of the primary alternatives to agricultural burning, are in jeopardy. Many biomass plants in the Valley are nearing the end of their long-term contracts with utilities and find themselves in a position where the power that they provide is not the type of power that utilities are seeking (baseload vs. intermittent) and that the prices being offered for new contracts are too low to support their operations.

The District will support efforts to help level the playing field and provide fair competition between biomass plants and other renewable sources of power. The District will also support research and development of alternatives to the open burning of agricultural waste.

11. (State/Federal) Technology Advancement: The San Joaquin Valley Air Basin is classified as an “Extreme” non-attainment area for ozone. This means that that technology does not currently exist to bring the region into attainment of the federal ozone standard. Meeting the newest air quality standards will require transformative measures and technologies to achieve near zero emissions. In order to further develop technology to close the gap in required emissions reductions, the District operates a Technology Advancement Program. Along with its own resources, the District is seeking state and federal assistance to advance technology in the following areas:

- A. Mobile sources projects that demonstrate zero- or near-zero-emissions solutions to mobile source categories with emphasis on goods and people movement, off-road equipment, or agricultural equipment.
- B. Renewable energy projects that focus on overcoming the barriers that prevent the use or adoption of zero-emission renewable energy sources or reduce emissions from renewable energy systems to make them cleaner than comparable non-renewable alternatives.
- C. Waste solutions projects that focus on waste systems or technologies that minimize or eliminate emissions from existing waste management systems and processes, including waste-to-fuel systems, such as dairy digesters and other bio-fuel applications.

12. (State/Federal) Support adequate resources and policies to reduce the impact of wildfires and their attendant public health impact: Wildfires result in significant loss of life and property. Air pollution generated from wildfires is enormous and well exceeds the total industrial and mobile source emissions in the San Joaquin Valley. These emissions result in significant adverse public health impacts in the San Joaquin Valley and in many regions throughout California. In the summer of 2008, California experienced a record number of wildfires, and the resulting emissions caused serious public health impacts and unprecedented levels of PM2.5 and ozone in the San Joaquin Valley and other regions throughout the state. Historically clean rural areas throughout the state and in the San Joaquin Valley experienced their worst air quality in decades, and pollutant levels and the number of daily exceedances of the health-based standards were significantly higher than ever before in recorded history. California experienced record setting drought conditions during the past four years. Due to these conditions, there is a tremendous amount of dead trees and materials that dramatically increase the risk of catastrophic wildfire.

Given the devastating public health impact that the Valley suffers from wildfires, support measures that can help reduce the intensity and frequency of wildfires including those that promote effective and expanded use of prescribed burns and mechanical treatment to reduce fuel build-up, including the following:

- A.** Additional financial and staffing resources for public and private land managers to conduct prescribed burning as an effective means for reducing fuel supplies that lead to large and uncontrollable wildfires.
- B.** When wildfires occur, fighting wildfires should be funded as other natural disasters are funded. Funding should not be diverted from forest management and fuel reduction activities to fight wildfires.
- C.** Lessening or removal of contradictory environmental protection policies that prohibit the use of mechanized methods, or prescribed burning to reduce fuels when those are the only feasible methods available.
- D.** Changes in the federal policies that better incorporate air quality concerns by shifting focus to prescribed burning and employing fire management techniques that reduce air quality impact when wildfires occur.

Supervisor Worthley asked if the graph that showed reductions over time was based on the current plans. Mr. Sadredin responded the future projection depicts reductions that will be achieved based on measures already adopted. He noted some rules have not yet been fully implemented yet. Supervisor Worthley said seeing how far the District has come in terms of air quality improvement is a great story. Mr. Sadredin commented that it requires further emphasis that what is projected for needed NOx reductions is the reductions needed after significant reductions in directly-emitted PM2.5 have already been taken into account. Supervisor Worthley said he appreciated the very thoughtful and achievable Legislative Platform for 2017. With regards to wildfires, he suggested adding the word magnitude in addition to intensity and frequency. In addition, with regards to exceptional events, he said what really triggers the Valley's air quality problems are inversion layers and high temperatures and suggested being more strategic by noting those issues that are not tied directly to a drought. Mr. Sadredin responded affirmatively and said this document lays out the premise of the District's position, but said in the past when staff has suggested specific language for legislation approved by the Board included the words "extraordinary stagnation" and "extraordinary lack of participation".

Supervisor Mendes concurred with Supervisor Worthley's comments, saying this is a great legislative strategy and the District needs to stay its course. Mr. Sadredin reiterated the purpose of this item to lay out the District's priorities for the San Joaquin Valley and state that the Board is committed to do everything within its means for sources that it regulates moving forward. Supervisor Mendes added that the District must have very flexible options. Councilmember Baines thanked Supervisor Mendes for his comments.

Supervisor Olsen thanked staff for the informative presentations, saying she felt it important and appreciated including forest management in the District's priorities. She asked about on-road heavy duty trucks and said the presentation seemed like those vehicles would be available for purchase and whether the District was

pursuing a new mandate for heavy-duty trucks. Mr. Sadredin responded that the District is petitioning the federal government for a national point-of-sale standard for new trucks and engines. He said it is not a standard that would require existing owners to purchase a new truck. She asked for clarification on the District's position on climate change. He said there are many climate change measures that not only reduce greenhouse gases but also reduce criteria pollutants and toxics in the Valley. He clarified the District has supported climate changes measures that also helped with needed emission reductions in the Valley, in addition to being cost-effective and feasible. He said there are some measures that are detrimental to public health such as burning off methane, which the District would oppose. He noted that in using this strategy the District has been very successful in bringing Cap and Trade funding to the Valley to improve air quality. Supervisor Olsen said she supports the Valley delegation's efforts to direct Cap and Trade revenues to programs in the Valley, but voiced concerns about allowing staff to support climate change policies in a broad statement by adopting this platform. Mr. Sadredin responded staff could provide additional clarification in the priorities if necessary. Specifically, Mr. Sadredin said staff could add verbiage to item number 6 **(State/Federal) Oppose Climate Change Measures that Result in Public Health Detriment Due to Increases in Criteria or Toxic Air Emissions** to further clarify the climate change mandates the District may support. Supervisor Olsen responded that based on Mr. Yoder's experience and the District's previous positions on such issues, she was comfortable with the item as written at this point.

Dr. Capitman said the language on item 8, **(State/Federal) Disadvantaged Community Policies**, subpoint b was unclear. He said the Valley has been the source of some of the best data that suggests multiple factors at the neighborhood level lead to diminished health outcomes, including segregation, development patterns, low educational levels, and a number of factors separate from poverty. In addition, he said "redlining" refers to a hopefully ancient practice at this point of identifying communities of color or concentrated levels of immigrants and denying bank investments in those communities. He said he has acknowledged all along that economic well-being contributes to public health and said he was very confused about these statements. Dr. Capitman said there has been a historic pattern of local decision making that ignores communities of color and said while in general, local control is always the best approach there are clearly instances where the exact intention of state and federal law is to undo negative impacts of areas that have been ignored by local policy. He clarified he is okay with item 8, sub parts a and c but had real concerns about subparts b and d. Mr. Sadredin responded that none of these subparts should be taken in isolation. He said there are other factors that deal with poverty and the District should support those things that help those communities. For example, he said subpart b deals with specific factors that the Board has expressed as a key concern in those communities, noting if residents do not have the means to take care of their family then their health suffers. He said the District simply does not want these communities to be "redlined" for economic growth without more strategic decision-making. With regard to subpart d, Mr. Sadredin said there have been instances where the state has taken locally generated funds and

transmitted them to the state so the state can decide what to do with them. He said there is nothing in the platform that says the District would be opposed to the state bringing in assistance to those communities. Dr. Capitman said while he understands the explanation, the language of “redlining” just seemed inappropriate to him. He said his interpretation of the intent of this item is we would hope that there is specific attention to directing positive health promoting economic growth to communities that have been the most impacted by environmental issues. Mr. Sadredin responded that the Board could wordsmith this item if it chooses.

Supervisor Worthley clarified that most problems experienced by communities were not created by local government but were inherited due to a lack of local plans, etc. He said the goal is to encourage economic investment in these communities and said he would like the language to remain intact for that item.

Regarding the proposed approach relating to federal mandates, Dr. Capitman said for option 1, there needs to be some clear discussion of process and who makes the declaration and how it is made along with criteria and mechanisms necessary to bait the decisions. He said he cannot be a party to option 3 and join in on the development of the more dramatic language. With respect to option 3, Mr. Sadredin said at the end of the day, the District does not have control over what happens in Washington, DC, but tries to be abundantly clear and open about the process. He said if options 1 and 2 fail, it is his understanding that the Board’s direction, is to use whatever means are available to avoid the sanctions. Regarding option 1, Dr. Capitman asked for clarification of his belief that the declaration of non-attainment and subsequent 5% plan does protect the Valley from future sanctions. Mr. Sadredin responded with respect to the 5% plan, at this juncture, the Valley probably can achieve the needed reductions and is on track to attain the 1997 standard. Looking ahead, he said given the many deadlines for newer standards and 2019 as the attainment deadline for the 2006 24-Hour Standard, the District has essentially missed attainment. He said if the District is unable to write a plan that will show attainment by 2019, or other applicable attainment deadlines, then sanctions would kick in.

Dr. Sherriffs asked if the \$2.5 billion in federal transportation funding was an annual amount. Mr. Sadredin responded affirmatively, saying that the funding cycle for all 8 counties could total up to \$50 billion. He asked if the DMV fees should be tied to emissions of each vehicle, so higher emitting vehicles would be charged a higher fee versus lower emitting vehicles and clarified he is not advocating for electric vehicle owners to get away with paying nothing. Mr. Sadredin responded according to the law, if the Board had the state-granted authority they could make that decision. He said it is important to keep in mind there is directly emitted PM2.5 from electric vehicles as well. Dr. Sherriffs said it was important to consider the exceptional events, noting modeling shows that temperatures will continue to rise and increase the accompanying air quality challenges. Regarding the California waiver and thinking it should be included in the Legislative Platform, he said EPA was non-committal about the waiver which

has been critical in terms of the Valley achieving more healthy air and pushing federal standards. He said the Board needs to be clearly on record, as strongly in favor of continuing California's ability to have the waiver. Mr. Sadredin responded that the waiver authority is built into the Clean Air Act and said EPA on its own cannot take the process away but can only decide if it would grant one or not. He said generally it would be important for the Board to take a strong position in support of those waivers, but it was not a good idea to do so blindly without knowing what the state is proposing and without ensuring that the state proposal delivers the needed emission reductions for the Valley on a timely basis. Dr. Sherriffs responded that historically it has been an important tool, noting the District would not have made the progress it has without this waiver. Supervisor Mendes made a motion to accept the District's 2017 Legislative Platform as written with the inclusion of Supervisor Worthley's suggestion to include the word "magnitude" with respect to wildfires.

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

- Genevieve Gale, Coalition for Clean Air
- Colby Morrow, Southern California Gas Company

Councilmember Baines said he lives in an impoverished neighborhood and represents constituents who live in poverty. He said he sees no issue with the statements in the District's proposed Legislative Platform, with respect to item 8, as poverty is a key factor. He believes people live in environmental justice communities because they cannot afford to live elsewhere. He said undesirable industries are sited in poor communities and not affluent ones and in his estimation poverty is a part of this issue. He said low-income communities, such as his, want the right type of economic development. He agreed with Dr. Capitman on the importance of raising the complexity of the issue and said he believes the District is trying to take a position to not support actions to further hurt these disadvantaged communities and said he supports the District's 2017 Legislative Platform as written, as poverty is listed as a key factor and not the only factor.

Supervisor Worthley left at 11:42 a.m.

Moved: Mendes
Seconded: Wheeler
Ayes: Ayers, Couch, Mendes, Olsen, Pareira,
Pedersen, Wheeler, Worthley, Baines
Nays: Capitman, Sherriffs

Motion carried 10-2 to adopt the District's 2017 Legislative Platform with the inclusion of the word "magnitude" with respect to wildfires.

10. APPROVE INTERIM CONTRACT WITH THE CENTRAL CALIFORNIA ASTHMA COLLABORATIVE TO EXECUTE THE HEALTHY AIR LIVING SCHOOLS PROGRAM, AND DIRECT STAFF TO CONDUCT PROGRAM ASSESSMENT AND RETURN WITH RECOMMENDATIONS FOR POTENTIAL ENHANCEMENTS – Jaime Holt, Chief Communications Officer, presented this item which asked the Board, in lieu of a full year contract, to approve and authorize the Chair to sign an agreement with the Central California Asthma Collaborative (CCAC) for a contract covering only the remainder of the 2016-17 school year to work with schools to promote the Healthy Air Living Schools program, the District’s Real-Time Air Advisory Network (RAAN), the school-based No-Idling/Alternative Transportation Campaign and the school-based Clean Air Champions program. She said the Executive Director/APCO would return to the Board in May to present a full program assessment including recommendations for potential changes to the program design and implementation aimed at enhancing program effectiveness and better alignment with District goals and objectives.

Public Comments: None

Moved: Mendes
Seconded: Sherriffs
Ayes: Ayers, Capitman, Couch, Mendes, Olsen, Pareira,
Pedersen, Sherriffs, Wheeler, Baines
Nays: None

Motion unanimously carried to approve interim contract with the Central California Asthma Collaborative to execute the Healthy Air Living Schools program, and direct staff to conduct program assessment and return with recommendations for potential enhancements

11. APPOINT AD HOC BUDGET SUBCOMMITTEE – Mr. Sadredin said it has been a tradition in the past to have newer members serve on this Subcommittee, and asked for members to volunteer to serve on the Ad Hoc Budget Subcommittee to review and provide input on the District’s Proposed 2017-18 Budget at a half day meeting in Mid-March. Mayor Ayers, Supervisor Mendes, Supervisor Wheeler, Councilmember Baines, Dr. Capitman, and Supervisor Olsen volunteered to serve on the Subcommittee.
12. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs reported on highlights for the ARB Board meeting of December 8, 2016, including: the Board heard an overview of the implementation process of the Amended Partial Consent Decree (Consent Decree) between the Air Resources Board, Volkswagen (VW), the United States Environmental Protection Agency, and the United States Department of Justice; the Board heard an update on the school bus population in California and associated funding resources available for school bus cleanup; the Board heard an update on efforts to implement Assembly Bill 1071 by revising the current Supplemental Environmental Projects (SEP) policy and developing new supplemental environmental projects through a

public process to support disadvantaged communities across the State; and lastly, the Board heard an update on ARB staff's progress in developing two documents that will guide future development of Carbon Capture and Sequestration (CCS) activities in California: a CCS quantification methodology to calculate greenhouse gas reductions, and a protocol for determining a project's "Geologic Carbon Storage Permanence".

13. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin reported there are a number of funds available as part of the VW settlement and there is a current pot of money available for award which provides \$200 million to California. He said he was happy to report that the District took the lead and put a proposal together for a \$150 million project, which includes South Coast and Bay Area AQMD to build an EV charging infrastructure from the Bay Area to Southern California. Under this proposal, the District will be the lead administrative agency for the project. He said he is hopeful that VW will approve this project, which when completed would be a major expansion of the charging infrastructure in California. He announced the ARB Board is planning to meet on February 16, 2017 to discuss the District's PM2.5 Plan, which is on the same date as the District's Governing Board meeting and Dr. Sherriffs will be out of town and unable to attend either meeting. He said ARB staff believes this item will be a simple update on the process and no substantive discussions will take place.

Lastly, he said there was a meeting of the Senate Environmental Quality Committee in which Mary Nichols, ARB Chair, made a presentation about air quality issues. He said she was very positive about work done in the Valley towards improving air quality. When pressed on whether California air districts can do more to improve air quality, he said it sounded like she said the Valley hadn't implemented a rule on agricultural burning, residential wood burning and commercial charbroilers. He said he sent an email to Chair Nichols thanking her for the positive remarks she made, but also to clarify that the District has implemented the most stringent agricultural burning rule in the nation along with the toughest fireplace rule, which was copied by many other air districts in the state. He also noted the District has the toughest rule on chain-driven charbroilers and is working on a rule for under-fired charbroilers. He also reminded members of the 2017 Governing Board Study Session, which is scheduled to be held May 4th and 5th at Bass Lake.

14. GOVERNING BOARD MEMBER COMMENTS – Mayor Ayers asked if there would be special training at the Study Session for new Board members. Mr. Sadredin responded that it is good for new and existing Board members to review information, such as the District's Core Values during that meeting. He said staff would return with a proposed agenda for the Study Session at a future meeting.

ADJOURN

The Chair adjourned the meeting at 12:10 p.m.

The next scheduled meeting of the Governing Board is: Thursday, February 16, 2017. 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.